SALT RIVER PROJECT

KELLY J. BARR, ESQ.

Manager, Regulatory Affairs & Contracts

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March 7, 2007

Mr. Robert Miller Supervisor, Pipeline Safety Section Arizona Corporation Commission 2200 N. Central Ave., Suite #300 Phoenix, Arizona 85004

Dear Mr. Miller:

On May 1, 2001 the Commission granted SRP a Certificate of Environmental Compatibility (CEC) for the Santan Expansion Project in Decision Number 63611. Condition 39 of the CEC decision requires that "Applicant shall provide \$20,000 to the Pipeline Safety Revolving Fund on an annual basis, thus improving the overall safety of pipelines throughout the State of Arizona."

In our continued compliance with that provision, SRP is submitting a check in the amount of \$20,000, made payable to the Arizona Corporation Commission, for deposit in the Pipeline Safety Revolving Fund. This check should fully satisfy compliance with Condition 39 for the year ending April 30, 2007.

Please feel free to contact me if you have additional questions or concerns.

Sincerely,

Kelly J. Barr

Enc.

cc: Docket Control

Barry Drost, Manager, Santan Generating Station