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June 17, 2016

To Post 2017 Hoover Power Allottees,

We have posted to the APA web site ([link provided](#)) the Arizona Power Authority's (APA) Final Draft Power Sales Contract for the purchase and sale of the Hoover power allocation received by allottees pursuant to the APA's Final Hoover Power Marketing Plan, Post-2017 or from the Western Area Power Administration (WAPA) pursuant to the Boulder Canyon Project-Post-2017 Resource Pool issued on December 18, 2014. The APA Commission will consider approval of this Power Sales Contract as to form at a Commission meeting scheduled for 10:00am on June 30, 2016. At that meeting, the Commission will also consider whether to approve execution of the APA-WAPA Electric Service Contract, and the associated Restated Agreement (both of which have been posted to our web site). During the Commission meeting, and prior to any approval interested parties will have an opportunity to offer comments with respect to these agreements.

In an attempt to facilitate decisions by APA Hoover Power allottees on whether to execute the Power Sales Contract, we have posted to our web site APA's ten-year Hoover Operating Account Budget. This budget will provide allottees with an estimate of the near-term costs and rates associated with the purchase of the allocations received by allottees in the Final Hoover Power Marketing Plan, Post-2017 or in the Boulder Canyon Project-Post-2017 Resource Pool. If you have any questions regarding these projected costs, please do not hesitate to contact APA rate analyst Linda Sullivan at 602-368-4265..

The APA would like to obtain a preliminary indication whether any allottee is likely to decline to execute the Power Sales Contract and ultimately turn back its allocation. If any allottee believes that it is unlikely to proceed to execute the agreement, please notify us by June 29, 2016, so we can update the Commission at the June 30, 2016 meeting. The APA understands that the ultimate decision whether to execute this contract may rest with a governing board that will not meet prior to June 29<sup>th</sup>. However, if it is possible to preliminarily notify us by June 29<sup>th</sup>, we would appreciate it. Ultimately, the Authority will need to know by August 31, 2016, whether allottees will execute the agreement.

Sincerely,

Robert W. Johnson  
Interim Executive Director

You can also view a track changes copy of the [APA Final Draft Power Sales Contract](#) here