

CREDA

Colorado River Energy Distributors Association

Arizona Municipal Power Users Association

Arizona Power Authority

Arizona Power Pooling Association

Irrigation and Electrical Districts Association

Navaio Tribal Utility Authority (also New Mexico, Utah)

Salt River Project

COLORADO

Colorado Springs Utilities

Intermountain Rural Electric Association

Platte River Power Authority

Tri-State Generation & Transmission Association, Inc. (also Nebraska, Wyoming, New Mexico)

Yampa Valley Electric Association, Inc.

NEVADA

Colorado River Commission of Nevada

Silver State Power Association

NEW MEXICO

Farmington Electric Utility System

Los Alamos County

City of Truth or Consequences

City of Provo

Strawberry Electric Service District

Utah Associated Municipal Power Systems

Utah Municipal Power Agency

WYOMING

Wyoming Municipal Power Agency

Leslie James

Executive Director

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August 25, 2004

Navijo Settle

Mr. John D'Antonio New Mexico State Engineer P.O. Box 25102 Santa Fe, New Mexico 87504 VIA EMAIL AND US MAIL

RE: Proposed Water Rights Settlement for the San Juan Basin

Dear Mr. D'Antonio:

The Colorado River Energy Distributors Association (CREDA) is a non-profit association representing the majority of the firm electric service customers of the Colorado River Storage Project (CRSP). CREDA's 155 members include political subdivisions, irrigation and electrical districts, state agencies, tribal utility authorities and municipalities in the states of New Mexico, Colorado, Arizona, Utah, Nevada and CREDA members hold long-term contracts for the delivery of CRSP resources produced by the federally-owned features of the CRSP. As such, they have a vested interest in any proposals that have potential financial or operational impacts to the CRSP.

CREDA has reviewed the materials contained on your website (updated as of July 8, 2004). We have some serious concerns about the impacts some of the provisions contained in the draft legislation may have on the authorities in the Colorado River Storage Project Act and the Upper Colorado River Basin Fund. We also believe there may be inconsistencies between the draft legislation and the contract and settlement agreement posted on your website. We don't believe these concerns have been reflected in the comments on the December, 2003 document. It would be helpful for us to have a copy of all the draft settlement documents in advance of any discussions with you so that we may be more informed as to the details. Could you please provide that information?

We would like to sit down with you at your earliest convenience to discuss these concerns and would like to work with you to craft legislative language that can be supported by our six-state CREDA membership. Please contact me at (602) 748-1344 to arrange a discussion.

Sincerely,

/s/ Leslie James

Leslie James **Executive Director**

Cc: Governor Bill Richardson CREDA Board