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September 6, 2006 2006 SEP -7 P 2:45

E-01750A-05-0579 Arizona Corporation Commission

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DOCKETED

SEP -7 2006

The Honorable Janet Napolitano, Governor
Office of the Governor
Attn: Allen Stephens
1700 West Washington Street
Phoenix, Arizona 85007

DOCKETED BY nr

Re: Proposed Solution For Havasupai Lack of Reliable Electricity-United States Funding

Dear Governor Napolitano:

The solution you requested be put forward for the Havasupai lack of reliable electricity is the following:

1. A state and congressional delegation political and humanitarian effort in Congress to secure adequate federal funding for the renovation of the BIA electrical system serving the Havasupai. Such Congressional funding should include:
 - a. Rehabilitation and improvement of the BIA owned and operated retail electric system that delivers electricity down into the canyon and serves the Supai Village as necessary to recognize the health, safety and emergency needs of those in the Village.
 - b. Operation and maintenance of transmission to the Long Mesa substation (across which electricity is transmitted by the BIA for its resale to and use by the Havasupai Indians.)
 - c. Installation of a diesel generator to be placed at the Long Mesa Substation to provide back-up electric service in the event there is some disruption to the seventy-mile transmission line. (In or about 1982, the BIA abandoned its back-up diesel generator, rather than replacing or rehabilitating this back-up equipment.)
 - d. Installation of smaller portable generating units to be placed in the bottom of the canyon in the Village that could supply electricity for preservation of food and medicine in the event that a catastrophe occurs which not only disrupts the seventy-mile transmission line, but also causes the BIA back-up generator to fail (which is what recently occurred).
 - e. Normal operation, maintenance, repair and replacement of the entire electrical system serving the Havasupai Reservation.
2. Since the BIA, for over 25 years, has been trying to get rid of, or minimize its electric responsibility to the Havasupai, the United States should seriously consider requesting private bids on the Federal project to accomplish all of the forgoing elements of a federal solution, including a federal management contract to take over system operation for the BIA. A federally funded, publicly bid contract would provide a turn-key solution to the problems of the Havasupai and relieve the BIA of operational responsibility. Representatives of private concerns have recently begun exploring such a



course of action and have also been in contact (we are advised) with the Business Manager of the Havasupai. Eventually, the Havasupai might create their own tribal utility authority, although we are advised they do not wish to do so at this time.

Funding and award of such a federally supervised and funded, private undertaking, could also position the successful bidder to meet other energy and electric needs of the Havasupai and even the Hualapai across the several hundred square miles of their respective reservations without the other normal complications of doing business on the lands of a sovereign nation since the effort would be under a Congressional and Interior Department mandate.

While the total expense of such a project is not insignificant to local parties, a "funded Federal mandate" does not represent a burden to the United States, especially since it would help fulfill a fiduciary duty owed by the United States and the BIA to the Havasupai.

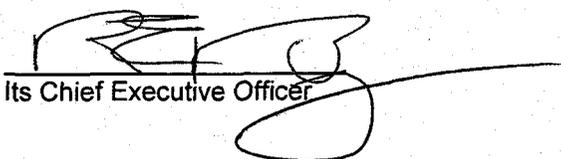
We are confident APS, Mohave and UniSource would continue to respond to requests from the BIA (or a private party manager) for repairs to be made of the seventy-mile transmission line when requested, provided compensation is provided for services rendered.

Mohave believes this is a realistic solution, equitable to all and sensitive to the needs of the Havasupai for dependable electricity to meet their health, safety and welfare needs. It represents the fulfillment of the Federal duty to the Havasupai. In the event the Governor's Office would like to enlist the help of the Delegation and County and other agencies in an effort to implement such a solution, Mohave would be happy (and believes APS and UniSource would be happy) to join in the effort at the local and national level.

Sincerely,

MOHAVE ELECTRIC COOPERATIVE, INC.

By:


Its Chief Executive Officer

cc: Honorable Jon Kyl
Lucy Murfitt, Aide to Senator Kyl, Washington, D.C. Office
Andy Jacobs, Aide to Senator Kyl, Local Office
Honorable John McCain
Becky Jensen, Aide to Senator McCain, Washington, D.C. Office
Paul Hickman, Aide to Senator McCain, Local Office
Honorable Trent Franks
Jeff Choudry, Aide to Congressman Franks, Washington, D.C. Office
Shari Farrington, Aide to Congressman Franks, Local Office
Chairman Thomas Siyaja, Sr., Havasupai Tribe
Members of the Arizona Corporation Commission
Arizona Corporation Commission Docket Control (for Docket No. E-01750A-05-0579)
Ernest Johnson, Director of Utilities, ACC
Chris Kempley, Chief Counsel, ACC
Mark J. Wenker, Esq., Legal Counsel to BIA
Michael A. Curtis, General Counsel, Mohave Electric Cooperative, Inc.