

SOUTHWESTERN
Power Group II, LLC
An Energy Company - Alliance Builder

January 22, 2013

US Department of Energy/Western Area Power Administration
Joint Outreach Team

Re: SouthWestern Power Group comments on JOT Draft Recommendations

Dear JOT,

SouthWestern Power Group ("SWPG") is pleased to submit the following comments on the Joint Outreach Team's draft recommendations which were published by reference in the Federal Register on November 20, 2012.

Tom Wray, Mark Etherton (on behalf of SWPG) and I participated in the July 24, 2012 public meeting held in Phoenix as part of the "Defining the Future" workshop jointly sponsored by US Department of Energy ("DOE") and Western Area Power Administration ("Western"). We participated in each of the working groups that day on Transmission Planning & Operations, The Future of Transmission Services and New Transmission Authorities. We commend DOE and Western for promoting the open, informative and lively discussions that ensued.

Having reviewed the Draft Recommendations, we believe they all have merit and we have few substantive comments about any of them. In regard to the Infrastructure Investment Study and the Potential Combined Transmission System Opportunities, we encourage Western to include within the scope of these studies, the areas defined by Western's authorizing legislation and not limit the studies to the footprint defined by the existing Western transmission system. For example, we encourage Western to include renewable energy opportunities in the entire state of New Mexico that could be delivered with additional transmission investment which we believe are attractive to and offer benefits for Western's preference customers.

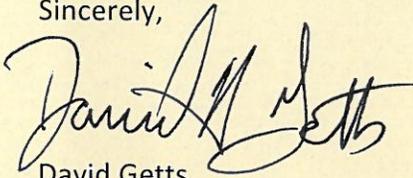
We were dismayed by the surprising and unexplained absence of any mention of New Transmission Authorities, specifically, the definition and implementation of Section 1222 financing program for joint transmission investment between Western and independent transmission developers like SWPG. We submitted written comments to DOE and Western on

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8/15/2012 following our active participation in the three working group sessions in Phoenix. We believe it's critical for DOE and Western to define, develop and implement a Section 1222 financing program, in addition to the Transmission Infrastructure Program ("TIP"). Section 1222 offers an additional vehicle for joint development and investment by Western and Independent Developers of needed transmission infrastructure to serve market demands for renewable and traditional electrical energy, at no risk to Western's preference customers. We recommend that DOE and Western explain publicly what your plans are in regard to defining and developing a Section 1222 financing program. We stand ready to support DOE and Western in such program definition in any way we can.

We appreciate and applaud the time and energy that DOE and Western have put into the Defining the Future exercise. We feel that it's been a valuable effort for all stakeholders that participated. We look forward to working with DOE and Western as we invest our development capital towards improving the transmission infrastructure in the southwest.

Sincerely,

A handwritten signature in dark ink, appearing to read "David Getts". The signature is written in a cursive style with a large initial "D".

David Getts

General Manager