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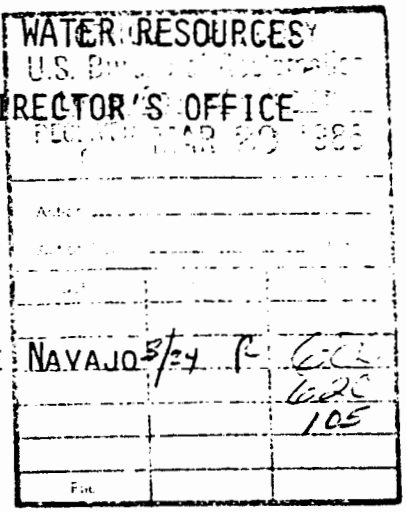
DEPARTMENT OF WATER RESOURCES
DIRECTOR'S OFFICE



MEMORANDUM

TO: PARTICIPANTS INVOLVED IN FORMULATING THE NAVAJO POWER MARKETING PLAN

FROM: LARRY LINSER

DATE: MARCH 19, 1986

SUBJECT: INTERIM NAVAJO POWER MARKETING PLAN

ENCLOSED IS A COPY OF THE INTERIM NAVAJO POWER MARKETING PLAN SIGNED BY THE COMMISSIONER OF RECLAMATION. ATTACHED TO THE PLAN ARE LETTERS OF CONCURRENCE FROM THE GOVERNOR, CAWCD AND DEPARTMENT OF ENERGY.

ALSO ENCLOSED IS AN UP-TO-DATE MAILING LIST OF PARTICIPANTS INVOLVED IN DEVELOPING THE PLAN.

ENCLOSURES

GDI File ~ -4600
Copy to 600, 360, 440, 740, 620 (all w/encl)

INTERIM NAVAJO POWER MARKETING PLAN

March 17, 1986

U.S. DEPARTMENT OF INTERIOR

BUREAU OF RECLAMATION

C. Dale Duvall, Commissioner

INTERIM NAVAJO POWER MARKETING PLAN

I. PURPOSE AND SCOPE

Section 107 of the Hoover Power Plant Act of 1984, Public Law 98-381, requires that a Power Marketing Plan be developed to provide for the sale of the capacity and energy from the Central Arizona Project's share of the Navajo Generating Station that is surplus to the Project needs (Navajo surplus). Specifically, Subsection 107(c) of this Act requires that a Power Marketing Plan be developed to provide for marketing and exchanges of electrical capacity and energy which are in excess of the pumping requirements of the Central Arizona Project (CAP) and any such needs for desalting and protective pumping facilities as may be required under Title I, to Section 101(b)(2)(B) of the Colorado River Basin Salinity Control Act (P.L. 93-320) (Salinity Control Act facilities).

This Interim Navajo Power Marketing Plan will provide for marketing of Navajo surplus during the initial delivery and pump testing period of CAP operations and during the pre-New Waddell period. The long-range Navajo Marketing Plan which is presently under development will provide for the subsequent marketing of Navajo surplus.

A. This Interim Navajo Power Marketing Plan will maintain the obligation for the United States to use its entitlement to the Navajo resources to provide necessary power for the CAP pumping needs and Salinity Control Act facilities use. The Interim Plan will provide financial assistance to assure the timely construction and applicable repayment of CAP

costs reimbursable by CAWCD. This plan is also designed to maximize the amount of capacity and energy available for sale as required by the Colorado River Basin Project Act of 1968. The estimated amounts of Navajo surplus were obtained from data contained in a report by the Bureau of Reclamation entitled "Central Arizona Project Power Marketing and Water Supply Study - October 1985." The attached Exhibit 1, entitled, "Surplus/Shortage Pumping Power Profile - Pre-New Waddell", summarizes the data to show the approximate capacity and energy available, by month, for the interim period.

B. This Interim Navajo Power Marketing Plan is consistent with Section 107(d) of the Hoover Power Plant Act of 1984.

This Interim Navajo Power Marketing Plan provides that Western Area Power Administration (Western), will work closely with the CAWCD and the Bureau of Reclamation on CAP and river operations. Western, working closely with CAWCD, will market the surplus Navajo capacity and energy under conditions similar to the existing layoff contracts, the Conformed General Consolidated Power Marketing Criteria or Regulations for Boulder City Area Projects (Criteria), and in accordance with the Navajo allocation process already in progress as announced in The Federal Register on March 28, 1984, at 49FR11873. Western will manage the marketing and exchange of the Navajo surplus under this Interim Power Marketing Plan. This plan will terminate as provided in the long-range Navajo Power Marketing Plan or on September 30, 1990. Revenues from the sale and exchange of Navajo surplus power and energy derived from added rate component(s) set forth in Article V of this plan will be utilized and assigned to make repayment and establish reserves for repayment of $175,000,000 (or more) of funds advanced by or for CAWCD for construction of authorized features of the CAP. These revenues, together with such revenues under the long-range Navajo Marketing Plan should be sufficient

to make repayment and establish reserves for repayment of the funds advanced by or for CAWCD for the construction of authorized CAP features and to provide financial assistance for repayment of CAP costs reimbursable by CAWCD.

During the Interim Marketing period, optimization of Navajo surplus will be achieved primarily through delivering maximum amounts of water in the daytime from aqueduct storage and then recharging that storage to the maximum extent possible by utilizing off-peak pumping.

II. AUTHORITIES

A. Federal reclamation laws including, but not limited to, the Colorado River Basin Project Act (PL 90-537), and the Hoover Power Plant Act, (PL 98-381).

B. Rules, regulations, and agency agreements of the United States Department of Interior, Bureau of Reclamation, and the United States Department of Energy, Western Area Power Administration, issued or made pursuant to applicable law.

III. QUANTITIES AND CLASSES OF POWER

A. Classes of services have been defined based upon the following principles:

1. Excess capacity and energy is defined as that amount in excess of the pumping requirements of the CAP and any such needs for Salinity Control Act facilities use. Under this Plan, such excess capacity and energy will be offered for sale and for exchange. It is expected that the Salinity Control Act facilities will not create a demand on Navajo surplus during the term of the Interim Plan. Accordingly this Interim Plan assumes that there will be no

Navajo surplus furnished to the Salinity Control Act facilities.

2. A feature of the proposed CAP operation during the interim Navajo marketing period is daily energy management as well as weekly management. Pumping will be done during off-peak hours to the extent possible in order to maximize daily on-peak availability of surplus Navajo capacity and energy. For the purposes of this interim plan, a typical day (Monday through Saturday) consists of 12 hours of "on-peak" time and 12 hours of "off-peak" time. The on-peak summer period is typically from 9:00 a.m. to 9:00 p.m. The on-peak winter day periods are typically from 5:00 a.m. to 10:00 a.m. and from 3:00 p.m. to 10:00 p.m.

3. Western working closely with CAWCD and the Bureau of Reclamation will annually modify Exhibit I to reflect anticipated surplus Navajo generation for the upcoming year considering anticipated Navajo availability and anticipated pumping requirements.

B. Classes

1. Capacity and energy marketed in the interim period shall be offered as contingent Navajo power as has been the case in the present layoff contracts. Any Navajo power reserved for pumping shall also be contingent power. Any call for curtailment of Navajo schedules shall affect pump schedules and surplus power sales proportionally in any given hour.

2. Capacity and energy exchanges will be used during the interim marketing period to the extent possible in order to provide for monthly shortages and to provide for CAP pump testing.

3. Any Navajo surplus that is not marketed or exchanged under 1 or 2 above, will be marketed by Western under short-term arrangements.

IV. CONTRACT TERM

Capacity and energy shall be marketed or exchanged under terms of contracts which will terminate when the long-range plan is implemented.

V. RATESETTING METHODOLOGY

Rates shall be determined by Western Area Power Administration in accordance with the accepted methods contained in existing layoff contracts except that there shall also be additional rate components as follows:

> Additional rate component(s) will be established (in addition to components currently collected) pursuant to provisions of Section 107 of the Hoover Power Plant Act of 1984 (Act). The revenues from the additional rate components will be collected and may be deposited in an escrow account established pursuant to an escrow agreement entered into between the Bureau of Reclamation and CAWCD, to implement Section 107 of the Act. Additional rate components shall not exceed amounts which, when added to the rate component currently collected, allow for appropriate savings to the contractor as required by Section 107(d) of the Act.

A. Market Area and Eligibility

1. Sales will be offered, in the following order of priority, to entities having the status of preference entities under the provisions of Section 9(c) of the Reclamation Project Act of 1939 and as provided in part IV, Section A, of the Criteria.

a. Preference entities within Arizona.

b. Preference entities within the Boulder City Marketing Area.

c. Preference entities in adjacent federal marketing areas.

d. Nonpreference entities in the Boulder City Marketing Area.

B. Contract Provisions

Contract provisions shall comply with Western's Conformed General Consolidated Power Marketing Criteria or Regulations for Boulder City Area Projects (Criteria) published in the Federal Register on December 28, 1984, at 49FR50582.

C. Conditions of Delivery

1. Point of Delivery

Power and energy sold under this Plan shall be delivered to purchasers at any of the following Navajo transmission system switchyards:

Westwing Switchyard

McCullough Switchyard

Any necessary transmission service beyond these points will be the responsibility of the contractor.

2. Voltage

All deliveries shall be at 500 KV except deliveries to Westwing Switchyard shall be at 230 KV.

3. Operation Procedures/Power Accounting

Operations and accounting procedures to be in effect through the interim period shall be those previously employed for layoff contracts, except that Western shall have authority to alter such procedures to effect improved operations.

4. System Losses

As per existing layoff principles.

D. System Reserve Requirements

All power and energy sold under this Plan shall be contingent upon the operation of the Navajo Generating Station. Any curtailment of capacity at the station shall be proportionally deducted from capacity entitlements of each purchaser and the CAP pumps.

VI. CONSULTATION

The Interim Navajo Power Marketing Plan is deemed most acceptable in accordance with Section 107(c) of the Hoover Power Plant Act of 1984 as evidenced by the attached letters of concurrence from the Western Area Power Administration (Secretary of Energy), the Governor of Arizona, and the Central Arizona Water Conservation District.

Adopted by:

C. Dale Duvall — 3/17/86

Commissioner of Reclamation — Date

Attachments

Exhibit 1 3/7/86

SURPLUS/SHORTAGE ING POWER PROFILE (PRE-NEW WADDELL)

1987 WATER YEAR	LINE UNITS	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	ANNUAL TOTAL
TOTAL HOURS PER MO.	100.0%	744.0	720.0	744.0	744.0	672.0	744.0	720.0	744.0	720.0	744.0	744.0	720.0	8760.0
ON PEAK HOURS	42.9%	318.9	308.6	318.9	318.9	288.0	318.9	308.6	318.9	308.6	318.9	318.9	308.6	3754.3
OFF PEAK HOURS	57.1%	425.1	411.4	425.1	425.1	384.0	425.1	411.4	425.1	411.4	425.1	425.1	411.4	5005.7
TOT RESOURCES AVAIL	AVAIL	111.5%	121.1%	131.3%	129.8%	87.5%	86.1%	94.8%	80.0%	87.5%	87.5%	87.5%	87.5%	78.3%
NAVAJO CAPACITY	MW	364.5	364.5	364.5	364.5	364.5	364.5	364.5	546.8	546.8	546.8	546.8	546.8	546.8
NAVAJO ENERGY	GWH	302.4	317.7	356.0	352.1	214.3	233.5	248.8	325.3	344.5	356.0	356.0	344.5	3751.1
HAVASU PUMPING PLT														
COLO RIVER WATER DIVERTED	KAF	0.0	0.0	0.0	23.9	45.6	77.3	100.5	79.8	114.3	143.1	145.9	102.5	832.9
CONVERSION FACTOR	KWH/AF	1045.5	1045.5	1045.5	1045.5	1045.5	1045.5	1045.5	1045.5	1045.5	1045.5	1045.5	1045.5	
TOTAL ENERGY AT PLANT	GWH	0.0	0.0	0.0	25.0	47.7	80.8	105.1	83.4	119.3	149.6	152.3	107.2	870.3
OFF PK ENERGY CAPABILITY	GWH	112.2	108.6	112.2	112.2	101.4	112.2	108.6	112.2	108.6	112.2	112.2	108.6	
OFF PEAK ENERGY	GWH	0.0	0.0	0.0	25.0	47.7	80.8	105.1	83.4	108.6	112.2	112.2	107.2	782.2
HAVASU OFF PEAK AVG MW	GWH	0.0	0.0	0.0	58.8	124.2	190.1	255.4	196.2	264.0	264.0	264.0	260.5	
UNITS REQUIRED OFF PEAK	NUM	0	0	0	2	3	5	6	5	6	6	6	6	
CAPACITY REQ'D OFFPEAK	MW	0.0	0.0	0.0	88.0	132.0	220.0	264.0	220.0	264.0	264.0	264.0	264.0	
ON PEAK ENERGY	GWH	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	10.9	37.4	40.3	0.0	88.6
HAVASU ON PEAK AVG MW	MW	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	35.3	117.2	126.4	0.0	
UNITS REQ'D ON PEAK	NUM	0	0	0	0	0	0	0	0	1	3	3	0	
CAPACITY REQ'D ON PEAK	MW	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	44.0	132.0	132.0	0.0	
ALL OTHER PLANTS														
TOTAL GWH AS PER USBR	GWH	0.0	0.0	7.0	40.8	74.2	127.6	165.6	133.7	188.0	234.0	237.8	170.2	1378.9
ENERGY ADJ. FOR LOSSES	102.9%	0.0	0.0	7.2	42.0	76.3	131.3	170.4	137.6	193.4	240.8	244.7	175.1	1418.7
NET ENERGY OTHER PLANTS	GWH	0.0	0.0	7.2	17.0	28.7	50.5	65.3	54.1	73.9	91.1	92.1	67.9	547.9
AVG 24-HR CAPACITY	MW	0.0	0.0	9.7	22.8	42.7	67.8	90.7	72.7	102.7	122.5	123.8	94.4	
OFF PEAK ENERGY	GWH	0.0	0.0	4.1	9.7	16.4	28.8	37.3	30.9	42.2	52.1	52.6	38.8	313.1
ON PEAK ENERGY	GWH	0.0	0.0	3.1	7.3	12.3	21.6	28.0	23.2	31.7	39.1	39.5	29.1	234.8

Exhibit 1 3/7/86

SURPLUS/SHORTAGE IG POWER PROFILE (PRE-NEW WADDELL)

1987 WATER YEAR	LINE UNITS	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	ANNUAL TOTAL
SURPLUS TO CAP														
ON PEAK CAPACITY	MW	364.5	364.5	354.8	341.7	321.8	296.7	273.8	474.1	400.1	292.3	291.0	452.4	474.1
ON PEAK ENERGY	GWH	129.6	136.2	149.5	143.6	79.6	78.4	78.6	116.2	105.1	76.1	72.8	118.5	1284.3
CAPACITY FACTOR ON PK	%	111.5%	121.1%	132.1%	131.8%	85.8%	82.9%	93.1%	76.9%	85.1%	81.7%	78.5%	84.9%	72.2%
OFF PEAK CAPACITY	MW	364.5	364.5	354.8	253.7	189.8	76.7	9.8	254.1	180.1	160.3	159.0	188.4	254.1
OFF PEAK ENERGY	GWH	172.8	181.5	199.3	166.5	58.4	23.8	-0.2	71.5	46.0	39.1	38.6	50.9	1048.2
CAPACITY FACTOR OFF PK	%	111.5%	121.1%	132.1%	154.4%	80.1%	72.9%	-5.4%	66.2%	62.1%	57.4%	57.0%	65.6%	82.4%
MARKETABLE														
SUMMER CAPACITY	MW	291.0												
ANNUAL ENERGY	GWH	2332.4												2332.4
ANNUAL CAPACITY FACTOR	%	91.5%												

NOTES:

Data taken from USBR report titles: CENTRAL ARIZONA PROJECT
POWER MARKETING AND WATER SUPPLY STUDY - OCTOBER 1985

COLORADO RIVER WATER DIVERTED is from TABLE 12 (page 26)
TOTAL GWH AS PER USBR is from TABLE 13 (page 27)

Navajo monthly energy production is estimated by Salt River Power District based upon present unit maintenenance schedules.

EXPLANATION

Note that there is proportionately more Navajo energy surplus to CAP than there is capacity. This results from two factors: first Navajo Capacity for one unit is always shown unavailable for all wintertime maintenance months. Energy is shown on a historical basis which reflects that the unit maintenance does not last all month. The second factor is that Havasu pumps are placed on in discreet 44 MW increments and Navajo capacity is reserved accordingly. Energy is associated only with the amount of water pumped in the month.

Exhibit 1 3/7/86

SURPLUS/SHORTAGE . ING POWER PROFILE (PRE-NEW WADDELL)

1988 WATER YEAR	LINE UNITS	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	ANNUAL TOTAL
TOTAL HOURS PER MO.	100.0%	744.0	720.0	744.0	744.0	672.0	744.0	720.0	744.0	720.0	744.0	744.0	720.0	8760.0
ON PEAK HOURS	42.9%	318.9	308.6	318.9	318.9	288.0	318.9	308.6	318.9	308.6	318.9	318.9	308.6	3754.3
OFF PEAK HOURS	57.1%	425.1	411.4	425.1	425.1	384.0	425.1	411.4	425.1	411.4	425.1	425.1	411.4	5005.7
TOT RESOURCES AVAIL	AVAIL	120.0%	112.3%	131.3%	129.8%	87.5%	107.3%	90.4%	85.6%	87.5%	87.5%	87.5%	82.6%	79.3%
NAVAJO CAPACITY	MW	364.5	364.5	364.5	364.5	364.5	364.5	364.5	546.8	546.8	546.8	546.8	546.8	546.8
NAVAJO ENERGY	GWH	325.3	294.7	356.0	352.1	214.3	290.9	237.3	348.3	344.5	356.0	356.0	325.3	3800.7
HAVASU PUMPING PLT														
COLO RIVER WATER DIVERTED	KAF	53.8	31.8	40.2	41.3	64.6	116.1	138.9	115.4	158.2	184.4	184.4	146.5	1275.6
CONVERSION FACTOR	KWH/AF	1045.5	1045.5	1045.5	1045.5	1045.5	1045.5	1045.5	1045.5	1045.5	1045.5	1045.5	1045.5	
TOTAL ENERGY AT PLANT	GWH	56.2	33.2	42.0	43.2	67.5	121.4	145.2	120.7	165.4	192.8	192.8	153.2	1333.6
OFF PK ENERGY CAPABILITY	GWH	112.2	108.6	112.2	112.2	101.4	112.2	108.6	112.2	108.6	112.2	112.2	108.6	
OFF PEAK ENERGY	GWH	56.2	33.2	42.0	43.2	67.5	112.2	108.6	112.2	108.6	112.2	112.2	108.6	1017.0
HAVASU OFF PEAK AVG MW	GWH	132.3	80.8	98.9	101.6	175.9	264.0	264.0	264.0	264.0	264.0	264.0	264.0	
UNITS REQUIRED OFF PEAK	NUM	4	2	3	3	4	6	6	6	6	6	6	6	
CAPACITY REQ'D OFFPEAK	MW	176.0	88.0	132.0	132.0	176.0	264.0	264.0	264.0	264.0	264.0	264.0	264.0	
ON PEAK ENERGY	GWH	0.0	0.0	0.0	0.0	0.0	9.1	36.6	8.4	56.8	80.6	80.6	44.5	316.6
HAVASU ON PEAK AVG MW	MW	0.0	0.0	0.0	0.0	0.0	28.7	118.6	26.4	184.0	252.6	252.6	144.4	
UNITS REQ'D ON PEAK	NUM	0	0	0	0	0	1	3	1	5	6	6	4	
CAPACITY REQ'D ON PEAK	MW	0.0	0.0	0.0	0.0	0.0	44.0	132.0	44.0	220.0	264.0	264.0	176.0	
ALL OTHER PLANTS														
TOTAL GWH AS PER USBR	GWH	91.6	54.1	68.1	70.3	106.6	194.4	231.6	194.7	263.4	305.3	305.2	245.8	2131.1
ENERGY ADJ. FOR LOSSES	102.9%	94.2	55.7	70.1	72.3	109.7	200.0	238.3	200.3	271.0	314.1	314.0	252.9	2192.6
NET ENERGY OTHER PLANTS	GWH	38.0	22.4	28.0	29.1	42.1	78.6	93.1	79.7	105.6	121.3	121.2	99.7	858.9
AVG 24-HR CAPACITY	MW	51.1	31.1	37.7	39.2	62.7	105.7	129.3	107.1	146.7	163.1	162.9	138.5	
OFF PEAK ENERGY	GWH	21.7	12.8	16.0	16.7	24.1	44.9	53.2	45.5	60.3	69.3	69.3	57.0	490.3
ON PEAK ENERGY	GWH	16.3	9.6	12.0	12.5	18.1	33.7	39.9	34.1	45.3	52.0	51.9	42.7	368.1

Exhibit 1

3/7/86

SURPLUS/SHORTAGE ... NG POWER PROFILE (PRE-NEW WADDELL)

1988 WATER YEAR	LINE UNITS	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	ANNUAL TOTAL
SURPLUS TO CAP														
ON PEAK CAPACITY	MW	313.4	333.4	326.8	325.3	301.8	214.8	103.2	395.7	180.1	119.7	119.9	232.3	395.7
ON PEAK ENERGY	GWH	123.1	116.7	140.6	138.4	73.8	81.8	25.2	106.7	45.6	20.0	20.1	52.1	944.2
CAPACITY FACTOR ON PK	%	123.2%	113.4%	134.9%	133.4%	84.9%	119.5%	79.1%	84.6%	82.0%	52.5%	52.5%	72.7%	63.6%
OFF PEAK CAPACITY	MW	137.4	245.4	194.8	193.3	125.8	-5.2	-28.8	175.7	136.1	119.7	119.9	144.3	175.7
OFF PEAK ENERGY	GWH	107.9	122.3	145.4	141.4	30.8	9.1	-26.2	41.3	27.9	21.9	21.9	20.3	664.0
CAPACITY FACTOR OFF PK	%	184.7%	121.2%	175.5%	172.0%	63.8%	-411.6%	221.4%	55.2%	49.8%	43.0%	43.0%	34.2%	75.5%
MARKETABLE														
SUMMER CAPACITY	MW	119.74												
ANNUAL ENERGY	GWH	1608.1												1608.1
ANNUAL CAPACITY FACTOR	%	153.3%												

NOTES:

Data taken from USBR report titles: CENTRAL ARIZONA PROJECT
POWER MARKETING AND WATER SUPPLY STUDY - OCTOBER 1985

COLORADO RIVER WATER DIVERTED is from TABLE 12 (page 26)
TOTAL GWH AS PER USBR is from TABLE 13 (page 27)

Navajo monthly energy production is estimated by Salt River Power District based upon present unit maintenenance schedules.

EXPLANATION

Note that there is proportionately more Navajo energy surplus to CAP than there is capacity. This results from two factors: first Navajo Capacity for one unit is always shown unavailable for all wintertime maintenance months. Energy is shown on a historical basis which reflects that the unit maintenance does not last all month. The second factor is that Havasu pumps are placed on in discreet 44 MW increments and Navajo capacity is reserved accordingly. Energy is associated only with the amount of water pumped in the month.

Exhibit 1

SURPLUS/SHORTAGE PUMPING POWER PROFILE (PRE-NEW WADDELL)

1989 WATER YEAR	LINE UNITS	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	ANNUAL TOTAL
TOTAL HOURS PER MO.	100.0%	744.0	720.0	744.0	744.0	672.0	744.0	720.0	744.0	720.0	744.0	744.0	720.0	8760.0
ON PEAK HOURS	42.9%	318.9	308.6	318.9	318.9	288.0	318.9	308.6	318.9	308.6	318.9	318.9	308.6	3754.3
OFF PEAK HOURS	57.1%	425.1	411.4	425.1	425.1	384.0	425.1	411.4	425.1	411.4	425.1	425.1	411.4	5005.7
TOT RESOURCES AVAIL	AVAIL	86.1%	103.6%	131.3%	131.3%	128.2%	114.3%	100.6%	87.5%	87.5%	87.5%	87.5%	87.5%	80.6%
NAVAJO CAPACITY	MW	364.5	364.5	364.5	364.5	364.5	364.5	364.5	546.8	546.8	546.8	546.8	546.8	546.8
NAVAJO ENERGY	GWH	233.5	271.8	356.0	356.0	313.9	310.0	264.1	356.0	344.5	356.0	356.0	344.5	3862.3
HAVASU PUMPING PLT														
OLD RIVER WATER DIVERTED	KAF	71.6	39.0	48.0	52.3	81.9	133.8	178.4	170.0	178.4	184.4	184.4	178.4	1500.6
CONVERSION FACTOR	KWH/AF	1045.5	1045.5	1045.5	1045.5	1045.5	1045.5	1045.5	1045.5	1045.5	1045.5	1045.5	1045.5	
TOTAL ENERGY AT PLANT	GWH	74.9	40.8	50.2	54.7	85.6	139.9	186.5	177.7	186.5	192.8	192.8	186.5	1568.9
OFF PK ENERGY CAPABILITY	GWH	112.2	108.6	112.2	112.2	101.4	112.2	108.6	112.2	108.6	112.2	112.2	108.6	
OFF PEAK ENERGY	GWH	74.9	40.8	50.2	54.7	85.6	112.2	108.6	112.2	108.6	112.2	112.2	108.6	1090.9
HAVASU OFF PEAK AVG MW	GWH	176.1	99.1	118.0	128.6	223.0	264.0	264.0	264.0	264.0	264.0	264.0	264.0	
UNITS REQUIRED OFF PEAK	NUM	5	3	3	3	6	6	6	6	6	6	6	6	
CAPACITY REQ'D OFFPEAK	MW	220.0	132.0	132.0	132.0	264.0	264.0	264.0	264.0	264.0	264.0	264.0	264.0	
ON PEAK ENERGY	GWH	0.0	0.0	0.0	0.0	0.0	27.7	77.9	65.5	77.9	80.6	80.6	77.9	488.0
HAVASU ON PEAK AVG MW	MW	0.0	0.0	0.0	0.0	0.0	86.7	252.5	205.4	252.5	252.6	252.6	252.5	
UNITS REQ'D ON PEAK	NUM	0	0	0	0	0	2	6	5	6	6	6	6	
CAPACITY REQ'D ON PEAK	MW	0.0	0.0	0.0	0.0	0.0	88.0	264.0	220.0	264.0	264.0	264.0	264.0	
ALL OTHER PLANTS														
TOTAL GWH AS PER USBR	GWH	123.8	67.8	83.5	91.7	140.6	232.7	308.2	296.4	306.6	314.6	314.1	308.5	2588.5
ENERGY ADJ. FOR LOSSES	102.9%	127.4	69.8	85.9	94.3	144.7	239.4	317.1	305.0	315.4	323.7	323.2	317.4	2663.2
NET ENERGY OTHER PLANTS	GWH	52.5	29.0	35.7	39.7	59.0	99.5	130.6	127.2	128.9	130.9	130.4	130.9	1094.3
AVG 24-HR CAPACITY	MW	70.6	40.3	48.0	53.3	87.8	133.8	181.4	171.0	179.1	175.9	175.2	181.8	
OFF PEAK ENERGY	GWH	30.0	16.6	20.4	22.7	33.7	56.9	74.6	72.7	73.7	74.8	74.5	74.8	625.3
ON PEAK ENERGY	GWH	22.5	12.4	15.3	17.0	25.3	42.7	56.0	54.5	55.3	56.1	55.9	56.1	469.0

Exhibit 1 3/7/86

SURPLUS/SHORTAGE PO.. ..IG POWER PROFILE (PRE-NEW WADDELL)

1989 WATER YEAR	LINE UNITS	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	ANNUAL TOTAL
SURPLUS TO CAP														
ON PEAK CAPACITY	MW	293.9	324.2	316.5	311.2	276.7	142.7	-80.9	155.8	103.7	106.9	107.6	101.0	155.8
ON PEAK ENERGY	GWH	77.6	104.1	137.3	135.6	109.2	62.6	-20.7	32.6	14.5	15.9	16.1	13.7	698.3
CAPACITY FACTOR ON PK	%	82.8%	104.0%	136.0%	136.6%	137.1%	137.4%	82.9%	65.5%	45.3%	46.7%	47.1%	43.8%	119.4%
OFF PEAK CAPACITY	MW	73.9	192.2	184.5	179.2	12.7	-33.3	-80.9	111.8	103.7	106.9	107.6	101.0	111.8
OFF PEAK ENERGY	GWH	28.6	98.0	132.8	126.1	60.0	8.0	-32.3	18.5	14.6	16.4	16.7	13.5	500.8
CAPACITY FACTOR OFF PK	%	90.9%	123.9%	169.4%	165.5%	1234.6%	-56.8%	97.1%	38.9%	34.1%	36.1%	36.5%	32.4%	89.5%
MARKETABLE														
SUMMER CAPACITY	MW	101.0												
ANNUAL ENERGY	GWH	1199.1												1199.1
ANNUAL CAPACITY FACTOR	%	135.5%												

NOTES:

Data taken from USBR report titles: CENTRAL ARIZONA PROJECT
POWER MARKETING AND WATER SUPPLY STUDY - OCTOBER 1985

COLORADO RIVER WATER DIVERTED is from TABLE 12 (page 26)
TOTAL GWH AS PER USBR is from TABLE 13 (page 27)

Navajo monthly energy production is estimated by Salt River Power District based upon present unit maintenenance schedules.

EXPLANATION

Note that there is proportionately more Navajo energy surplus to CAP than there is capacity. This results from two factors: first Navajo Capacity for one unit is always shown unavailable for all wintertime maintenance months. Energy is shown on a historical basis which reflects that the unit maintenance does not last all month. The second factor is that Havasu pumps are placed on in discreet 44 MW increments and Navajo capacity is reserved accordingly. Energy is associated only with the amount of water pumped in the month.

Exhibit 1 3/7/86

SURPLUS/SHORTAGE PUMPING POWER PROFILE (PRE-NEW WADDELL)

1990 & ON WATER YEAR 'TILL WADDELL PMP'NG STARTS	LINE UNITS	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	ANNUAL TOTAL
TOTAL HOURS PER MO.	100.0%	744.0	720.0	744.0	744.0	672.0	744.0	720.0	744.0	720.0	744.0	744.0	720.0	8760.0
ON PEAK HOURS	42.9%	318.9	308.6	318.9	318.9	288.0	318.9	308.6	318.9	308.6	318.9	318.9	308.6	3754.3
OFF PEAK HOURS	57.1%	425.1	411.4	425.1	425.1	384.0	425.1	411.4	425.1	411.4	425.1	425.1	411.4	5005.7
TOT RESOURCES AVAIL	AVAIL	118.6%	103.6%	131.3%	131.3%	131.3%	93.1%	78.8%	87.5%	87.5%	87.5%	87.5%	87.5%	80.2%
NAVAJO CAPACITY	MW	364.5	364.5	364.5	364.5	364.5	364.5	364.5	546.8	546.8	546.8	546.8	546.8	546.8
NAVAJO ENERGY	GWH	321.5	271.8	356.0	356.0	321.5	252.6	206.7	356.0	344.5	356.0	356.0	344.5	3943.1
HAVASU PUMPING PLT														
COLO RIVER WATER DIVERTED	KAF	75.0	43.4	47.9	55.1	74.3	131.0	178.4	184.4	178.4	184.4	184.4	178.4	1515.1
CONVERSION FACTOR	KWH/AF	1045.5	1045.5	1045.5	1045.5	1045.5	1045.5	1045.5	1045.5	1045.5	1045.5	1045.5	1045.5	
TOTAL ENERGY AT PLANT	GWH	78.4	45.4	50.1	57.6	77.7	137.0	186.5	192.8	186.5	192.9	192.9	186.5	1584.0
OFF PK ENERGY CAPABILITY	GWH	112.2	108.6	112.2	112.2	101.4	112.2	108.6	112.2	108.6	112.2	112.2	108.6	
OFF PEAK ENERGY	GWH	78.4	45.4	50.1	57.6	77.7	112.2	108.6	112.2	108.6	112.2	112.2	108.6	1084.0
HAVASU OFF PEAK AVG MW	GWH	184.4	110.3	117.8	135.5	202.3	264.0	264.0	264.0	264.0	264.0	264.0	264.0	
UNITS REQUIRED OFF PEAK	NUM	5	3	3	4	5	6	6	6	6	6	6	6	
CAPACITY REQ'D OFFPEAK	MW	220.0	132.0	132.0	176.0	220.0	264.0	264.0	264.0	264.0	264.0	264.0	264.0	
ON PEAK ENERGY	GWH	0.0	0.0	0.0	0.0	0.0	24.7	77.9	80.6	77.9	80.6	80.6	77.9	500.1
HAVASU ON PEAK AVG MW	MW	0.0	0.0	0.0	0.0	0.0	77.5	252.5	252.6	252.5	252.6	252.6	252.5	
UNITS REQ'D ON PEAK	NUM	0	0	0	0	0	2	6	6	6	6	6	6	
CAPACITY REQ'D ON PEAK	MW	0.0	0.0	0.0	0.0	0.0	88.0	264.0	264.0	264.0	264.0	264.0	264.0	
ALL OTHER PLANTS														
TOTAL GWH AS PER USBR	GWH	135.8	79.5	87.0	100.3	133.1	233.6	317.5	331.0	317.3	325.1	324.1	318.9	2703.2
ENERGY ADJ. FOR LOSSES	102.9%	139.7	81.8	89.5	103.2	136.9	240.3	326.7	340.5	326.5	334.5	333.4	328.1	2781.2
NET ENERGY OTHER PLANTS	GWH	61.3	36.4	39.4	45.6	59.3	103.4	140.1	147.8	139.9	141.7	140.7	141.6	1197.1
AVG 24-HR CAPACITY	MW	82.4	50.6	53.0	61.3	89.2	138.9	194.6	198.6	194.4	190.4	189.1	196.6	
OFF PEAK ENERGY	GWH	35.0	20.8	22.5	26.0	33.9	59.1	80.1	84.4	80.0	81.0	80.4	80.9	684.1
ON PEAK ENERGY	GWH	26.3	15.6	16.9	19.5	25.4	44.3	60.1	63.3	60.0	60.7	60.3	60.7	513.1

Exhibit 1 3/7/86

SURPLUS/SHORTAGE . .NG POWER PROFILE (PRE-HEV WADDELL)

1990 & ON WATER YEAR	LINE UNITS	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	ANNUAL TOTAL
SURPLUS TO CAP														
ON PEAK CAPACITY	MW	282.1	313.9	311.5	303.2	276.3	137.6	-94.1	84.2	88.4	92.4	93.7	86.2	93.7
ON PEAK ENERGY	GWH	111.5	100.9	135.7	133.0	112.4	39.2	-49.4	8.7	9.8	11.3	11.7	9.1	633.9
CAPACITY FACTOR ON PK	%	124.0%	104.1%	136.6%	137.6%	141.2%	89.4%	170.0%	32.4%	35.8%	38.4%	39.3%	34.1%	180.1%
OFF PEAK CAPACITY	MW	62.1	181.9	179.5	127.2	56.3	-38.4	-94.1	84.2	88.4	92.4	93.7	86.2	93.7
OFF PEAK ENERGY	GWH	70.3	89.1	130.8	119.8	72.2	-27.0	-70.6	6.8	8.3	10.2	10.8	7.3	428.0
CAPACITY FACTOR OFF PK	%	266.2%	119.1%	171.4%	221.4%	333.7%	165.0%	182.2%	18.9%	22.7%	26.0%	27.1%	20.7%	91.2%
MARKETABLE														
SUMMER CAPACITY	MW	86.159												
ANNUAL ENERGY	GWH	1061.9												1061.9
ANNUAL CAPACITY FACTOR	%	140.7%												

NOTES:

Data taken from USBR report titles: CENTRAL ARIZONA PROJECT
POWER MARKETING AND WATER SUPPLY STUDY - OCTOBER 1985

COLORADO RIVER WATER DIVERTED is from TABLE 12 (page 26)
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Navajo monthly energy produotion is estimated by Salt River Power District based upon present unit maintenenance schedules.

EXPLANATION

Note that there is proportionately more Navajo energy surplus to CAP than there is capacity. This results from two factors: first Navajo Capacity for one unit is always shown unavailable for all wintertime maintenance months. Energy is shown on a historical basis which reflects that the unit maintenance does not last all month. The second factor is that Havasu pumps are placed on in discreet 44 MW increments and Navajo capacity is reserved accordingly. Energy is associated only with the amount of water pumped in the month.

JCE BABBITT
GOVERNOR

OFFICE OF THE GOVERNOR
STATE HOUSE
PHOENIX, ARIZONA 85007

IN REPLY
REFER TO:

March 12, 1986

The Honorable Donald Hodel
Secretary of the Interior
Department of the Interior
Interior Building
"C" Street, N.W.
Washington, D.C. 20240

Dear Secretary Hodel:

Representatives of the Arizona Department of Water Resources, Bureau of Reclamation, Western Area Power Administration, Central Arizona Water Conservation District along with all affected entities in Arizona have been diligently pursuing the development of an Interim Navajo Power Marketing Plan as authorized by Section 107 of the Hoover Power Plant Act of 1984. This group has developed the attached interim plan in order to expedite the marketing process prior to the expiration of existing Navajo layoff contracts.

I am pleased to provide my concurrence to this interim plan as required by Section 107(c) of the Act. It is my understanding and expectation that the Secretary of Energy or his designee as well as the Board of Directors of the Central Arizona Water Conservation District will provide you their concurrence also.

The process that developed this interim plan has been an excellent example of State and Federal cooperation and I am very appreciative of the effort and support of all.

Your approval of this plan will constitute just one more step in our cooperative process and we expect the same level of involvement as the group proceeds to develop a long range plan for post New Waddell conditions.

Thank you for your consideration.

Sincerely,

Bruce Babbitt
Governor

BB:dps

Enclosure

cc: Robert Broadbent
Arizona Congressional Delegation

Central Arizona Water Conservation District
23636 NORTH 7TH STREET
PHOENIX, ARIZONA 85024
(602) 870-2333

March 13, 1986

Honorable Donald Hodel
Secretary of the Interior
Department of the Interior
Washington, DC 20240

Dear Mr. Secretary:

On March 6, 1986, the Board of Directors of the Central Arizona Water Conservation District approved a proposed interim marketing plan for surplus power and energy from the United States' entitlement to output of the Navajo Generating Station. The District's understanding is that the proposal is now before you for adoption pursuant to Section 107 of the Hoover Power Plant Act of 1984. As we worked closely with your representatives in developing the plan, the District considers that the consultation requirement relating to us has been satisfied and now urge you to adopt the proposal.

Sincerely,

Thomas C Clark

Thomas C. Clark
General Manager

TCC/mj

Department Of Energy
Western Area Power Administration
P.O. Box 3402
Golden, Colorado 80401

MAR 12 1986

Honorable Donald Paul Hodel
Secretary of the Interior
Washington, DC 20240

Dear Mr. Secretary:

The Western Area Power Administration has been working with representatives of the Bureau of Reclamation, the State of Arizona, the Central Arizona Water Conservation District, and various utilities in the State of Arizona to develop a power marketing plan for that power which is surplus to Central Arizona Project needs. Development of this plan is required by section 107(c) of the Hoover Power Plant Act of 1984. While this process is ongoing, it has become apparent that an interim plan is necessary to market Navajo surplus prior to completion of the long-range plan envisioned in section 107(c) of the Act. The enclosed Navajo Interim Power Marketing Plan is the product of efforts by the aforementioned entities. I concur in the substance of this interim plan.

Sincerely,

William H. Clagett

William H. Clagett
Administrator

Enclosure

MAILING LIST

GROUP PARTICIPATING IN DEVELOPING

NAVAJO POWER MARKETING PLAN

CAWCD

Tom Clark
23636 N. 7th St.
Phoenix, AZ 85024

Larry Dozier
519 W. Lone Cactus
Phoenix, AZ 85027

Peter Ungerman
2120 S. College Ave.
Ft. Collins, CO 85025

AZ Department of Water Resources

Larry Linser
99 E. Virginia Avenue
Phoenix, AZ 85004

Bob Olson
Resource Management International
1010 Hurley Way, #500
Sacramento, CA 95825

Western Area Power Authority

Tom Hine
P.O. Box 200, 1660 Nevada Highway
Boulder City, NV 89005

Tom Carter
(same as above)

U.S. BUREAU OF RECLAMATION

ED HALLENBECK
P.O. BOX 427
BOULDER CITY, NV 89005

BOB MCCULLOUGH
P.O. BOX 427
BOULDER CITY, NV 89005

TOM BURBEY, CHIEF
OPERATIONS DIVISION
23636 N. 7TH ST.
P.O. BOX 9980
PHOENIX, AZ 85068

ARIZONA POWER AUTHORITY

LESTER ORMSBY
1810 W. ADAMS
PHOENIX, AZ 85008

JAMES BARTLETT
201 W. COLLIDGE ST.
PHOENIX, AZ 85013

RUSS MITCHELL ASSOCIATES
848 MANHATTAN BEACH
MANHATTAN BEACH, CA 90266

APPA

RICHARD WILLIAMS
P.O. Box 1466
MESA, AZ 85201

MICHAEL CURTIS
ATTORNEY AT LAW
2712 N. 7TH STREET
PHOENIX, AZ 85006-1003

APS

RUSS HULSE
P.O. Box 53999, MAIL STATION 1960
PHOENIX, AZ 85072-3999

TERRY HUDGINS
P.O. Box 53999
MAIL STATION 1711
PHOENIX, AZ 85072-3999

JACK DAVIS
P.O. Box 53999
MAIL STATION 4165
PHOENIX, AZ 85072-3999

BILL MAESE
P.O. Box 53999
MAIL STATION 4162
PHOENIX, AZ 85072-3999

SRP

LEROY MICHAEL
P.O. Box 52025
PHOENIX, AZ 85072-2025

JOHN SULLIVAN
P.O. BOX 52025
PHOENIX, AZ 85072-2025

CITIES

ROGER MANNING
AZ MUNICIPAL WATER WATER USERS ASSOC.
1122 E. WASHINGTON
PHOENIX, AZ 85034

MAIL CORRESPONDENCE AFTER MARCH 31 TO:

505 NORTH 2ND ST.
L'AIGLON COURTS - SUITE 385
PHOENIX, AZ 85004

MARVIN S. COHEN
WINSTON & STRAWN
3101 N. CENTRAL AVE.
PHOENIX, AZ 85012

BILL CHASE
CITY OF PHOENIX
251 W. WASHINGTON
PHOENIX, AZ 85003

IEDA

BOB LYNCH
2845 E. CAMELBACK, SUITE 720
PHOENIX, AZ 85016

GOVERNOR'S OFFICE

MARILYN SEYMANN
GOVERNOR'S OFFICE
1700 W. WASHINGTON, 9TH FL.
PHOENIX, AZ 85007

BILL HERNANDEZ
1700 W. WASHINGTON, RM. 602
PHOENIX, AZ 85007

MARICOPA WATER DISTRICT

JOE FALBO
MARICOPA COUNTY MUNICIPAL WATER CONSERVATION
DISTRICT #1
P.O. BOX 730
PEORIA, AZ 85345

ELECTRICAL DISTRICT 8

DOUG NELSON
1001 NORTH CENTRAL AVENUE
SUITE 60L
PHOENIX, AZ 85004

AGUILA I.D.

JAY MOYES
2700 N. THIRD ST.
PHOENIX, AZ 85004

OTHERS

MARY GINDHARDT
AZ REPUBLIC
120 E. VAN BUREN
PHOENIX, AZ 85004