



**THE  
NAVAJO  
NATION**

P.O. Box 9000 • WINDOW ROCK, ARIZONA • 86515 • (928) 871-6352 • (928) 871-4025 FAX

JOE **SHIRLEY, JR.**  
PRESIDENT

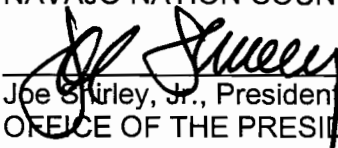
FRANK J. **DAYISH, JR.**  
VICE PRESIDENT

NOV 03 2003

**MEMORANDUM**

TO: Lawrence Morgan, Speaker  
NAVAJO NATION COUNCIL

AND: Members,  
NAVAJO NATION COUNCIL

FROM:   
Joe Shirley, Jr., President  
OFFICE OF THE PRESIDENT AND VICE PRESIDENT

SUBJECT: **NAVAJO NATION COUNCIL RESOLUTION NO.CO-63-03**

I hereby veto the foregoing legislation, pursuant to 2 N.N.C. Section 1005 (c), for the following reasons.

Initially, the Navajo Nation Council proposed resolution only addressed the appropriation of \$1.5 million for the Dine Power Authority, which the Vice President and I supported. The additional appropriations in the amount of \$1.0 million for the Public Employment Program, \$13,563 for the Office of the Speaker, and \$536,747 for the Grazing Committee and Eastern Agency Land Boards stipends is not justified and there are no budgets made as part of any exhibits attached to the resolution. As in Resolution CO-62-03, which I also vetoed, the additional appropriation of \$1,550,310 is to fund a recurring expense from the undesignated unreserved fund balance, a non-recurring funding source. As in fiscal year 2002 when the Navajo Nation Council attempted to increase the Chapter officials' stipends in this same manner, the stipends reverted back to the original amount, as the base planning amounts for Chapter officials were not supported. The supplemental appropriation was a one-time appropriation in that instance, and in this instance as well. In addition, the chapters receive several sources of funds that support temporary employment, and in fact the Tax Commission is reviewing the method of appropriation for the Sales Tax Trust Fund, which allows for the chapters to utilize that source of funding for temporary employment.

I must remind the Navajo Nation Council once again, that the overwhelming waivers of Navajo Nation laws, i.e., the Appropriations Act, must not be used in a manner that is not supported with any exhibits or justification as in this case. In fact, the Budget and Finance Committee adopted a process in October, last month, for the review and consideration of supplemental funding requests. The process allows for a fair, thorough, and planned method for considering funding proposals, and this was not followed. There are several programs with unmet needs, i.e., Dine College that we must assess through the Budget and Finance Committee for supplemental appropriations.

In conclusion, while the Office of the President and Vice President supported the Dine Power Authority, the remaining \$1.5 million is not justified and I must respectfully veto the appropriation.

xc: Vice President Frank Dayish, Jr.  
Patrick Sandoval, Chief of Staff  
Mark Grant, Controller  
Dominic Beyer, Executive Director, OMB  
Louis Denetsosie, Attorney General

RESOLUTION OF THE  
NAVAJO NATION COUNCIL

Approving the Appropriation in the Amount of \$1,500,000  
as a Grant to the Diné Power Authority in Fiscal Year  
2004 for the Development of the Navajo Transmission  
Project, Power Generation Project, Related Energy  
Development, and Operation of the Diné Power Authority;  
\$1.0 Million For the Public Employment Program; \$13,563.00  
For Office of the Speaker, Account Number 101015, For  
Veterans Activities, and \$536,747 For Grazing Committee  
Officials and Eastern Agency Land Boards

WHEREAS:

1. Pursuant to 2 N.N.C. §102(A), the Navajo Nation Council is the governing body of the Navajo Nation; and

2. The Diné Power Authority (DPA) was established by the Navajo Nation Council pursuant to Resolutions CN-87-85 and CJA-2-96, codified at 21 N.N.C. §201 et seq., for the purpose of developing energy-related projects, and pursuant to 21 N.N.C. §202(D), DPA is an authority, instrumentality and enterprise of the Navajo Nation subject to the legislative oversight authorities delegated by the Navajo Nation Council; and

3. With the support of the Navajo Nation Council and Executive Administration, DPA continues to pursue the development of the Navajo Transmission Project (NTP) that involves the acquisition of a 470-mile right-of-way for construction of a 500 KV, alternating-current transmission line across Navajo and other tribal, federal, state and private lands, and these activities are in accordance with the final Environmental Impact Statement, the federal record of decision, and the Arizona Certificate of Environmental Compatibility for the NTP; and

4. In November 2002, the Resources Committee of the Navajo Nation Council approved the grant of rights-of-way and permits for the NTP to cross 285 miles of Navajo trust and fee lands, and this portion represents about 61% of the entire transmission line; and

5. DPA, through its development partner, RockPort Partners, has signed a confidentiality agreement and a letter of intent with Trans-Elect, Inc. to conduct due diligence on the \$600 Million NTP, and the parties are negotiating a development agreement to finance, build and operate this high-voltage transmission line; and

6. DPA, with the assistance of RockPort Partners, has signed a confidentiality agreement and a letter agreement with Steag Power, LLC, and the agreement to finance, build, and operate a modern \$1.5 Billion, 1,300 - 1,500 MW coal fired power plant near an existing coal mining lease site and near the Navajo Indian Irrigation Project where 25,000 acre-feet of surface water will be requested for by DPA for the power Plant and associated facilities; and

7. DPA believes that building a 500 KV transmission line from the Four Corners area to southern Nevada, and building a 1,300 - 1,500 MW power plant in the Four Corners area are strategically sound and offer economic opportunities given the dynamics of the power industry, and changes in power markets in the western United States; and

8. The DPA Board of Directors passed Resolution DPAJUN-03-017 to approve and recommend to the Economic Development Committee, the Resources Committee, the Budget and Finance Committee and the Navajo Nation Council to support and to approve the DPA grant appropriation request of \$1.5 Million from the Navajo Nation for Fiscal Year 2004 to advance the continued development of the NTP, new power generation projects and other energy development for the benefit of DPA and the Navajo people; and

9. The Navajo Nation Council finds that it is in the best interest of the Navajo Nation to continue to support the completion of the NTP and support the development of a coal-fired power generation plant and other energy projects for revenues, infrastructure, employment, financial investment, and related benefits; and

10. The Navajo Nation Council supports the appropriation grant request by DPA in the amount of \$1,500,000 for funding the development of the NTP, the power generation plant facility, and other energy projects related to energy development on the Navajo Nation, and the operation of DPA in Fiscal Year 2004; and

11. The Navajo Nation Council supports the waiving of provisions of 12 N.N.C. §820(F), (J) and (L) and §860, and other pertinent provisions, to the extent required to make this grant appropriation.

NOW THEREFORE BE IT RESOLVED THAT:

1. The Navajo Nation Council hereby supports the continued development of the Navajo Transmission Project, new electrical power generation, and other energy-related for revenues, infrastructure, employment, investments and related benefits for Diné Power Authority and the Navajo Nation and its people.

2. The Navajo Nation Council hereby approves the Diné Power Authority's FY 2004 appropriation of \$1,500,000 as a grant from the Undesignated, Unreserved Fund Balance to Diné Power Authority in FY 2004 for funding the Navajo Transmission Project, power generation projects, other energy-related projects, and the operation of DPA.

3. The Navajo Nation Council hereby appropriates \$1.0 Million from the Undesignated, Unreserved Fund Balance in accordance with 12 N.N.C. §820(0) with funds to be used for Public Employment Program with distribution as shown in Exhibit "A".

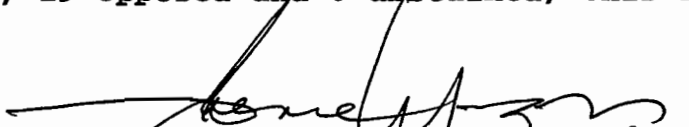
4. The Navajo Nation Council hereby appropriates \$13,563.00 from the Undesignated, Unreserved Fund Balance for Account Number 101015, Office of the Speaker, for use by Lady Veterans in attending Veterans activities as depicted by attached Exhibit "B".

5. The Navajo Nation Council hereby appropriates \$546,747 for Grazing Committee officials and Eastern Agency Land Boards as stipends for attendance to chapters and planning meetings.

6. The Navajo Nation Council further approves the waiver of the provisions of 12 N.N.C. §820(F), (J) and (L) and §860, and other pertinent provisions, to the extent required to make this grant appropriation.

CERTIFICATION

I hereby certify that the foregoing resolution was duly considered by the Navajo Nation Council at a duly called meeting in Window Rock, Navajo Nation (Arizona) at which a quorum was present and that the same was passed by a vote of 61 in favor, 19 opposed and 0 abstained, this 22<sup>nd</sup> day of October 2003.

  
Lawrence T. Morgan, Speaker  
Navajo Nation Council  
23 Oct 03  
Date

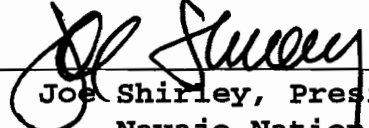
Motion: Lawrence R. Platero  
Second: Larry Anderson, Sr.

ACTION BY THE NAVAJO NATION PRESIDENT:

1. I hereby give notice that I will not veto the foregoing legislation, pursuant to 2 N.N.C. Section 1005 (C) (10), on this \_\_\_\_\_ day of \_\_\_\_\_ 2003.

\_\_\_\_\_  
Joe Shirley, President  
Navajo Nation

2. I hereby veto the foregoing legislation, pursuant to 2 N.N.C. Section 1005 (C)(10) this \_\_\_\_\_ day of NOV 03 2003 2003 for the reason(s) expressed in the attached letter to the Speaker.

  
\_\_\_\_\_  
Joe Shirley, President  
Navajo Nation

**THE NAVAJO NATION  
SUMMARY OF PROGRAM INFORMATION  
FISCAL YEAR 2004**

**PART I. PROGRAM INFORMATION:**

Program Title: Dine' Power Authority Preparer: Melvin R. Francisco  
 Program No: 211303 Telephone No.: (928) 871-2133  
 Division/Branch: Business Enterprise of the Navajo Nation Director's Name: Steven C. Begay

**PART II. BUDGET FORMS CHECKLIST:**

Form	Title	NN Funds Only	Ext. Funds Only
2	Program Performance Criteria	X	
3	Summary of Program Funding	X	
4	Budget Justification Detail by Object Code	X	
5	Budget Comparative Summary	X	
5(A)	Comparative Summary of External Funds		X
6	Budget Impact Statement	X	
7	Summary of Personnel Changes	X	

**PART III. (a)**

Funding Sources: (Oct. 1, 2003 - Sept. 30, 2004)	(b)	(c)	(d)	(e)
NN - General Fund	Funding Source's Fiscal Year (Oct. 1 - Sept. 30)	Amount: (Oct. 1, 2003- Sept. 30, 2004)	% of Total	# of Positions Funded
DOE - Federal Grant	(Oct. 1 - Sept. 30)	1,500,000	79%	14
		400,000	21%	0
		Totals:	100%	14

**PART IV. PLAN OF OPERATION AND LEGISLATED PROGRAM PURPOSE:**

(1.) To participate in energy development activities and projects, independently or with others, to provide the ownership, design, construction, maintenance, financing and operation of the activities and projects; the sale, distribution of power, energy and transmission services from the activities and projects; the mitigation of impacts and the provision of community and other services and programs related thereto; and to provide or facilitate the provision of bulk power and electricity to other Navajo Nation enterprises.  
 (2.) To provide training and employment opportunities for people and businesses in the acquisition, construction, management, and operation of the activities and projects.  
 (3.) To facilitate the economic and community development of the Navajo Nation through the activities and projects to promote and enhance self-determination, to apply to and invest in the activities and projects such resources of the Navajo Nation as are contributed or conveyed to the Authority for such purpose, and to facilitate the administration of the Navajo Nation's involvement with the activities and projects. (4.) To provide a fair return to the Navajo Nation on its investment in the Authority through declaration of dividends and distribution of profits, through participation with other Navajo Nation enterprises, to promote vertical and horizontal power and energy integration, and through delivery and transmission at a low cost, safely, reliable and efficient power and electricity, that is consistent with economic development and self-determination. (5.) To manage and administer, in consultation with Navajo Hopi Land Commission, any resources or revenues acquired from lands selected by the Navajo Nation and developed by the Authority pursuant to the 1974 Settlement Act.

**PART V. ACKNOWLEDGEMENT:**

I hereby acknowledge, to the best of my knowledge, that the information contained in this proposal is complete and accurate.

Muh-7 06/20/03  
 Department/Program Director's Signature/Date

[Signature] 06-20-03  
 Division Director's Signature/Date

**PART VI. MATCHING FUNDS REQUIRED:**

APPROVED BY: Contracting Officer's Signature/Date

CONCURRED BY: Controller's Signature/Date

**THE NAVAJO NATION  
PROGRAM PERFORMANCE CRITERIA  
FISCAL YEAR 2004**

**FORM 2**

Page 2 of 23

<b>Program:</b>	<b>Dine' Power Authority</b>	<b>Program No.:</b>	<b>211303</b>
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	FY 2004 1st Qtr Results	FY 2004 2nd Qtr Results	FY 2004 3rd Qtr Results	FY 2004 4th Qtr Results
<b>I. 1. Performance Measure:</b> Routine reporting of program statistics and services provided.				
<b>Goal Statement:</b> To report, on a quarterly basis, the following program statistics and services provided:				
a. Number of telephone calls received.				
b. Number of memorandums written.				
c. Number of letters written.				
d. Number of people coming into our office.				
e. Number of incoming documents and correspondences.				
f. Number of fax documents sent and received.				
<b>II. 1. Performance Measure:</b> DPA acquisition of Rights-of-Way for the NTP High-Voltage Transmission Line.				
<b>Goal Statement:</b>				
a. To complete cultural and biological surveys in non-parallel areas in Segment 1				
b. To complete cultural and biological surveys in Segment 2 - Statutory Freeze Area				
c. To acquire permission regarding applicable utility crossings, from utilities.				
d. To mitigate or remove structures in the impacted transmission line corridor.				
e. To receive notice to proceed or equivalent approval from the Navajo Nation.				
f. To receive notice to proceed in the Statutory Freeze area from the Hopi tribe.				
g. To complete permitting requirements with the state of Arizona and Nevada.				
h. To receive notice to proceed from the state of Arizona and Nevada.				
i. To handle rights-of-way issues with government and county agencies.				
j. To work with BLM as federal lead agency for the NTP.				
<b>2. Performance Measure:</b> DPA coordination with cooperating agency participants per Record of Decision.				
<b>Goal Statement:</b>				
a. To acquire record of decision, right-of-way and notice to proceed from BLM.				
b. To acquire right-of-way and notice to proceed from National Park Service.				
c. To acquire ROD, ROW and notice to proceed from National Forest Service.				
d. To receive final approval of right-of-way by the Bureau of Indian Affairs (BIA).				



**THE NAVAJO NATION  
PROGRAM PERFORMANCE CRITERIA  
FISCAL YEAR 2004**

**FORM 2**

Page 3 of 23

Program: \_\_\_\_\_

Dine' Power Authority

Program No.: \_\_\_\_\_

211303

FY 2004 1st Qtr Results	FY 2004 2nd Qtr Results	FY 2004 3rd Qtr Results	FY 2004 4th Qtr Results

**3. Performance Measure:**

DPA acquisition of rights-of-way across private and other lands.

**Goal Statement:**

- a. To work with Trans-Elect to acquire rights-of-way from private land owners.
- b. To negotiate with and acquire rights-of-way from other land owners.
- c. To secure funds for right-of-way compensation in Segment 3 of the NTP.


**4. Performance Measure:**

Environmental Regulatory Compliance regarding the NTP and Power Generation Project.

**Goal Statement:**

- a. To complete the plan of development (POD) for the BLM, lead federal agency.
- b. To amend the environmental impact statement to cover the ROW across new BLM land.
- c. To review the National Energy Policy Act (NEPA) for a coal-fueled power plant.
- d. To comply with pertinent NEPA requirements for the proposed power plant.


**5. Performance Measure:**

Negotiations of project agreements with Trans-Elect, Inc. to develop the NTP.

**Goal Statement:**

- a. To complete the development agreement with Trans-Elect.
- b. To complete interconnection analysis with transmission and sub-station owners.
- c. To work with the Western Area Transmission System / NTE & O Task Groups.
- d. To complete the WECC requirements for Phase-I through Phase-III.
- e. To procure transmission capacity rights agreements.


THE NAVAJO NATION  
PROGRAM PERFORMANCE CRITERIA  
FISCAL YEAR 2004

Program: Dine' Power Authority Program No.: 211303

FY 2004 1st Qtr Results	FY 2004 2nd Qtr Results	FY 2004 3rd Qtr Results	FY 2004 4th Qtr Results
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6. Performance Measure:  
Negotiation of pertinent agreements with Steag Power to develop a coal-fueled power plant.  
Goal Statement:  
a. To complete due-diligence on the electric power generation project.  
b. To conduct economic and environmental studies on electrical power generation.  
c. To complete a development agreement with Steag Power to build the power plant.  
d. To cover costs associated with power plant site preparation.  
e. To access and research potential sites for renewable power generation.


7. Performance Measure:  
DPA compliance with the Federal Energy Regulatory Commission (FERC) requirements.  
Goal Statement:  
a. To request transmission line approval by FERC for the Navajo Transmission Project (NTP).  
b. To receive appropriate approval from FERC for NTP interconnection into the grid.  
c. To join appropriate Regional Transmission Organization (RTO).


8. Performance Measure:  
Procurement of development / Investment Partners for other energy projects.  
Goal Statement:  
a. To search for investment partners for renewable energy projects.  
b. To utilize technical development assistance for completing energy projects.  
c. To investigate the feasibility of an ethanol manufacturing project.  
d. To evaluate the potential for large-scale solar, wind, or biomass energy projects.


9. Performance Measure:  
Relationships with Navajo Central and Local Governments.  
Goal Statement:  
a. To create ways for jobs and revenue to flow to local government jurisdictions.  
c. To discuss viable benefits with local governments pursuant to the governance code..  
d. To assist in the development and implementation of the Navajo Energy Policy.


THE NAVAJO NATION  
 PROGRAM PERFORMANCE CRITERIA  
 FISCAL YEAR 2004

Program: \_\_\_\_\_ Dine' Power Authority Program No.: 211303

FY 2004 1st Qtr Results	FY 2004 2nd Qtr Results	FY 2004 3rd Qtr Results	FY 2004 4th Qtr Results

*Handwritten signature: [Signature]*

- III. 1. Projects:
- a. Navajo Transmission Project High-Voltage Transmission Line.
  - b. Steag Power power plant project.
  - c. Potential Lueppe Power Plant
  - d. Other energy related projects.

THE NAVAJO NATION - FISCAL YEAR 2004  
SUMMARY OF PROGRAM FUNDING

PART I.		PROGRAM NAME: Dine' Power Authority -		PROGRAM NUMBER: 0211303				
PART II.		DIVISION/OFFICE: Navajo Nation Enterprise - Window Rock		BRANCH: Navajo Nation Enterprise				
(A) Object Code	(B) Description	(C) Funding Code	(D) FUNDING DISTRIBUTION BY AGENCY				(E) Total	
			Central/ Window Rock (01)	Chinle (02)	Eastern (03)	Ft. Defiance (04)		Shiprock (05)
1000	Revenues	01.000						0
2000	Personnel Expenses	01.000	510,024					510,024
3000	Travel Expenses	01.000	75,798					75,798
3500	Meeting Expenses	01.000	44,100					44,100
4000	Supplies	01.000	39,700					39,700
5000	Lease & Rental	01.000	2,600					2,600
5500	Communications & Utilities	01.000	30,400					30,400
6000	Repairs & Maintenance	01.000	66,920					66,920
6500	Contractual Services	01.000	1,016,058					1,016,058
7000	Special Transactions	01.000	70,400					70,400
8000	Assistance	01.000						0
9000	Capital Outlay	01.000	44,000					44,000
9300	Other Income & Expenses	01.000						0
9500	Matching & Indirect Cost	01.000						0
<b>PAGE TOTALS:</b>			1,900,000	0	0	0	0	1,900,000

**THE NAVAJO NATION - FISCAL YEAR 2004  
BUDGET JUSTIFICATION DETAIL BY OBJECT CODE**

PART I.		PROGRAM NAME/NUMBER:	Dine' Power Authority - 211303	ACCOUNT NUMBER:	3-19551-07960				
PART II.		DIVISION/OFFICE:	Navajo Nation Enterprise - Window Rock	BRANCH: Navajo Nation Enterprise					
(A)	(B)	(C)	(D)			(E)			
Object Code	Description	Funding Type Code	Central/Window Rock (01)	Chinle (02)	Eastern (03)	Ft. Defiance (04)	Shiprock (05)	Western (06)	Total
2100	Personnel Expenses Total: \$ 510,023.82								
2100	Personnel-Permanent Total: \$ 360,921.60								
2120	<b>General Manager By Contract 527-86-8012</b> Acts as the principal administrative and chief operating officer; directs the operation of DPA, implements and effectuates the DPA board policies, handles budgets, approves transactions, negotiates and executes contracts, and makes program improvements; communicates with public and private sector representatives and entities. \$ 67,725.00	01.000	67,725						67,725
2120	<b>Electrical Engineer New Vacant</b> Works on transmission and generation, electrical engineering; guides and monitors the technical engineering planning and development of the projects; works with experts, and partner project engineers; wires reports, ect. 2080 hrs. X \$23.89 hr. = \$ 49,691.20	01.000	49,691						49,691
2120	<b>Accountant New Vacant</b> Inputs all financial data into MAS-90 accounting software; develops financial reports as required; makes journal entries in regards to A/R, A/P, Payroll, etc.; Prepares budgets, expenditure reports, conduct bank statement and travel reconciliation's, and maintains and upgrades the accounting system. 2080 hrs. X \$15.53 hr. = \$ 32,302.40	01.000	32,302						32,302
2120	<b>Project Administrator New Vacant</b> Monitors project task activities, collaborates with project officials, facilitates project planning and reporting, updates project activities, recommends corrective actions, sets up meetings with consultants and other entities, and does other assignments as requested. 2080 hrs. X \$15.92 hr. = \$ 33,113.60	01.000	33,114						33,114
<b>PAGE TOTAL:</b>			182,832	0	0	0	0	0	182,832

THE NAVAJO NATION - FISCAL YEAR 2004  
BUDGET JUSTIFICATION DETAIL BY OBJECT CODE

PART I.		PROGRAM NAME/NUMBER: Dine' Power Authority - 211303		ACCOUNT NUMBER: 3-19551-07960				
PART II.		DIVISION/OFFICE: Navajo Nation Enterprise - Window Rock		BRANCH: Navajo Nation Enterprise				
(A) Object Code	(B) Description	(C) Funding Type Code	(D) FUNDING DISTRIBUTION BY AGENCY				(E) Total	
			Central/ Window Rock (01)	Chinle (02)	Eastern (03)	Ft. Defiance (04)		Shiprock (05)
2120	<b>R.O.W. Procurement Officer</b> 525-58-5865 Procures project rights-of-way and leases, handles land acquisition functions; serves as a project liaison with tribal and other governmental entities, and handles environmental and permitting issues. 2080 hrs. X \$16.88 hr. = \$ 35,110.40	01.000	35,110					35,110
2120	<b>Human Resources Manager</b> Manages project personnel matters, prepares job training information, coordinates recruitment with project partners, handles insurance and risk management matters, and interprets policies and procedures. 2080 hrs. X \$15.53 hr. = \$ 32,302.40	01.000	32,302					32,302
2120	<b>Executive Secretary</b> 585-02-3263 Handles executive office duties; answers telephone calls, records incoming and outgoing mail and materials, keeps records, maintains files and meeting minutes, makes travel arrangements, and does related duties. 2080 hrs. X \$10.60 hr. = \$ 22,048.00	01.000	22,048					22,048
2120	<b>Legal Counsel</b> 526-37-9285 Handles legal matters for Dine' Power Authority, Advises DPA regarding energy, environmental, contractual, real estate, and Indian law. Keeps General Manager and Board of Directors informed of pertinent laws and regulations; (tribal, federal, state, and local.) Reviews legal documents and , and represents DPA in legal matters. 2080 hrs. X \$24.04 hr. = \$ 50,003.20	01.000	50,003					50,003
2120	<b>Engineering Technician</b> New - Vacant Assist electrical engineer regarding the NTP and power generation projects, and conducts related tasks. 2080 hrs. X \$ 9.68 hr = \$ 20,134.40	01.000	20,134					20,134
<b>PAGE TOTAL:</b>			159,598	0	0	0	0	159,598

**THE NAVAJO NATION - FISCAL YEAR 2004  
BUDGET JUSTIFICATION DETAIL BY OBJECT CODE**

PART I.		PROGRAM NAME/NUMBER: Dine' Power Authority - 211303		ACCOUNT NUMBER: 3-19551-07960				
PART II.		DIVISION/OFFICE: Navajo Nation Enterprise - Window Rock		BRANCH: Navajo Nation Enterprise				
(A) Object Code	(B) Description	(C) Funding Type Code	(D) FUNDING DISTRIBUTION BY AGENCY					(E) Total
			Central/ Window Rock (01)	Chinle (02)	Eastern (03)	Ft. Defiance (04)	Shiprock (05)	
2120	Environmental Technician New Vacant Assist the ROW Procurement Officer regarding the NTP and proposed power generation project, and perform related tasks. 2080 hrs. X \$8.89 hr. = \$ 18,491.20	01.000	18,491					18,491
2130	Personnel - Regular Part Time: \$ 11,440.00							
2130	Clerk Typist Part-Tim 527-84-0468 Transcribes Board of Directors meetings minutes, serves as the Secretary of the DPA BOD's, and perform other assigned by the Board. 1040 hrs. X \$11.00 hr. = \$ 11,440.00	01.000	11,440					11,440
2300	Personnel - Temporary \$ 11,500.00							
2360	Temporary Employees Seasonal College Interns (3) work and assist with general office tasks and duties; maintain office premises, and conduct energy research. Senior Intern 500 x \$8.50 hr \$ 4,250.00 Soph./Jr. Intern 500 x \$7.50 hr. \$ 3,750.00 Freshman 500 x \$7.00 h \$ 3,500.00 \$ 11,500.00	01.000	11,500					11,500
	Personnel-Regular-FT Total: \$ 360,921.60 Personnel-Regular-PT Total: \$ 11,440.00 Personnel-Temporary Total: \$ 11,500.00 Personnel Total Wages: \$ 383,861.60							
			41,431	0	0	0	0	41,431

**THE NAVAJO NATION - FISCAL YEAR 2004  
BUDGET JUSTIFICATION DETAIL BY OBJECT CODE**

PART I.		PROGRAM NAME/NUMBER: Dine' Power Authority - 211303		ACCOUNT NUMBER: 3-19551-07960			
PART II.		DIVISION/OFFICE: Navajo Nation Enterprise - Window Rock		BRANCH: Navajo Nation Enterprise			
(A) Object Code	(B) Description	(C) Funding Type Code	(D) FUNDING DISTRIBUTION BY AGENCY				(E) Total
			Central/ Window Rock (01)	Chinle (02)	Eastern (03)	Ft. Defiance (04)	
2900	Fringe Benefits Total:						23,799
2912	FICA-OSADI	01.000	126,162.22	23,799			23,799
2914	FICA-Medicare	01.000	5,565.99	5,566			5,566
2920	Group Insurance	01.000	33,782.26	33,782			33,782
2940	Retirement	01.000	36,092.16	36,092			36,092
2946	Deferred Compensation	01.000	6,772.50	6,773			6,773
2950	SUTA	01.000	3,838.62	3,839			3,839
2960	Worker's Compensation	01.000	1,228.36	1,228			1,228
2970	Annual Leave	01.000	15,082.91	15,083			15,083
3000	Travel Expenses Total:		75,797.92				
3200	Personal Travel Expenses	01.000					
3210 3220	Vehicle Rental (Off-Reservation) Expenses incurred to rent automobiles or transportation vehicles to attend official meetings, conferences, training and even off the reservation. 10- trips x \$200.00 per day X 3 days =	01.000	6,000.00	6,000			6,000
3240 3250	Personal Travel Expenses Lodging, meals and authorized travel expenses incurred on official travel regarding the NTP & Power Plant Projects Meetings with Experts, Consultants, Investors, Government Officials, and Personnel Training as needed. 60- trips X \$130.00 per diem X 3 dt \$ 23,400.00 18- trips X \$160.00 per diem X 4 dt \$ 11,520.00 14- trips X \$150.00 per diem X 3 dt \$ 6,300.00	01.000	41,220.00	41,220			41,220
<b>PAGE TOTAL:</b>			173,382	0	0	0	173,382

*Separate  
vehicle item*



**THE NAVAJO NATION - FISCAL YEAR 2004  
BUDGET JUSTIFICATION DETAIL BY OBJECT CODE**

PART I.		PROGRAM NAME/NUMBER: Dine' Power Authority - 211303		ACCOUNT NUMBER: 3-19551-07960					
PART II.		DIVISION/OFFICE: Navajo Nation Enterprise - Window Rock		BRANCH: Navajo Nation Enterprise					
(A)	(B)	(C)	(D)			(E)			
Object Code	Description	Funding Type Code	Central/Window Rock (01)	Chinle (02)	Eastern (03)	Ft. Defiance (04)	Shiprock (05)	Western (06)	Total
3260	<i>POV Vehicle</i> <b>Mileage Expense</b> Costs of employee personal vehicle usage at \$.36/mile incurred to conduct field work, attend meetings, and perform other official work for the authority. 40 trips x 364 miles R/T x \$0.36 = \$ 5,241.60 36 trips x 242 miles R/T x \$0.36 = \$ 3,136.32 = \$ 8,377.92	01.000	8,378						8,378
3320	<b>Commercial Fares Expense</b> Cost of commercial airline passenger tickets and related fees for official business travel. 2 staff x 6 trips x \$850.00 a trip = \$ 10,200.00 2 staff x 4 trips x \$500.00 a trip = \$ 4,000.00 = \$ 14,200.00	01.000	14,200						14,200
3330	<i>Internal</i> <b>Charter Fares Expense</b> Costs of charter airline flights incurred by using the Navajo Nation Air Transportation airplanes to travel to business locations to conduct official business. 5 trips x \$1,200.00 a trip = \$ 6,000.00	01.000	6,000						6,000
3500	<b>Meeting Expenses Total:</b>								
3611	<b>Stipends-Board of Directors Meetings Expense</b> Payment for decision making services provided at all regular special meetings of the DPA Board of Directors 7 - Board of Directors X \$250.00 each X 14 Board Meeting = \$ 24,500.00	01.000	24,500						24,500
3613	<b>Stipends - Board of Directors Mileage Expense</b> Payment for travel expenses incurred in connection with regular of special meetings of the DPA Board of Directors and the Board Secretary. 7 - Board of Directors X \$200.00 each X 14 Board Meeting = \$ 19,600.00	01.000	19,600						19,600
			72,678	0	0	0	0	0	72,678

THE NAVAJO NATION - FISCAL YEAR 2004  
 BUDGET JUSTIFICATION DETAIL BY OBJECT CODE

PART I.		PROGRAM NAME/NUMBER: Dine' Power Authority - 211303		ACCOUNT NUMBER: 3-19551-07960					
PART II.		DIVISION/OFFICE: Navajo Nation Enterprise - Window Rock		BRANCH: Navajo Nation Enterprise					
(A) Object Code	(B) Description	(C) Funding Type Code	(D) FUNDING DISTRIBUTION BY AGENCY						(E) Total
			Central/ Window Rock (01)	Chinle (02)	Eastern (03)	Ft. Defiance (04)	Shiprock (05)	Western (06)	
4000	Supplies Expense Total: \$ 39,700.00	01.000	6,000						6,000
4130	<i>General</i> Office Supplies Office supplies; stationary, letterheads, envelopes, pencils, pens, machine ink ribbons, staplers, paper clips, binders, paper products, meeting recording tapes, markers, folders, map, presentation supplies, and right-of-way field supplies. \$500.00 per mo. X 12 months = \$ 6,000.00	01.000	6,000						6,000
4420	<i>General</i> Operating Supplies Expendable supplies used by the authority; supplies for environmental work, engineering, data processing, repair, right-of-way, surveying, communications, computers, photocopier, and other office equipment. \$425.00 per mo. X 12 months = \$ 5,100.00	01.000	5,100						5,100
4450	<i>Courier, Shipping</i> Postage, Freight-charges Postage stamps, post office box rental, brochure mailing, certified mail, FedEx and UPS charges, packaged materials shipping and transporting charges, and similar expenses. \$175.00 per mo. X 12 months = \$ 2,100.00	01.000	2,100						2,100
4490	<i>Material</i> Custodial/Material Supplies General cleaning supplies & Expenses \$150.00 per mo. X 12 months = \$ 1,800.00	01.000	1,800						1,800
4530	<i>Printing</i> Printing, Binding, & Photocopying Printing of business forms, legal documents, pamphlets, and presentation material; binding of official documents, reports, plans, maps, and other pertinent information, cost of printing right-of-way or related documents. \$400.00 per mo. X 12 months = \$ 4,800.00	01.000	4,800						4,800
			19,800	0	0	0	0	0	19,800

**THE NAVAJO NATION - FISCAL YEAR 2004  
BUDGET JUSTIFICATION DETAIL BY OBJECT CODE**

PART I.		PROGRAM NAME/NUMBER: Dine' Power Authority - 211303		ACCOUNT NUMBER: 3-19551-07960				
PART II.		DIVISION/OFFICE: Navajo Nation Enterprise - Window Rock		BRANCH: Navajo Nation Enterprise				
(A) Object Code	(B) Description	(C) Funding Type Code	(D) FUNDING DISTRIBUTION BY AGENCY				(E) Total	
			Central/ Window Rock (01)	Chinle (02)	Eastern (03)	Ft. Defiance (04)		Shiprock (05)
4540	<b>Books, Periodicals and Dues Expense</b> Dues and subscriptions to energy industry publications; newspaper subscriptions, cost of law books and books on power, energy, generation and transmission, or similar publications. \$200.00 per mo. X 12 months = \$ 2,400.00 WECC/WSCC Membership per year \$ 4,500.00 West Connect Membership per year \$ 4,000.00 \$ <u>10,900.00</u>	01.000	10,900					10,900
4710	<b>Gasoline Vehicle Expense</b> Fuel for the operation of company vehicles only \$250.00 per veh. X 3 vehs. X 12 mo \$ 9,000.00	01.000	9,000					9,000
5000	<b>Lease &amp; Rental Total:</b> \$ 2,600.00							
5370	<b>Equipment Rental Expense</b> Rental of office equipment as needed, and fax machine from separate vendors. \$216.67 per mo. X 12 months = \$ 2,600.00	01.000	2,600					2,600
5500	<b>Communications &amp; Utilities Total:</b> \$ 30,400.00							
5520	<b>Telephone Expenses</b> Telephone equipment and line charges related to building: Local & Long Distance \$850.00 per mo. X 12 months = \$ 10,200.00	01.000	10,200					10,200
5570	<b>Internet Service Expense</b> Interner Bandwith/Local loop T-1 \$ 4,000.00 \$ 35.00 per mo. X 12 mont Cable \$ 420.00 \$ 40.00 per mo. X 12 mont Security \$ 480.00 \$ <u>4,900.00</u>	01.000	4,900					4,900
			37,600	0	0	0	0	37,600

**THE NAVAJO NATION - FISCAL YEAR 2004  
BUDGET JUSTIFICATION DETAIL BY OBJECT CODE**

PART I.		PROGRAM NAME/NUMBER: Dine' Power Authority - 211303		ACCOUNT NUMBER: 3-19551-07960					
PART II.		DIVISION/OFFICE: Navajo Nation Enterprise - Window Rock		BRANCH: Navajo Nation Enterprise					
(A) Object Code	(B) Description	(C) Funding Type Code	(D) FUNDING DISTRIBUTION BY AGENCY						(E) Total
			Central/ Window Rock (01)	Chinle (02)	Eastern (03)	Ft. Defiance (04)	Shiprock (05)	Western (06)	
5610	Wireless Telephone Expense 2- phones X 12 months = \$ 250.00 \$ 6,000.00	01.000	6,000						6,000
5720	Electric - Utility Expense Cost of electric power to light, heat, air-conditioning, and electrical devices in the office building. \$300.00 per mo. X 12 months = \$ 3,600.00	01.000	3,600						3,600
5730	Gas - Utility Expense Cost of natural gas used to heat the office building \$300.00 per mo. X 12 months = \$ 3,600.00	01.000	3,600						3,600
5760	Water - Utility Service \$100.00 per mo. X 12 months = \$ 1,200.00	01.000	1,200						1,200
5770	Sewage - Utility Service \$75.00 per mo. X 12 months = \$ 900.00	01.000	900						900
6000	Repairs & Maintenance Total: \$ 66,920.04								
6010	Repair & Maintenance - Building Repair and Maintenance of entire facility including: Plumbing, Electrical service, HVAC service, Pest Control, & other General Contractors as needed. \$500.00 per mo. X 12 months = \$ 6,000.00	01.000	6,000						6,000
6140	Repair & Maintenance - Furniture & Equipment Services Repairs and Maintenance of Furniture, & Equipment used on daily basis. This includes necessary supplies & services. \$250.00 per mo. X 12 months = \$ 3,000.00	01.000	3,000						3,000
			24,300	0	0	0	0	0	24,300

**THE NAVAJO NATION - FISCAL YEAR 2004  
BUDGET JUSTIFICATION DETAIL BY OBJECT CODE**

PART I.		PROGRAM NAME/NUMBER: Dine' Power Authority - 211303		ACCOUNT NUMBER: 3-19551-07960				
PART II.		DIVISION/OFFICE: Navajo Nation Enterprise - Window Rock		BRANCH: Navajo Nation Enterprise				
(A) Object Code	(B) Description	(C) Funding Type Code	(D) FUNDING DISTRIBUTION BY AGENCY				(E) Total	
			Central/ Window Rock (01)	Chinle (02)	Eastern (03)	Ft. Defiance (04)		Shiprock (05)
6250	<b>Solid Waste Disposal Expense - External</b> Monthly expense for removal of trash & other discarded items \$60.00 per mo. X 12 months = \$ 720.00	01.000	720					720
6260	<b>Custodial Services - Outsource</b> Janitorial services on a weekly basis for the entire facility on a weekly basis.	01.000	10,000					10,000
6270	<b>Landscaping Services</b> General landscaping and exterior cleanup for the entire property on a monthly basis.	01.000	10,000					10,000
6320	<b>Software License/Support/Repair &amp; Maintenance</b> Costs of computer software license, operating system software and software programs for word processing, spreadsheets, graphics, and database management, includes MAS 90 accounting system software, MS-DOS based programs, software utilities, engineering license software, AutoCad, ArcView, & GIS. General Support Services \$ 5,000.00 General Repair & Maintenance \$ 5,000.00 S/W Lic: MAS90 \$450.00 mo. x 12 \$ 5,400.00 S/W Lic: AutoCad \$416.67 mo. x 12r \$ 5,000.04 S/W Lic: ArcView \$333.33 mo. x 12 \$ 3,999.96 S/W Lic: GIS \$166.67 mo. x 12 \$ 2,000.04 \$ 26,400.04	01.000	26,400					26,400
6410	<b>Vehicle Repair &amp; Maintenance - External</b> \$300.00 per mo. X 3-Veh. X 12 mo r \$ 10,800.00	01.000	10,800					10,800
			57,920	0	0	0	0	57,920

**THE NAVAJO NATION - FISCAL YEAR 2004  
BUDGET JUSTIFICATION DETAIL BY OBJECT CODE**

PART I.		PROGRAM NAME/NUMBER: Dine' Power Authority - 211303		ACCOUNT NUMBER: 3-19551-07960				
PART II.		DIVISION/OFFICE: Navajo Nation Enterprise - Window Rock		BRANCH: Navajo Nation Enterprise				
(A) Object Code	(B) Description	(C) Funding Type Code	(D) FUNDING DISTRIBUTION BY AGENCY				(E) Total	
			Central/ Window Rock (01)	Chinle (02)	Eastern (03)	Ft. Defiance (04)		Shiprock (05)
6500	<b>Contractual Services Total:</b> \$1,016,058.00							
6520	<b>Consultant - Environmental / NTP Project</b> Environmental consultant to assist and finalize the right-of-way documents for Arizona and New Mexico; coordinate with the Bureau of Land Management, U.S. Forest Services, National Park Service and the Hualapai and Hopi Tribes concerning the NTP rights-of-way issues. Estimated FY 2004 Expenses = \$ 150,000.00	01.000	150,000				150,000	
6520	<b>Consultant - Environmental / Power Plant Project</b> Experts to conduct technical work regarding air, water, land, infrastructure and other tasks related to the generation plant development. Estimated FY 2004 Expenses = \$ 150,000.00	01.000	150,000				150,000	
6520	<b>Consultant - Business Formation / Operations</b> Consultant to work with DPA to find partners with operating expertise and the access to capital required to complete development and construct, operate and maintain the Navajo Transmission Project, and Power Generation facilities Estimated FY 2004 Expenses = \$ 80,000.00	01.000	80,000				80,000	
6520	<b>Consultant - Engineering Support</b> Engineering Consultant to provide support services that include engineering support, right-of-way acquisition support, WSC Studies/Interconnections support, preparation of materials in support of DPA, and meetings with the Navajo Nation and other interested parties regarding the NTP project, and power generation projects. Estimated FY 2004 Expenses = \$ 65,000.00	01.000	65,000				65,000	
6520	<b>Consultant - Federal Funding Procurement</b> Appropriations Consultant to provide support for the NTP, and power generation projects for federal funding through the Energy Bill. Estimated FY 2004 Expenses = \$ 84,000.00	01.000	84,000				84,000	
			529,000	0	0	0	0	529,000

THE NAVAJO NATION - FISCAL YEAR 2004  
BUDGET JUSTIFICATION DETAIL BY OBJECT CODE

PART I.		PROGRAM NAME/NUMBER: Dine' Power Authority - 211303		ACCOUNT NUMBER: 3-19551-07960				
PART II.		DIVISION/OFFICE: Navajo Nation Enterprise - Window Rock		BRANCH: Navajo Nation Enterprise				
(A) Object Code	(B) Description	(C) Funding Type Code	(D) FUNDING DISTRIBUTION BY AGENCY				(E) Total	
			Central/ Window Rock (01)	Chinle (02)	Eastern (03)	Ft. Defiance (04)		Shiprock (05)
6630	<b>Audit Fees - Certified Audit</b> Fees incurred for a financial audit of the authority. CPA firm retained by contract annual contract Estimated FY 2004 Expenses = \$ 21,000.00	01.000	21,000				21,000	
6670	<b>Consultant - Attorney Fees / NTP Project</b> Legal Consultant for the NTP Project regarding tax matters transmission, due diligence, EPA, Navajo Water Dept., and other legal matters related to the NTP Project. Estimated FY 2004 Expenses = \$ 150,000.00	01.000	150,000				150,000	
6670	<b>Consultant - Attorney Fees / Power Generation</b> Legal Consultant for the Power Plant Generation Project : Tax matters, due diligence, EPA, Water, Land, and other legal matters related to the Generation Project. Estimated FY 2004 Expenses = \$ 150,000.00	01.000	150,000				150,000	
6730	<b>Financial Custodial/Trustees</b> Payroll processing Fee 12 months X \$300.00 per mo. = \$ 3,600.00	01.000	3,600				3,600	
6840	<b>Feasibility Studies</b> Expenses related to any feasibility study needed. Estimated FY 2004 Expenses = \$ 12,458.00	01.000	12,458				12,458	
6855	<b>Consultant - Inspection/Appraisal Fees</b> Certified appraiser is required to determine land values of right-of-way valuation and documentation, submit certified information about the valuation and appraisal of the NTP and related work; conduct valuation of proposed power generation and associated assets. Estimated FY 2004 Expenses = \$ 50,000.00	01.000	50,000				50,000	
6910	<b>Other Contractual Services - BLM</b> Lead Federal Agency for the Cost of Recovery Agreement in Arizona, New Mexico, & Nevada. Estimated FY 2004 Expenses = \$ 100,000.00	01.000	100,000				100,000	
			487,058	0	0	0	0	450,000

THE NAVAJO NATION - FISCAL YEAR 2004  
BUDGET JUSTIFICATION DETAIL BY OBJECT CODE

PART I.		PROGRAM NAME/NUMBER: Dine Power Authority - 211303		ACCOUNT NUMBER: 3-19551-07960				
PART II.		DIVISION/OFFICE: Navajo Nation Enterprise - Window Rock		BRANCH: Navajo Nation Enterprise				
(A) Object Code	(B) Description	(C) Funding Type Code	(D) FUNDING DISTRIBUTION BY AGENCY				(E) Total	
			Central/ Window Rock (01)	Chinle (02)	Eastern (03)	Ft. Defiance (04)		Shiprock (05)
7000	Special Transactions Total: \$ 70,400.00							
7130	Promotional Items/Business Meals Promotional materials, displays, and exhibits for NTP, generation and other energy projects. Expenses to distribute information. Business meals related to promotion of NTP 20 Events or Activities X \$600.00 = \$ 12,000.00	01.000	12,000				12,000	
7410	Print & Radio Advertising Advertisements for the promotion of the NTP & Generation Power Plant and for the promotion of other areas. Navajo Nation Fair & July 4th Promos \$ 10,000.00 10- Advertisements X \$300.00 each \$ 3,000.00 \$ 13,000.00	01.000	13,000				13,000	
7520	Seminars Registration Fees Tuition, registration and conference fees; books and items related to increasing the skills and knowledge of DPA employees; energy and utility training courses. 10- Staff & BOD Members X \$800.00 \$ 8,000.00 10- Staff & BOD Members X \$500.00 \$ 5,000.00 \$ 13,000.00	01.000	13,000				13,000	
7610	Recruitment/Advertising Expense Recruitment Advertising for potential candidates for vacant positions as needed. 6- Advertisements X \$400.00 each \$ 2,400.00	01.000	2,400				2,400	
7710	Insurance Premium Coverage Annual cost of insurance coverage for the following: Excess Liability, General Liability, Broker Service Fee, Property, Boiler Machine, Crime, Risk Management, TPA, and Attorney Fee as charged by Navajo Nation Estimated FY 2004 Charges = \$ 30,000.00	01.000	30,000				30,000	
			70,400	0	0	0	0	70,400



**THE NAVAJO NATION - FISCAL YEAR 2004  
BUDGET JUSTIFICATION DETAIL BY OBJECT CODE**

PART I.		PROGRAM NAME/NUMBER: Dine' Power Authority - 211303		ACCOUNT NUMBER: 3-19551-07960			
PART II.		DIVISION/OFFICE: Navajo Nation Enterprise - Window Rock		BRANCH: Navajo Nation Enterprise			
(A) Object Code	(B) Description	(C) Funding Type Code	(D) FUNDING DISTRIBUTION BY AGENCY				(E) Total
			Central/ Window Rock (01)	Chimle (02)	Eastern (03)	Ft. Defiance (04)	
9000	Capital Outlay Total: \$ 44,000.00						
9014	Land Improvements Level & Gravel Land \$ 10,000.00	01.000	10,000				10,000
9054	Capital Outlay - Building Improvements Join together both buildings & repaint entire structure Estimated cost = \$ 10,000.00	01.000	10,000				10,000
9142	Capital Outlay - Equipment Large Scale Plotter \$ 5,000.00 GPS & Survey Equipment \$ 10,000.00 Marker Board Printer \$ 4,000.00 \$ 19,000.00	01.000	19,000				19,000
9146	Capital Outlay - Computers 3 - New computer systems & softwa \$ 5,000.00	01.000	5,000				5,000
			44,000	0	0	0	44,000

THE NAVAJO NATION - FISCAL YEAR 2004  
BUDGET COMPARATIVE SUMMARY

PART I.		Navajo Nation Enterprise, Window Rock		Navajo Nation Enterprise		
DIVISION/OFFICE:		Dine' Power Authority - 211303		FUND TYPE: Undesignated, Unreserved Fund		
PROGRAM NAME/NUMBER:						
PART II.						
(A) Rank	(B) Program Number/ Object Code	(C) Program Name / Object Code Description	(D) FY 2003 (*) Original Budget	(E) FY 2004 Budget Base	(F) Difference Columns E - D	(G) % Change Columns F ÷ D
	001000	Revenues	0	0	0	#DIV/0!
	002000	Personnel Expenses	488,484	510,024	21,540	4.41%
	003000	Travel Expenses	60,017	75,798	15,781	26.29%
	003500	Meeting Expenses	34,790	44,100	9,310	26.76%
	004000	Supplies	29,547	39,700	10,153	34.36%
	005000	Lease & Rental	1,890	2,600	1,110	58.73%
	005500	Communications & Utilities	36,676	30,100	(6,676)	-18.20%
	006000	Repairs & Maintenance	30,260	66,920	36,660	121.15%
	006500	Contractual Services	347,162	1,016,058	668,896	192.68%
	007000	Special Transactions	29,274	70,400	41,126	140.49%
	008000	Assistance	0	0	0	#DIV/0!
	009000	Capital Outlay	41,900	44,000	2,100	5.01%
	009300	Other Income & Expenses	0	0	0	#DIV/0!
	009500	Matching & Indirect Cost	0	0	0	#DIV/0!
<b>TOTALS:</b>			1,100,000	1,900,000	800,000	72.73%
<b>PART III:</b>		Total Number of Budgeted Personnel Positions:		14		
		Total Vehicle Count (Navajo Nation Fleet):		3		

\* Original appropriation per Navajo Nation Council FY 2003 Budget Resolution CS-60-02.

THE NAVAJO NATION - FISCAL YEAR 2004  
 BUDGET COMPARATIVE SUMMARY OF EXTERNAL FUNDS

PART I.		DIVISION/OFFICE: Navajo Nation Enterprise, Window Rock		BRANCH: Navajo Nation Enterprise	
PART II.		PROGRAM NAME/NUMBER: Dine' Power Authority - 211303		ACCOUNT NO./FUND TYPE: U.S. Department Of Energy	
(A) Prog. No. / Object Code	(B) Name / Title	(C) FY 2003 Enacted Budget	(D) FY 2004 Proposed Budget	(E) FY 2004 Total Need Budget	(F) FY 2004 Unmet Need Budget
1000	Revenues	0	0	0	0
2000	Personnel Expenses	488,484	107,373	510,024	40,265
3000	Travel Expenses	6,007	15,957	75,798	5,984
3500	Meeting Expenses	34,790	9,284	44,100	3,481
4000	Supplies	29,547	8,358	39,700	3,134
5000	Lease & Rental	1,890	632	3,000	236
5500	Communication & Utilities	36,676	6,316	30,000	23,684
6000	Repairs & Maintenance	30,260	14,088	66,920	5,283
6500	Contractual Services	347,162	213,907	101,605	80,215
7000	Special Transactions	29,274	14,821	70,400	55,579
8000	Assistance	0	0	0	0
9000	Capital Outlay	41,900	9,264	44,000	34,736
9300	Other Income & Expenses	0	0	0	0
9500	Matching & Indirect Cost	0	0	0	0
<b>TOTAL:</b>		<b>1,100,000</b>	<b>400,000</b>	<b>1,900,000</b>	<b>1,500,000</b>
PART III: PERSONNEL COUNT:		13	14	14	
Total Number of Budgeted Personnel Positions:					

THE NAVAJO NATION  
BUDGET IMPACT STATEMENT  
FISCAL YEAR 2004

FORM 6

Page 22 of 23

Program:

Dine' Power Authority

Program No:

211303

1. Provide a brief explanation of the consequences or impacts of the funding level as proposed in the budget

The \$1.5 million grant appropriation to Dine' Power Authority (DPA) in Fiscal Year 2004 would help DPA and the Navajo Nation by matching federal funding of \$400,000 to continue development of the NTP. DPA is leveraging prior-year appropriations of \$21 million from tribal and federal sources establish equity ownership in the NTP. The current projects will bring in \$2 billion of outside investment in economic development on the reservation.

(1.) The grant appropriation would increase tribal investment in the 470-mile, \$600 million Navajo Transmission Project (NTP) that is being developed by DPA and its partner, Trans-Elect Incorporated. The level of equity ownership by DPA in the NTP would increase. The Navajo Nation has approved rights-of-way (ROW) across 255 miles of tribal trust land, and across 35 miles of tribal-owned fee land, which represents 61% of the entire ROW. DPA is pursuing to acquire ROW and permits on federal, state, and private lands that are in Segment 3 of the NTP. Trans-Elect, New Transmission Development (NTD), and DPA expect to enter into a development agreement, and provide some pre-construction funding to complete much of the off-reservation land acquisition and permitting work. This would be followed by a financing and construction agreement within 2 years. Trans-Elects financial backers would provide about \$500 million for construction of the NTP.

(2.) The grant will provide some initial investment in the DPA / Steag Power proposed 1300-1500 Mega-watt power plant in the Four Corners Area. DPA is expecting to enter into a development agreement with Steag Power in August 2003 to develop a state-of-the-art, coal-fueled power plant near the existing mining area. The grant funds will help DPA match cost of site-analysis, economic analysis, and cost associated with environmental studies and permitting in the Four Corners. The grant funds will be leveraged to gain equity ownership interest in the \$1.2 to \$1.8 billion proposed plant. The benefits of funding will be jobs, revenues, taxes, electricity infrastructure, and ancillary services.

(3.) The funding will also help DPA work on other energy projects, such as large-scale renewable projects.



**RESOLUTION OF THE  
DINÉ POWER AUTHORITY  
BOARD OF DIRECTORS**

**APPROVING AND RECOMMENDING TO THE NAVAJO NATION COUNCIL,  
THE FY 2004 BUDGET FOR DINÉ POWER AUTHORITY FOR THE  
APPROPRIATION OF \$1,500,000 FROM THE GENERAL FUND, OR THE  
UNDESIGNATED, UNRESERVED FUND BALANCE FOR DEVELOPMENT  
OF THE NAVAJO TRANSMISSION PROJECT (NTP) AND DEVELOPMENT  
OF NEW POWER GENERATION PROJECTS, AND OTHER ASSOCIATED  
ENERGY DEVELOPMENT PROJECTS.**

**WHEREAS:**

1. The Dine Power Authority was established by the Navajo Nation Council pursuant to Resolution CN-87-85 and Resolution CJA-2-96, codified as 2 N.N.C. §201, et.seq., to develop energy projects on the Navajo Nation; and
2. Diné Power Authority (DPA), through its Board of Directors, is exercising its purpose and authority in the final development stages of the Navajo Transmission Project and development of new power generation projects, specifically, and
3. With support from the Navajo Nation Council and the Executive Administration, DPA has continued to pursue development of the Navajo Transmission Project (NTP) to the point of completing the NTP Final Environmental Impact Statement (FEIS), published in the Federal Register on August 8, 1997 and the Federal Publication of the Record of Decision (ROD) on October 31, 1997; and
4. Diné Power Authority is now engaged in final rights-of-way acquisition activities across the Navajo Reservation and other federal, state, and local jurisdictions and completion of the construction, operation and maintenance plan (COMP) and the Plan of Development (POD); and
5. Dine Power Authority has a letter of intent agreement with Trans-Elect, Inc. for development of the NTP, and a letter agreement with Steag Power for development of a coal-fired power plant in the Four Corners area; and
6. The Diné Power Authority Board of Directors finds that the proposed budget in the amount of \$1,900,000 (attached hereto as Exhibit A and incorporated herein by reference) consisting of federal funding of \$400,000 and tribal funding of \$1.5 million is necessary to advance the tasks associated with the

5. The DPA, through its development partner, RockPort Partners, has signed a confidentiality agreement and a letter of intent with Trans-Elect, Inc. to conduct due diligence on the \$600 million NTP, and the parties are negotiating a development agreement to finance, build and operate this high-voltage transmission line; and

6. DPA, with the assistance of RockPort Partners, has signed a confidentiality agreement and a letter agreement with Steag Power, LLC, and the parties are completing due diligence activities and negotiating a development agreement to finance, build, and operate a modern \$1.5 billion, 1,300-1,500 MW coal-fired power plant near an existing coal mining lease site and near the Navajo Indian Irrigation Project where 25,000 acre-feet of surface water will be requested for by DPA for the power plant and associated facilities; and

7. DPA believes that building a 500 kV transmission line from the Four Corners area to southern Nevada, and building a 1,300 MW – 1,500 MW power plant in the Four Corners area is strategically sound and offers economic opportunity given the dynamics of the power industry and changes in power markets in the western United States; and

8. The DPA Board of Directors passed Resolution DPAJUN-03-017 to approve and recommend to the Economic Development Committee, the Resources Committee, the Budget and Finance Committee and the Navajo Nation Council to support and to approve the DPA grant appropriation request of \$1.5 million from the Navajo Nation for Fiscal Year 2004 to advance the continued development of the NTP, new power generation projects and other energy development projects for the benefit of DPA and the Navajo people; and

9. The Economic Development Committee of the Navajo Nation Council finds that it is in the best interest of the Navajo Nation to continue to support the completion of the NTP and development of new power generation projects, for revenues, infrastructure, employment, investment and related benefits; and

10. The Economic Development Committee of the Navajo Nation Council supports the appropriation grant request by the Diné Power Authority in the amount of \$1,500,000 for funding the continued development of the Navajo Transmission Project, new development of the proposed power generation facilities, other energy projects, and the operation of DPA in Fiscal Year 2004; and

**PROPOSED RESOLUTION OF THE  
ECONOMIC DEVELOPMENT COMMITTEE  
OF THE NAVAJO NATION COUNCIL**

**Recommending to the Budget and Finance Committee and the Navajo Nation Council for the Approval of an Appropriation in FY 2004 in the Amount of \$1,500,000 from the Undesignated Unreserved Fund Balance or Tribal Revenue for Diné Power Authority for Administration and Development of the Navajo Transmission Project the Power Generation Project, and other Energy-related Projects**

**WHEREAS:**

1. Pursuant to 2 N.N.C. §722 and 724(A), the Economic Development Committee of the Navajo Nation Council has been duly authorized to establish, amend, regulate, enforce and foster policies pertaining to the development of the economy of the Navajo Nation and has been given all powers necessary and appropriate to carry out those purposes; and

2. The Diné Power Authority (DPA) was established by the Navajo Nation Council pursuant to Resolutions CN-87-85 and CJA-2-96, codified at 21 N.N.C. §201 *et seq.*, for the purpose of developing energy-related projects, and pursuant to 21 N.N.C. §202(D), the DPA is an authority, instrumentality and an enterprise of the Navajo Nation subject to the legislative oversight authorities delegated by the Navajo Nation Council; and

3. With the support of the Navajo Nation Council and Executive Administration, the DPA continues to pursue the development of the Navajo Transmission Project (NTP) that involves the acquisition of a 470-mile right-of-way for construction of a 500 kV, alternating-current (AC) transmission line across Navajo and other tribal, federal, state and private lands, and these activities are in accordance with the final Environmental Impact Statement (EIS), the federal record of decision (ROD), and the Arizona Certificate of Environmental Compatibility (CEC) for the NTP; and

4. In November 2002, the Resources Committee of the Navajo Nation Council approved the grant of right-of-way and use permits for the NTP to cross 285 miles of Navajo trust and fee lands, and this portion represents about 61% of the entire transmission line; and



completion of the NTP and development of new power generation projects and other associated energy projects; and

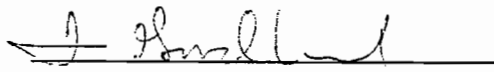
7. The Diné Power Authority Board of Directors requests that the FY 2004 grant appropriation of \$1,500,000 be funded from the General Fund, Undesignated Unreserved Fund Balance, or other Revenue Fund from the Navajo Nation for the administration and projects of Diné Power Authority.

**NOW THEREFORE BE IT RESOLVED THAT:**

1. The Diné Power Authority Board of Directors, hereby approves and recommends to the Economic Development Committee (EDC), the Resources Committee (RC), the Budget and Finance Committee (B&FC), and the Navajo Nation Council, the proposed Fiscal Year 2004 grant appropriation in the amount of \$1,500,000 to advance the continued development of the Navajo Transmission Project, new power generation projects, and other energy development projects for the benefit of DPA and the Navajo people.
2. The Dine Power Authority Board of Directors recommends to the Navajo Nation Council and it's standing committees that the funding source for this grant shall be the General Fund, the Undesignated Unreserved Fund Balance, or any other revenue fund of the Navajo Nation.

**C-E-R-T-I-F-I-C-A-T-I-O-N**

I hereby certify that the foregoing resolution was duly considered by the Diné Power Authority Board of Directors at the duly called meeting at Phoenix, Arizona, at which a quorum was present and that same was passed by a vote of (2) in favor, (0) opposed and (0) abstentions this 14<sup>th</sup> day of June, 2003.

  
**Tim T. Goodluck, Chairman**  
**DINÉ POWER AUTHORITY**  
**Board of Directors**

Motion: Herbert Pioche  
Second: Andrew Simpson

11. The Economic Development Committee of the Navajo Nation Council recommends that the Navajo Nation Council waive the provisions of 12 N.N.C. §§820(F), (J) and (L) and §860, and other pertinent provisions, to the extent required to make this grant appropriation.

**NOW, THEREFORE, BE IT RESOLVED THAT:**

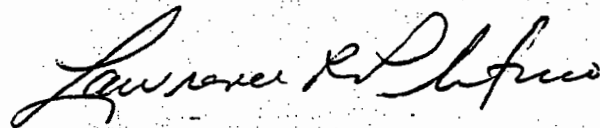
1. The Economic Development Committee of the Navajo Nation Council hereby supports the continued development of the Navajo Transmission Project, new electrical power generation, and other energy-related projects for revenues, infrastructure, employment, investments, and related benefits for the Diné Power Authority, the Navajo Nation and its people.

2. The Economic Development Committee of the Navajo Nation Council hereby recommends that Navajo Nation Council approve an appropriation of \$1,500,000 as a grant from the Undesignated Unreserved Fund Balance to the Diné Power Authority in Fiscal Year 2004 for funding the Navajo Transmission Project, power generation projects, and other energy-related projects, and the operation of DPA.

3. The Economic Development Committee of the Navajo Nation Council further recommends that the Navajo Nation Council waive the provisions of 12 N.N.C. §§820(F), (J) and (L) and §860, and other pertinent provisions to the extent required to make this grant appropriation.

**C-E-R-T-I-F-I-C-A-T-I-O-N**

I hereby certify that the foregoing resolution was duly considered by the Economic Development Committee of the Navajo Nation Council at a duly called meeting at Coyote Canyon, Navajo Nation, (New Mexico), at which a quorum was present and that same was passed by a vote of 6 in favor, 0 opposed, and 0 abstained, this 20th day of August 2003



Lawrence R. Platero, Chairman  
Economic Development Committee

Motion: Ralph Bennett  
Second: Alice M. White

RESOLUTION  
OF THE RESOURCES COMMITTEE  
OF THE NAVAJO NATION COUNCIL

Supporting the Fiscal Year 2004 Grant Request in the Amount of \$1,500,000 Submitted to the Budget and Finance Committee and the Navajo Nation Council by Diné Power Authority for the Administration and Development of the Navajo Transmission Project (NTP) and Power Generation Project

WHEREAS:

1. Pursuant to 2 N.N.C. § 691, the Resources Committee was established and continued as a standing committee of the Navajo Nation Council; and

2. Pursuant to 2 N.N.C. § 695 (B) (7), the Resources Committee of the Navajo Nation Council has been delegated authority to oversee and regulate all activities within the Navajo Nation, including actions which may involve disposition or acquisition of resources, surface disturbance, or alteration of the natural state of the resource; and

3. The Diné Power Authority (DPA) was established by the Navajo Nation Council pursuant to Resolutions CN-87-85 and CJA-2-96, codified at 21 N.N.C. §201 et seq., for the purpose of developing energy-related projects, and pursuant to 21 N.N.C. §202(D), the DPA is an authority, instrumentality and enterprise of the Navajo Nation subject to the legislative oversight authorities delegated by the Navajo Nation Council; and

4. With the support of the Navajo Nation Council and Executive Administration, the Diné Power Authority continues to pursue the development of the Navajo Transmission Project (NTP) that involves the acquisition of a 470-mile right-of-way for construction of a 500 kV, alternating-current transmission line across Navajo and other tribal, federal, state and private lands, and these activities are in accordance with the final Environmental Impact Statement, the federal record of decision, and the Arizona Certificate of Environmental Compatibility for the NTP; and

5. In November 2002, the Resources Committee of the Navajo Nation Council approved the grant of rights-of-way and permits for the NTP to cross 285 miles of Navajo trust and fee lands, and this portion represents about 61% of the entire transmission line; and

6. The DPA, through its development partner, RockPort Partners, has signed a confidentiality agreement and a letter of intent with Trans-Elect, Inc. to conduct due diligence on the \$600 million NTP, and the parties are negotiating a development agreement to finance, build and operate this high-voltage transmission line; and

7. DPA, with the assistance of RockPort Partners, has signed a confidentiality agreement and a letter agreement with Steag Power, LLC, and the parties are completing due diligence activities and negotiating a development agreement to finance, build, and operate a modern \$1.5 billion, 1,300 - 1,500 MW coal-fired power plant near an existing coal mining lease site and near the Navajo Indian Irrigation Project where 25,000 acre-feet of surface water will be requested for by DPA for the power plant and associated facilities; and

8. DPA believes that building a 500 kV transmission line from the Four Corners area to southern Nevada, and building a 1,300-1,500 MW power plant in the Four Corners area are strategically sound and offer economic opportunities given the dynamics of the power industry and changes in power markets in the western United States; and

9. The DPA Board of Directors passed Resolution DPAJUN-03-017 to approve and recommend to the Economic Development Committee, the Resources Committee, the Budget and Finance Committee and the Navajo Nation Council to support and to approve the DPA grant appropriation request of \$1.5 million from the Navajo Nation for Fiscal Year 2004 to advance the continued development of the NTP, new power generation projects and other energy development for the benefit of DPA and the Navajo people; and

10. The Resources Committee of the Navajo Nation Council finds that it is in the best interest of the Navajo Nation to continue to support the completion of the NTP and development of new power generation projects, for revenues, infrastructure, employment, investment and related benefits; and

11. The Resources Committee of the Navajo Nation Council supports the grant appropriation request by the DPA in the amount of \$1,500,000 for funding the continued development of the NTP, new development of the proposed power generation facilities, other energy projects, and the operation of DPA in Fiscal Year 2004; and

12. The Resources Committee of the Navajo Nation Council recommends that the Navajo Nation Council waive the provisions of 12 N.N.C. §820(F), (J) and (L) and §860, and other pertinent provisions, to the extent required to make this grant appropriation.

**NOW, THEREFORE, BE IT RESOLVED THAT:**

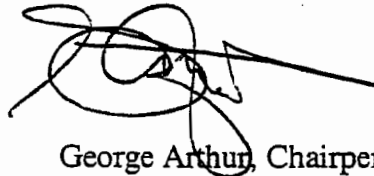
1. The Resources Committee of the Navajo Nation Council hereby supports the continued development of the Navajo Transmission Project, new electrical power generation, and other energy-related projects for revenues, infrastructure, employment, investments, and related benefits for the Diné Power Authority, the Navajo Nation and its people.

2. The Resources Committee of the Navajo Nation Council hereby supports and recommends that Budget and Finance Committee and the Navajo Nation Council approve an appropriation of \$1,500,000 as a grant from the Undesignated Unreserved Fund Balance to the Diné Power Authority in Fiscal Year 2004 for funding the Navajo Transmission Project, power generation projects, and other energy-related projects, and the operation of DPA.

3. The Resources Committee of the Navajo Nation Council further recommends that the Navajo Nation Council waive the provisions of 12 N.N.C. §820(F), (J) and (L) and §860, and other pertinent provisions, to the extent required to make this grant appropriation.

#### CERTIFICATION

I hereby certify that the foregoing resolution was duly considered by the Resources Committee of the Navajo Nation Council at a duly called meeting at Window Rock, Navajo Nation, (Arizona), at which a quorum was present and that same was passed by a vote of 4 in favor, 1 opposed and 0 abstained, this 24<sup>th</sup> day of August, 2003.



George Arthur, Chairperson  
Resources Committee

Motion: Harry J. Goldtooth  
Second: Herman Daniels

**RESOLUTION OF THE  
BUDGET AND FINANCE COMMITTEE  
OF THE NAVAJO NATION COUNCIL**

**Recommending to the Navajo Nation Council for the Approval of an Appropriation in FY 2004 Grant in the Amount of \$1,500,000 from the Undesignated Unreserved Fund Balance or Tribal Revenue for Diné Power Authority for Administration and Development of the Navajo Transmission Project (NTP), the Power Generation Project, other Energy-Related Projects**

**WHEREAS:**

1. Pursuant to 2 N.N.C. §374 (B) (4), the Budget and Finance Committee of the Navajo Nation Council is to coordinate and review all fiscal, financial and investment activities of the Navajo Nation and its enterprises, as well as other agencies, federal, state, regional and private; and

2. The Diné Power Authority (DPA) was established by the Navajo Nation Council pursuant to Resolutions CN-87-85 and CJA-2-96, codified at 21 N.N.C. §201 *et seq.*, for the purpose of developing energy-related projects, and pursuant to 21 N.N.C. §202(D), the Diné Power Authority is an authority, instrumentality and an enterprise of the Navajo Nation subject to the legislative oversight authorities delegated by the Navajo Nation Council; and

3. With the support of the Navajo Nation Council and Executive Administration, the DPA continues to pursue the development of the Navajo Transmission Project (NTP) that involves the acquisition of a 470-mile right-of-way for construction of a 500 kV, alternating-current (AC) transmission line across Navajo and other tribal, federal, state and private lands, and these activities are in accordance with the final Environmental Impact Statement (EIS), the federal record of decision (ROD), and the Arizona Certificate of Environmental Compatibility (CEC) for the NTP; and

4. In November 2002, the Resources Committee of the Navajo Nation Council approved the grant of right-of-way and permits for the NTP to cross 285 miles of Navajo trust and fee lands, and this portion represents about 61% of the entire transmission line; and

5. The DPA, through its development partner, RockPort Partners, has signed a confidentiality agreement and a letter of intent with Trans-Elect, Inc. to conduct due diligence on the \$600 million NTP, and the parties are negotiating a development agreement to finance, build and operate this high-voltage transmission line; and

6. DPA, with the assistance of RockPort Partners, has signed a confidentiality agreement and a letter agreement with Steag Power, LLC, and the parties are completing due diligence activities and negotiating a development agreement to finance, build, and operate a modern \$1.5 billion, 1,300 - 1,500 MW coal-fired power plant near an existing coal mining lease site and near the Navajo Indian Irrigation Project where 25,000 acre-feet of surface water will be requested for by DPA for the power plant and associated facilities; and

7. DPA believes that building a 500 kV transmission line from the Four Corners area to southern Nevada, and building a 1,300 MW – 1,500 MW power plant in the Four Corners area is strategically sound and offers economic opportunity given the dynamics of the power industry and changes in power markets in the western United States; and

8. The DPA Board of Directors passed Resolution DPAJUN-03-017 to approve and recommend to the Economic Development Committee, the Resources Committee, the Budget and Finance Committee and the Navajo Nation Council to support and to approve of the DPA grant appropriation request of \$1.5 million from the Navajo Nation for Fiscal Year 2004 to advance the continued development of the NTP, new power generation projects and other energy development projects for the benefit of DPA and the Navajo people; and

9. The Budget and Finance Committee of the Navajo Nation Council finds that it is in the best interest of the Navajo Nation to continue to support the completion of the NTP and development of new power generation projects, for revenues, infrastructure, employment, investment and related benefits; and

10. The Budget and Finance Committee of the Navajo Nation Council supports the appropriation grant request by the DPA in the amount of \$1,500,000 for funding the continued development of the NTP, new development of the proposed power generation facilities, other energy projects, and the operation of DPA in Fiscal Year 2004; and

11. The Budget and Finance Committee of the Navajo Nation Council recommends that the Navajo Nation Council waive the provisions of 12 N.N.C. §820(F), (J) and (L) and §860, and other pertinent provisions, to the extent required to make this grant appropriation.

**NOW THEREFORE BE IT RESOLVED THAT:**

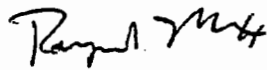
1. The Budget and Finance Committee of the Navajo Nation Council hereby supports the continued development of the Navajo Transmission Project, new electrical power generation, and other energy-related projects for revenues, infrastructure, employment, investments, and related benefits for the Diné Power Authority, the Navajo Nation and its people.

2. The Budget and Finance Committee of the Navajo Nation Council hereby recommends that Navajo Nation Council approve an appropriation of \$1,500,000 as a grant from the Undesignated Unreserved Fund Balance to the Diné Power Authority in Fiscal Year 2004 for funding the Navajo Transmission Project, power generation projects, and other energy-related projects, and the operation of DPA.

3. The Budget and Finance Committee of the Navajo Nation Council further recommends that the Navajo Nation Council waive the provisions of 12 N.N.C. §820(F), (J) and (L) and §860, and other pertinent provisions to the extent required to make this grant appropriation.

### CERTIFICATION

I hereby certify that the foregoing resolution was duly considered by the Budget and Finance Committee of the Navajo Nation Council at a duly called meeting at Window Rock, Navajo Nation, (Arizona), at which a quorum was present and that same was passed by a vote of 5 in favor, 0 opposed, and 0 abstained, this 3rd day of September, 2003.



**Raymond Maxx**  
Chairperson

**Motion : Ernest Hubbell**  
**Second : Lorenzo Bedonie**





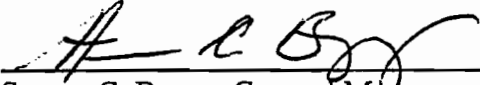
DINÉ POWER AUTHORITY

P.O. BOX 3239  
WINDOW ROCK ARIZONA 86515  
(928) 871-2133  
FAX (928) 871-4046

August 15, 2003

MEMORANDUM

TO: Arvin S. Trujillo, Executive Director  
Division of Natural Resources

FROM:   
Steven C. Begay, General Manager  
Diné Power Authority

SUBJECT: SAS #16960: Proposed Resolution of the Resources Committee of the Navajo Nation Council Supporting the Fiscal Year 2004 Grant Request in the amount of \$1,500,000 submitted to the Budget and Finance Committee and the Navajo Nation Council by DPA for the Administration and Development of the Navajo for the NTP and Power Generation Project.

In the SAS 164 review of our FY2004 proposed budget, the Office of Management Budget (OMB) advised that the proposed resolution of the Resources Committee (SAS#16960) should be reviewed, renamed and comments/recommendations provided by the Division of Natural Resources. The SAS package containing all proposed oversight and council resolutions (SAS#16957, 16958, 16959 and 16960) is at the Office of the President for surname, pursuant to the budget procedures.

Please review the attached copy of the original SAS budget package for DPA and attach your original response memo to the original package at the Office of the President.

Thank you for your prompt response to this urgent matter. Please call Henrietta or myself at (928) 871-2133/2268, if you have any questions.

Xc: Debbie Lucero, Div. of Natural Resources  
Mark Grant, Controller  
Dominic Beyal, Executive Director, OMB  
Milton Begay, Senior Management Analyst, OMB  
DPA Board of Directors  
Chrono/Files

## Background of Diné Power Authority and the Navajo Transmission Project

**Diné Power Authority (DPA)** is an enterprise of the Navajo Nation. DPA is developing for construction, operation, and maintenance a 470-mile, 500-kV AC high-voltage transmission line in three segments, from the Four Corners area in northwestern New Mexico across northern Arizona to a terminus in southern Nevada (Marketplace Substation, Marketplace, NV). The major project is named the Navajo Transmission Project (NTP). Segment One begins in the Four Corners area near the Shiprock substation and proceeds westerly approximately 180 miles then turning south and proceeding approximately 65 miles to the Moenkopi substation where it then turns west again and proceeds approximately 225 miles ending at the Marketplace substation. DPA is striving to be an owner, co-owner, partner, trustee, and beneficiary or hold an equity position in some other capacity.

Primary reasons the NTP is being built is to:

1. Relieve the constraints on the transmission of electricity west of the Four Corners area.
2. Improve the operation flexibility and reliability of the extra-high-voltage transmission system in the region.
3. Allow increased economical power transfers, sales, and purchases in the region.
4. Improve economic conditions of the Navajo Nation.
5. Facilitate the development of Navajo Nation energy resources and its participation in the electrical utility industry.

**Diné Power Authority** has been diligently working on the NTP since 1990. It to date the project is in the latter stages of the pre-development. The following is some of the major accomplishments completed to date:

1. The NTP project development began in 1992
2. Draft Environmental Impact Statement (DEIS) was issued in 1996
3. Final Environmental Impact Statement (FEIS) was issued in 1997
4. A Federal record of decision was issued in 1997
5. A State of Arizona Certificate of Compatibility (CEC) was issued in 2000
6. The Navajo Nation approved the ROW across trust land and Big Boquillas fee land in 2002

There was 2,100 sq. miles of alternative routes evaluated over a 38,000 sq. mile study area. Multiple routes were evaluated in NM, UT, AZ and NV. Federal agencies involved include the Bureau of Land Management (BLM), US Forest Services (USFS) on the Coconino and Kaibab National Forests, the US National Park Service (NPS) at the Lake Mead National Recreation Area, and the Bureau of Reclamation. Cooperating agencies include the USFS, the NPS and the Bureau of Indian Affairs (BIA), along with the Navajo, Hopi, Hualapai and Moapa Indian Reservations. The State and local agencies are NM and San Juan county, AZ and Apache, Navajo, Coconino and La Paz counties, and Nevada and Clark County.

Western Area Power Authority (WAPA) was the lead federal lead agency for the EIS. Recently, the BLM has been delegated the role of lead federal agency for the environmental compliance. In segment three (3) DPA will complete an Environmental Assessment (EA) on the alternate route around the south side of the Hualapai reservation. This reroute will add eight miles to the "preferred" 462-mile route, and the total NTP right-of-way will be about 470 miles crossing several jurisdictions.

DPA plans to complete an endangered species study and cultural and biological surveys in the non-parallel areas of Segment I and in all of Segment II.

Therefore, the current scope of work to bring the NTP closer to reality is 1) endanger species study and; 2) the cultural, biological and final surveying of the Hualapai reroute and; 3) the cultural and biological surveys of the non-parallel portions of the NTP. These tasks would include the associated public meetings and travel to meetings with affected entities and meetings with associated consultants. On-going collaborations with the federal lead agency, BLM, will continue as well as the participation of the coordinating agencies pursuant to the record of decision.

## **DINÉ' POWER AUTHORITY**

Window Rock, Arizona  
July 8, 2003 (revised 1pm)

### **Navajo Transmission Project:**

#### **Successes since 1997 Completion of Final Environmental Impact Statement (FEIS) and Record of Decision (ROD) by the US Department of Energy**

Dine Power Authority (DPA) is a tribal enterprise created by the Navajo Nation to develop wholesale energy transmission and power generation projects and create economic development opportunities from these projects for the Navajo Nation. The completion of the FEIS and ROD for the Navajo Transmission Project (NTP) by the US Department of Energy in 1997 allowed DPA to proceed with critical pre-construction activities.

A summary of DPA's project successes following the adoption of the FEIS and ROD for the NTP include:

- Receipt of Navajo Nation approval for the first transmission line right-of-way and special use authority to cross the entire Navajo reservation. This component includes 60% of the entire NTP alignment.
- Completion of a Fair Market Value appraisal and assessment for the National Park Service for the crossing of the Lake Mead National Recreation Area.
- Completing acquisition of easements, rights-of-way and special use permits across federal government lands including US Forest Service, Bureau of Land Management and National Park Service as directed by the FEIS.
- Completing final route selection, including an alternate alignment approved in the FEIS to go around the Hualapai Indian Reservation
- Incorporated Navajo Transmission Project into the proposed Navajo Nation Energy Policy to promote increased financial and infrastructure self-sufficiency by the Navajo Nation
- Development of a Preliminary Construction, Operation, and Maintenance Plan (COMP). The COMP addresses requirements and policies of the cooperating agencies for the NTP including the Bureau of Indian Affairs, BLM, USFS, NPS, Navajo Nation, Hopi Tribe, and Hualapai Tribe. This includes techniques and mitigation measures to be employed by the construction contractor to minimize impacts to the natural, human, and cultural environment. Initial agency review and comment has been collected and integrated into the document.
- Prior to construction of the NTP on non-tribal lands in Arizona, DPA was required to submit an application for a Certificate of Environmental Compatibility (CEC) from the Arizona Corporation Commission (ACC). The application was filed, reviewed by public hearing, and approved in November 2000.
- Effective transfer of federal lead agency role from the U.S. Department of Energy to the Department of Interior, Bureau of Land Management in 2002

A summary of DPA's key economic development-related successes and opportunities made possible by the completion of the FEIS and ROD include:

- Developed a Memorandum of Understanding (MOU) with the Navajo Tribal Utility Authority (NTUA) for coordinating DPA's wholesale transmission and generation functions with NTUA's load-serving distribution function on the Navajo Nation to help accelerate service to the 37% of Navajo people without electricity
- Attracting private-sector investment for Navajo-based generation facilities, focusing on the use of Navajo or other Indian-owned fuel resources, Navajo labor, Navajo education and economic development benefits
- Coordination with Western Electricity Coordinating Council (WECC) to complete interconnection feasibility and reliability studies
- Development of DPA subsidiaries for participation with non-Indian investors in transmission and generation projects
- Commensurate with national security objectives of reducing the reliance on foreign resources for energy production, DPA continues to pursue opportunities to develop Navajo coal deposits into energy sources to serve the western and southwestern U.S.
- Analysis of Navajo and state tax benefits for transmission and generation projects and requests for tax credit proposals from the Arizona legislature
- Final completion of environmental and cultural fieldwork in two areas that are non-parallel with the existing WAPA 230 kV transmission line in Segment one
- Final completion of environmental and cultural fieldwork in the Statutory Freeze Area (SFA) in Segment two, and work with Hopi cultural resources specialists
- Work with the Navajo Agricultural Products Industries (NAPI) to address future bulk power needs for the 110,630-acre farming and related enterprises
- Dialogue with the Navajo Engineering and Construction Authority to plan their involvement in the general construction activities of the NTP construction in 2005
- Community outreach with local Navajo Nation reservation chapters to explore ways to provide an economic return to the local chapters from the fruits of the DPA projects



**TRANS-ELECT**™  
North America's Electric Transmission Company™  
FOR IMMEDIATE RELEASE

CONTACT: Frank Maisano (202) 297-1502

**TRANS-ELECT'S NTD WELCOMES STEAG POWER'S PLAN  
FOR A NEW GENERATION FACILITY  
Steag Set to Become Anchor Supplier for Navajo Transmission Project**

**March 19, 2003, Scottsdale, AZ** – Trans-Elect's New Transmission Development (NTD) Company announced today that Houston-based Steag Power has stated its interest in building a generation facility that will produce up to 1500-megawatts of electricity in the Four Corners area and move its power over the Navajo Transmission Project (NTP) being jointly developed by Trans-Elect's NTD and the Navajo Nation's Dinè Power Authority (DPA). Steag has agreed to aggressively pursue customers and permits for its intended coal-fired generation.

The announcement was made at a public conference in Scottsdale, Arizona by executives from Trans-Elect NTD, Steag and Dinè. The conference is introducing the previously announced 470-mile NTP transmission project that stretches across four states to potential utility and energy customers in the region.

Today's action by Steag to pursue the generation facility makes them Trans-Elect's anchor supplier. Finding a primary customer comes a full year sooner than expected, according to Bob Mitchell, CEO of Trans-Elect's NTD.

"We are very pleased to have a company with Steag's experience, expertise and financial standing agreeing to take a lead in developing much needed power generation in the Southwest," Mitchell said. "Bringing Steag to the table is an essential step needed to move the NTP transmission line forward and thereby increase system reliability and provide better access to low-cost power."

Steag Power President Dirk Straussfeld agreed there is a pressing need in this fast growing region for reliable and predictable low-cost power generation.

"We are excited about this opportunity and the leadership from Trans-Elect and Dinè Power to develop the Navajo Transmission Project," Straussfeld said. "We have already started to actively court new customers for this plant that will solidify our role in the world market as an independent power producer and further enhance our business value."

The new generation project's announcement is a critical first step in efforts by Steag to secure commitments from customers to use the new capacity and transmission. Steag will take the lead in developing the generation project and will seek additional partners.

In addition, Trans-Elect's NTD currently is pursuing other potential users of the line with special emphasis on renewable sources of energy, such as wind and solar. It is well known that the lack of available transmission has been a major impediment to expanding the use of renewable energy in the United States and Trans-Elect's NTD is committed to seeking renewable energy resources for the transmission lines that the company develops.

As Trans-Elect's NTD and Steag secure additional commitments, each company will secure the final permits for construction of the NTP line and the generation facility.

"DPA is dedicated to bringing large-scale viable energy projects to the Navajo Nation," said Steven C. Begay, General Manager of DPA. "We are excited to have partners like Trans-Elect and Steag Power to bring credibility and real progress to our efforts. DPA believes that NTP and a new coal-fueled power plant on the Navajo Nation Not only provide a return to investors but a return to the Navajo Nation in terms of jobs, tax revenues, dividends, and energy-infrastructure."

Steag Power LLC is an affiliate of Steag AG ([www.steag.de](http://www.steag.de)), an independent power producer (IPP) operating more than 10,000 MW of clean and reliable generation. Currently, Steag has more than 1300 MW in coal-fired generation under construction and expects to close financing on one coal fueled power project in Asia this year.

Diné Power Authority is an enterprise of the Navajo Nation empowered to initiate electric power infrastructure development on the Nation's land. It has been working on Navajo Transmission Project since 1992 and is also engaged in the development of coal-fired generation and natural gas-fired generation for the western area wholesale markets. Diné generally seeks to partner with power companies in the private sector who have the operating and financing skills needed to complete such large, capital-intensive projects.

Trans-Elect, Inc., based in Reston, VA ([www.trans-elect.com](http://www.trans-elect.com)) is the first and only truly independent transmission company in North America. Trans-Elect now owns or serves as general partner for assets totaling nearly \$1.1 billion, which represents 14,400 miles of transmission lines in the U.S. and Canada. Trans-Elect's NTD was launched in Fall of 2002. NTD's singular focus is to develop and construct new electric transmission lines.

## Trans-Elect's NTD welcomes Steag Power's plan for a new generation facility

### Steag set to become anchor supplier for Navajo Transmission Project

March 19, 2003, Scottsdale, AZ -- Trans-Elect's New Transmission Development (NTD) Company announced today that Houston-based Steag Power has stated its interest in building a generation facility that will produce up to 1,500 MW of electricity in the Four Corners area and move its power over the Navajo Transmission Project (NTP) being jointly developed by Trans-Elect's NTD and the Navajo Nation's Dinè Power Authority (DPA). Steag has agreed to aggressively pursue customers and permits for its intended coal-fired generation.

The announcement was made at a public conference in Scottsdale, Arizona by executives from Trans-Elect NTD, Steag and DPA. The conference is introducing the previously announced 470-mile NTP transmission project that stretches across four states to potential utility and energy customers in the region.

Today's action by Steag to pursue the generation facility makes them Trans-Elect's anchor supplier. Finding a primary customer comes a full year sooner than expected, according to Bob Mitchell, CEO of Trans-Elect's NTD.

"We are very pleased to have a company with Steag's experience, expertise and financial standing agreeing to take a lead in developing much needed power generation in the Southwest," Mitchell said. "Bringing Steag to the table will greatly accelerate our efforts to move the NTP transmission line forward and thereby increase system reliability and provide better access to low-cost power."

Steag Power President Dirk Straussfeld agreed there is a pressing need in this fast growing region for reliable and predictable low-cost power generation.

"We are excited about this opportunity and the leadership from Trans-Elect and DPA to develop the Navajo Transmission Project," Straussfeld said. "We have already started to actively court new customers for this plant that will solidify our role in the world market as an independent power producer and further enhance our business value."

The new generation project's announcement is a critical first step in efforts by Steag to secure commitments from customers to use the new capacity and transmission. Steag will take the lead in developing the generation project and will seek additional partners.

In addition, Trans-Elect's NTD currently is pursuing other potential users of the line with special emphasis on renewable sources of energy, such as wind and solar. It is well known that the lack of available transmission has been a major impediment to expanding the use of renewable energy in the United States and Trans-Elect's NTD is committed to seeking renewable energy resources for the transmission lines that the company develops.

As Trans-Elect's NTD and Steag secure additional commitments, each company will secure



the final permits for construction of the NTP line and the generation facility.

"DPA is dedicated to bringing large-scale viable energy projects to the Navajo Nation," said Steven C. Begay, General Manager of DPA. "We are excited to have partners like Trans-Elect and Steag Power to bring credibility and real progress to our efforts. DPA believes that NTP and a new coal-fueled power plant on the Navajo Nation not only provides a return to investors but a return to the Navajo Nation in terms of jobs, tax revenues, dividends, and energy infrastructure."

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NTD's singular focus is to develop and construct new electric transmission lines.

# Major transmission project in works

## New local power plant possible

Special to the Journal

WINDOW ROCK, Ariz. — Reston, Va.-based Trans-Elect and the Diné Power Authority announced in early December they have signed an agreement to pursue the completion of the development and permitting of the Navajo Transmission Project

(NTP).

The \$600-million project is a 470-mile, 500kV high voltage transmission line originating in the Four Corners area of New Mexico, running across the Navajo Nation and terminating in Nevada, near Las Vegas. Trans Elect and Diné have been contacting and working with

generators, utilities, regulators and regional ISO's to define the customer and revenue sources for the line.

The project, the largest transmission infrastructure project currently under way in the United States, is key to meeting increasing electric demand in the fast-growing southwest power markets, according to Bob Mitchell, president and COO of

Trans-Elect's New Transmission Development Company (NTD).

"We are delighted to be working with Diné Power and the Navajo Nation to see if we can finish the development of NTP and move the project to construction," Mitchell said. "The project is very important to the continuing growth of the southwest

Continued on page 2

## Transmission

Continued from page 1

markets as it increases system reliability and provides access to low-cost coal generation to the fast growing Arizona, Nevada and Southern California markets. This in turn offers the region and power suppliers a needed hedge against the huge growth in natural gas-fired generation in the southwest.

Diné Power Authority Financial Officer Ben Hoisington, based in Window Rock, said if the project becomes a reality it is likely to lead to a new coal mine and power plant in San Juan County near Bingham on the Navajo Nation - located about 12 miles southwest of Farmington. San Juan County already has two of the largest coal-fired power plants in the United States - Four Corners Power Plant in Upper Fruitland and San Juan Generating Station in Waterflow.

"The chances of a new power plant here are real good. We're meeting today in Phoenix with a major power company and have meetings with two other major companies. We'll have to do our due diligence and we'll be waiting on the NTP for an ability to align outgoing power to the west where everything won't

bottleneck in the Four Corners. With the building of the NTP, there will be more room for generation," Hoisington said.

The coal formation that serves the Arizona Public Service Company-Four Corners Power Plant is mined by BHP Billiton at the Navajo Mine. That coal formation is expected to have at least 100 years of reserve life remaining and Hoisington said Diné Power Authority has been in discussions with BHP as a possible supplier of the coal.

"The mine would have to be mine mouth since the cost of transporting coal would be prohibitive," Hoisington said. "The power plant would likely be 1,200 to 1,500 megawatts, with a push to 2,000 in the future. We'd be looking at starting the power plant at about 1,000 megawatts."

Four Corners is the largest power plant in the region at 2,040 megawatts.

Hoisington also said such a project would take years to complete due to a variety of factors.

"Somewhere around the spring or early summer months we'll probably have a commitment to get this process started. Then we'll have engineering studies, environmental studies

and construction, which would be around two to two-and-a-half years. The plant could be on line around 2008," Hoisington said.

A new power plant and coal mine would also mean hundreds of new jobs in San Juan County - possibly more than 1,000 through the construction phases.

Mitchell added that despite that most companies are hesitant to make investments in transmission assets out of concern for the current health of the U.S. power markets, this is the time to push forward with key infrastructure projects such as NTP that have a long development lead time.

"Trans-Elect believes the robust growth in the southwest markets and southern California will continue, and that the time is now for strengthening the transmission system to meet that growth," he added.

Mitchell also said Trans-Elect's potential investment in NTP underscored its belief that the Federal Energy Regulatory Commission (FERC) is on track with its plan to create a competitive transmission market in the U.S., capable of attracting the kind of investment dollars needed for NTP and other capital intensive infrastructure pro-

jects.

"This project fits with Trans-Elect's mission to be the first truly national transmission company," Mitchell said. "It validates FERC's view that with a sound transmission market structure in place, investment dollars will flow to this critically important transmission sector."

"We have completed the preliminary engineering on the line, nearly all of the state and federal permitting and the Right-of-Way work on NTP at this point," said Steven C. Begay, general manager of Diné Power Authority. "We are very pleased that Trans-Elect has the vision to see how NTP fits into the market. Trans-Elect is an excellent partner to finish the work required and move the project into construction."

"This is a critical project for Navajo Nation infrastructure development," Begay added. "NTP, connecting Four Corners generation to the Phoenix, Las Vegas and Southern California markets, will open up new opportunities for Navajo coal in the Four Corners area. At a time when our country strives for energy independence and energy security, Navajo coal resources offer an important asset, providing critical price

stability to the western power markets. And with the huge improvement in emission controls, the region can add to our coal generation in an environmentally responsible manner."

Under the agreement, Trans-Elect and DPA will complete a thorough due diligence on all aspects of the project and begin the process of identifying new sources of power, primarily coal-fired, that would make use of the new capacity. It is anticipated that all permits and right-of-ways could be completed, and construction initiated, in 12 to 16 months, once transmission line customers have made necessary and appropriate commitments.

DPA began development of the line back in 1992 and received the necessary Federal Environmental Impact Statement (EIS) for the line in 1997. For the most part, the approved route follows existing high voltage transmission routes to minimize visual and environmental effects. With nearly all of the permitting work complete, and the federal EIS issued, DPA sought a partner to help it finish the permitting, complete the right-of-way work and initiate engineering and

Continued on page 7

## Transmission

Continued from page 2

pre-construction activities consistent with the schedules of the transmission line's customers.

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## July Update For Navajo Nation Council Delegates

Steven C. Begay  
General Manager  
Dine Power Authority

### Power Development Update

- DPA has made considerable progress on
  - Securing a partner and advancing NTP
  - Securing a partner and advancing new coal plant
- DPA has done this in the teeth of fierce market and economic conditions
- DPA expects both power partners to be under agreement by early Fall

## DPA Advances NTP

- TRANS-Elect
  - Partner identified with help of RockPort Partners, development assistance partner
- Moving from LOI to Development Agreement with Trans-Elect
  - Will identify/specify/provide development funding needed to finish permitting and ROW
- Big meeting w/ SW utilities in April

## DPA Advances Coal Plant

- STEAG Power (Houston-based developer)
  - Partner identified with help of RockPort Partners
- 1500MW plant proposed for Four Corners
- Negotiating Development Agreement
  - Commitment to get in place by September
  - STEAG will develop project with DPA
  - STEAG will fund development and spearhead the permitting process
  - DPA will spearhead NN work and coordinate State and Federal work

## DPA Successful...Despite Market

This is the *worst* power market in memory

- past 12 months: 108,000MW canceled
- Right now: 130,000MW for sale
  - \$25-40 billion in value
- National Energy, Mirant and NRG bankrupt
- No development taking place in US markets
- No relief in sight

## Moving Forward

- Talking about \$2 billion in investment (2003-2009)
  - Largest investment on Nation
  - Largest new Coal Plant in US
  - Largest Transmission Project in US
- Talking about large new coal mine for 30 yr fuel supply
- DPA needs the Navajo Nation Council and Executive Branch to throw full support behind projects
  - Key issues: Water, Land, Community Support
  - Key issues: Competitive overall tax package
    - Other communities competing for these development dollars.
    - Nation must meet the challenge of attracting this investment

**REPORT FROM THE DINÉ POWER AUTHORITY ON INITIATIVES AND  
PROJECTS**

**July 25, 2003**

**PREPARED FOR  
THE NAVAJO NATION COUNCIL  
Summer Session**

**PREPARED BY  
DINÉ POWER AUTHORITY**

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### **Diné Power Authority (DPA)**

Diné Power Authority is an enterprise of the Navajo Nation, established by the Navajo Nation Council pursuant to resolutions CN-87-85 and CJA-2-96, and the overall authority of the enterprise is codified at 21 N.C.C. § 201 et seq. DPA is authorized to participate in energy development projects that provide ownership, design, financing, and operation of the projects, and to sell, wheel or distribute power, energy and transmission services from these projects. DPA is empowered to facilitate economic and community development on the Navajo Nation and to provide bulk power and electricity to Navajo enterprises that need these services. It must have the infrastructure and agreements in place to be able to do this. DPA can invest in the projects the resources of the Navajo Nation that may be contributed or conveyed to the authority for these projects, and to be able to provide a fair return on the investments of the Navajo Nation and enterprise through declaration of dividends and distribution of profits.

DPA is authorized to promote power and energy integration on the Navajo Nation through the delivery and transmission of electricity at a low cost, and in a safe, reliable and efficient manner that is consistent with the economic development and self-determination goals of the Navajo Nation. In accordance with its plan of operation, DPA is pursuing high-voltage transmission development, wholesale electrical power generation and other energy-related projects to bring economic and other benefits to the Navajo Nation and its people.

### **Navajo Transmission Project (NTP)**

Today, DPA is developing the \$600-million NTP, a long-distance interstate 500 kV alternating current (AC) transmission line from New Mexico to Nevada. The NTP involves the development, financing, construction and operation of a 470-mile, high-voltage electrical transmission line that will become part of the 17,000-mile Western Electricity Coordinating Council (WECC) transmission grid.

The first section of the three-part NTP begins at the Shiprock substation near Farmington and runs westerly 180 mile to a proposed substation in the LeChee/Coppermine area near Page, Arizona. The second section of the NTP runs southerly for 62 miles to the Moenkopi substation near Cameron., and the third section runs westerly for a final distance of 228 miles across Navajo land, and across federal, state and private jurisdictions, and into southern Nevada. The proposed line will tie into the transmission grid at the Marketplace substation. Nearly sixty-one (61%) percent of the 470-mile right-of-way will be on Navajo trust and fee-owned lands. In the past 10 years, the Navajo Nation and the federal government have provided nearly \$21 million in grant appropriations for the development of the NTP.

### **Capacity and Benefit of the Interstate NTP**

The NTP will cross transmission-constrained areas in New Mexico, Arizona and Nevada, and is expected to provide 1200 to 2000 megawatts (MW) of added transmission capacity in



the WECC transmission system. The high-voltage line is expected to increase regional power transfer capability, improve the transmission system reliability, reduce system losses, and improve the operating flexibility of the lines in the area. The additional capacity would relieve the existing lines and increase the level of business activity on these lines. The added transmission capacity would attract development of new power generation.

New high-voltage transmission lines are needed in the states of California, Nevada, Arizona and New Mexico for the transmission of electricity from new power plants in the southwest to the load destinations. With the NTP, the power constraints in the adjoining transmission lines will be relieved, and much needed power will be generated for thousands of customers. Very few bulk transmission additions are planned in the southwest region, and the NTP is the only major U. S. and regional project with environmental permits substantially in place. The NTP may be the only key opportunity for the Navajo Nation to construct a high-voltage transmission lines on tribal lands.

A study by Black and Veatch revealed that if the NTP were completed and activated in the transmission grid, nearly 600 MW of existing flow of electricity would go on the new line immediately. The redirection of about 600 MW from the old transmission paths to the NTP would allow for additional available capacity on the old lines that would be available for access by loading serving utilities that can buy more power at contract or market prices.

A unique component of the NTP is a proposed facility that will be able to "step-down" the power for the expanding needs of the reservation consumers in the future. A proposed substation in the LeChee-Coppermine area will have a 69-kV bay to facilitate "stepping down" the power from the 500 kV NTP line to the local 69 kV power line. With this facility, the 500-kV NTP will be interconnected to the 345-kV lines extending from the hydro-plant at Glen Canyon Dam. The new Red Mesa substation will save transportation costs for NTUA. As it is understood, the federal power from WAPA that comes from hydro-power plant and the power allocated to NTUA currently flows from the Glen Canyon substation on the 345-kV lines down to central Arizona where it come back up the APS 69-kV line to serve parts of western Navajo. The NTUA 69-kV line runs southerly from the Page/LeChee area to Cameron where it connects with the APS 69-kV line that serves Tuba City.

The NTP is expected to be built over a 2 ½ to 3-year construction period ending in 2007 or 2008, and will provide several hundred jobs during construction. Subsequently, about 20 to 40 permanent employees would be hired to operate the tri-state high-voltage line.

#### **Lead Federal Agency-Bureau of Land Management**

From 1993 to 2000, the Western Area Power Administration of the Department of Energy was the lead federal agency for the NTP. Today, the U. S. Bureau of Land Management (BLM) is the lead federal agency. The Kingman BLM Office is currently serving as the operational entity for BLM. DPA is negotiating a cost reimbursement agreement and a memorandum of understanding with the BLM, lead federal agency, to monitor generally the NEPA regulatory requirements connected with the \$600-million NTP.

### **Environmental Impact Statement (EIS) and Permitting.**

This big transmission line was proposed in the early 1990s and the development was funded from tribal and federal sources. Early on, ten potential routes consisting of 2,100 miles of utility-related corridors were assessed for a high-voltage transmission line between the Four Corners area and southern Nevada. The environmental impact statement (EIS) for the NTP was completed in 1996 and a federal record of decision (ROD) for the environmentally preferred route was received in 1997. In November 2000, DPA obtained a Certificate of Environmental Compatibility (CEC) for the NTP from the State of Arizona Corporation Commission (ACC) after three state public hearings before the Transmission Line and Power Plant Siting Committee of the ACC.

The Construction, Operation and Maintenance Plan (COMP) for the NTP is being kept current with input from the impacted agencies pursuant to the ROD for the NTP. The environmental and cultural studies in segment three near Cameron/Grey Mountain, Arizona, and in the Kaibab National Forest have been completed. DPA expects to complete the remaining biological and cultural work for the NTP in two "non-parallel" areas in Segment 1 and all of Segment 2. The EIS does not have an expiration date, and no event has occurred in the NTP that has triggered a need for a supplement to the EIS. DPA and its engineering and environmental consultants have kept current the substantive information in the EIS.

### **Rights-of-way (ROW) Across Navajo Lands**

In 2000 and 2001, DPA and the Navajo Land Department interviewed 368 individuals who held grazing permits or temporary use permits in the NTP ROW corridor. After eighteen months of fieldwork, DPA and the Navajo Land Department obtained consent-related information from the land users. This is a regulatory procedure to obtain rights to cross Navajo trust land for a ROW for a project of this type. The field interviews regarding the consent or no consent statements of the permit holders is summarized, as follows: 322, or 87.5% of the permit holders gave their consents, 34, or 9.2% declined to give their consent for various reasons, and 12, or 3.3% were awaiting probate-related outcomes. Navajo law requires compensation to qualified permittees whose grazing areas are damaged during construction and DPA is working to secure funds for the surface-damage compensation.

One of the ROW mitigation measures includes replacing and/or relocating several community-type infrastructures prior to construction of the line. An independent appraisal of each property has been completed and each respective owner has been informed. The affected individuals are corresponding with DPA to work out appropriate arrangements.

On November 14, 2002, the Resources Committee of the Navajo Nation Council approved the grant of right-of-way (ROW) to DPA under certain terms and conditions for the NTP to cross both trust and fee lands. By resolution RCN-196-02, the Resources Committee approved the grant of right-of-way for DPA to use Navajo trust land for the NTP under a term of fifty years with an option to renew for an additional fifty years, and consideration was assessed at \$79 million. The Resources Committee decided that the assessed-amount

would be contributed by the Navajo Nation to the NTP due to the fact that the project will benefit Navajo residents when it is built. By resolution RCN-197-02, the committee approved a land use permit (LUP) for a term of twenty years with an option to renew for an additional 20 years for ingress and egress, construction staging sites, and operations and maintenance of the NTP. The consideration for the permit was assessed at \$3,471,573.60.

By resolution RCN-199-02, the Resources Committee approved the grant of ROW for a term of fifty years with an option to renew for an additional of fifty years for the NTP to cross the Big Boquillas ranch fee land owned by the Navajo Nation, and consideration was assessed at \$8 million. And, by resolution RCN-198-02, the committee approved a land use permit for a term of twenty years with an option to renew for an additional twenty years for ingress and egress, temporary construction staging sites on the Big Boquillas ranch land during construction, and operations and maintenance of the NTP. The consideration was assessed at \$3,450,189.60.

The signed trust-land ROW has been sent to the U.S. Department of Interior, Bureau of Indian Affairs for review and issuance of a federal grant of right-of-way for the NTP. The ROW across the Big Boquillas ranch fee land is complete and does not need to go to the BIA for signature. The total assessed consideration of \$94 million has been discussed with our transmission partner, \$79 million towards an equity interest by DPA in the NTP and nearly \$15 million in payments to the Navajo Nation. Overall, the NTP ROW across both trust and fee lands represents about 285 miles, or 60.6% of the 470-mile NTP.

#### **Rights-of-way Across Federal Lands**

The NTP will cross about 90 miles of BLM land, 20 miles of U.S. Forest Service land, and 12 miles of U.S. National Park Service land. DPA has submitted a Plan of Development (POD) required by the BLM and an application for a ROW to cross BLM land around the Hualapai reservation. The U.S. Forest Service has a draft record of decision and right-of-way for the NTP. DPA has completed an appraisal of the Lake Mead crossing and is negotiating a ROW and/or lease term with the U.S. Parks Service for the NTP. Pertinent agreements are in place to work with these federal agencies to address the regulatory requirements connected with the completion of the final pre-construction work.

#### **Hopi and Statutory Freeze Area Impact**

The Hopi tribe is a participating coordinating agency along with other federal, state, and tribal agencies identified in the federal record of decision for the NTP. DPA is aware that there is a claim by the Hopi Tribe for cultural and religious use of certain areas in the Statutory Freeze Area (SFA), aka, the Former Bennett Freeze Area. DPA continues to talk with key tribal officials to address the Hopi cultural claim issue in the SFA. DPA expects to complete the required cultural and biological studies in segment two with the Hopi tribe and obtain a notice to proceed in coordination with the U.S. BLM, the lead federal agency.

### **Rights-of-way Across State Lands**

The applications for state permits in Arizona and Nevada are pending completion of a biological study. DPA is talking with the state cooperating agencies to acquire the pending permits. The environmental impact statement will be amended to reflect the re-route of the NTP around the Hualapai reservation, if it happens, and the amendment will need to be completed before the states permits are issued.

### **Business Partnership for the NTP**

Because DPA does not have half a billion dollars to build the NTP nor \$2 billion dollars to build a power plant, DPA must leverage the \$21 million that it has primarily invested in the NTP. In 1999, DPA had a joint development agreement with ABB to develop the NTP., and although ABB has built over 300,000 miles of transmission lines worldwide, the company did not have the financial capital to construct the NTP.

Today, with the technical industry assistance of RockPort Partners, DPA is able to bring in capable partners with the capacity to invest in large capital-intensive projects like the \$600-million NTP. RockPort Partners searched the electrical utility industry and found Trans-Elect, Inc. who DPA now have a letter of intent and negotiating a development agreement to develop the NTP. The level of success of the NTP can be accomplished by developing new electrical power generation for the new line. DPA and its partner are talking with interested companies who may be interested in using the new line when it is completed.

### **RockPort Partners, LLC**

In July 2001, DPA entered into a development services agreement with RockPort Partners of Boston, Massachusetts: 1) to work with DPA to find a partner or partners who have both the operating expertise and the access to capital required to complete development and construct, operate and maintain an asset of this kind and complexity, 2) to co-manage with DPA the remaining development activities related to the NTP, and 3) to seek to find a power development partner who exhibits a serious interest in adding coal-fired capacity in the southwest power markets and who has both development and operations expertise, and the financial capacity required to develop and finance large coal-fired generating stations. Henceforth, other contractual relationships would be put in place with the development partners for the completion of construction and financing. A suitable site will be located to maximize economic viability and to the extent reasonably possible, minimize environmental impact. The agreement with RockPort Partners does not grant RockPort any rights or interests in land, or any property belonging to DPA, the Navajo Nation or its members. RockPort has been very helpful in securing interested business entities that are serious about development, financing and construction of transmission and power generation projects.

### **Trans-Elect, Incorporated (TE)**

On July 25, 2002, DPA signed a letter of intent with Trans-Elect Inc., a national independent transmission company to tackle the continued development of the NTP. A due diligence period has allowed Trans-Elect, Inc. and DPA to review the environmental, engineering, financial, and other pertinent information on the NTP. A final draft of a development

agreement is under negotiation to deal with the next phase of the NTP to finance, build and operate the NTP. It is important for an investor to have a level of comfort to invest a large sum of money in a capital project such as the NTP. TE is meeting with top-level energy company executives to discuss additional transmission capacity from northwest New Mexico to southern Nevada.

#### **TE New Transmission Development (NTD) Company**

Trans-Elect, Inc, established a subsidiary called the New Transmission Development (NTD) Company to develop, finance and operate the Navajo Transmission Project as we move forward. DPA expects to incorporate its transmission business under the Navajo corporation statutes and own and operate the NTP with TE NTD. The partners will be responsible for complying with the regulations of the Federal Energy Regulatory Commission (FERC) concerning high-voltage transmission line operation in the WECC grid.

As explained earlier, the Resources Committee has approved the grant of ROW for the NTP and the consideration for the grant of ROW included \$14.9 million in consideration payable to the Navajo Nation and consideration of \$79 million that was contributed by the Navajo Nation on behalf of DPA towards equity in the project. This information is being discussed with RockPort Partners and Trans-Elect to figure out a way to handle the accounting and method of satisfying the assessed consideration amounts. The consideration of \$79 million that was contributed towards equity on behalf of DPA can be recognized and recorded as such when the operating revenue begins to flow as a return on the investment to the equity partners when the line goes into commercial operation. The payments, consideration, and equity issues will have to fit within the overall economics of the line operation.

#### **Business Partnership for Coal-fired Power Generation**

In 1985, the Dineh Power Project (DPP) was designed as a coal-fired generation project with some transmission interconnection into the nearby grid, but by 1991, the DPP was determined infeasible for economic reasons. The original DPP site and other sites are being reviewed to determine a suitable site for the proposed DPA/Steag power plant in northwest New Mexico on the Navajo Nation. DPA and Steag Power have met with BHP Billiton to discuss a potential coal supply arrangement for the 1500 MW power plant.

#### **Steag Power, LLC**

On February 3, 2003, DPA entered into a confidentiality agreement with Steag Power, LLC, of Houston, Texas, to review existing information and plan due diligence activities for a potential power plant in the Four Corners area. On February 27, 2003, the DPA Board of Director approved a letter agreement between Steag Power and DPA for a greenfield coal-fired generation station in the Four Corners area. DPA would like to take advantage of the access that the NTP opens to the key high-growth southwest power markets. Steag Power believes that siting a power plant near the eastern termini of the NTP has strategic value to Steag and DPA in the southwest power markets. The parties expect to enter into a development agreement in August 2003 to proceed with the joint development of the power plant.

DPA and Steag Power are conducting a due diligence review of a coal-fueled, mine-mouth power plant in the Nenanezad area near the BHP Billiton Navajo Mine where the coal supply is most readily available. We are reviewing the permitting process, the project economics, including federal, state and tribal taxes related to the plant. We have met with several Navajo Nation offices to discuss land, water and air issues. Steag Power has met with the federal Region IX NEPA office concerning the feasibility of an air permit for the plant. It will be tough to an air permit for a 1500 MW power plant that would consist of two 750MW generation turbines, but the air-haze problem may cause the power plant to be built on a smaller scale, perhaps two 650MW turbines for a 1300MW plant. We have talked with the Navajo Indian Irrigation Project (NIIP) officials and the Navajo Agricultural Products Industries concerning the availability of water for the power plant, and submitted a letter to the tribal water department requesting for an allocation of about 20,000 acre-feet of water for the proposed power plant. The parties have narrowed the site selection to three potential sites, all within vicinity of the existing Navajo Mine and in the Nenanezad Chapter jurisdiction. Further due diligence work and information assessment and analysis will occur as we move toward the development agreement.

#### **Navajo Coal and Power Opportunities**

Additionally, DPA has met with representatives of the Kayenta Power Project to discuss a economic study of a 500MW coal-fired power plant in the Black Mesa area on reclaimed land. The project proponents are interested in connecting the plant to the NTP for wholesale transmission of power to distant load-serving areas. Water availability and air permitting issues need to be resolved to a level of comfort sufficient for project developers and investors to make a serious commitment.

Furthermore, Virgin Power has approached DPA to discuss development of a tribally-owned coal mining operation in the future. A large amount of capital would be needed upfront to engage in this type of venture. However, the project may be feasible in the long term.

#### **Gas-fired Power Generation**

DPA and RockPort will continue to look for opportunities for gas-fueled power generation development in the southwestern energy market. The District Five communities in Western Navajo support development of a gas-fired power plant in the Leupp area that would supply new power to Arizona. A modern gas-fired, peak-load serving power plant in the Leupp-Birdsprings-Tolani Lake area is feasible. A preliminary suitability assessment has been done, but a peaker-plant developer is needed. Water is available from the Coconino aquifer, but the gas supply line that was anticipated from the Sonoran-SUIT/Kinder Morgan was put on hold and the fuel availability from the existing natural gas lines is questionable. An initial investment of several million dollars would be needed to conduct activities to fulfill the requirements of the National Environmental Policy Act of 1992. The objective would be to bring a suitable site to a "permitted-site" status for construction of a peaker" plant in the future.

### **Renewable and Other Energy Resources**

DPA has been talking with entities interested in wind, solar and renewable energy projects on the Navajo Nation. Currently, the DPA staff is reviewing certain proposals to assess what may have potential for about ten percent of the power generation portfolio that is being planned by DPA.

### **Navajo Energy Resources**

The Navajo Nation has coal, oil and gas, and other resources that have been and will continue to be used for energy resource development. Hundred of millions of tons of coal under Navajo lands have been leased to mining interests, and they have provided fuel for major power plants in the region. However, the Navajo Nation does not currently have ownership in any high-voltage transmission infrastructure or power generation facilities on the Navajo Nation or southwest.

### **DPA and NTUA**

DPA handles large-scale energy development projects, including wholesale transmission and large-scale power generation projects. The Navajo Tribal Utility Authority (NTUA) handles electricity distribution, load-serving operations and public utilities on the Navajo Nation. With thirty-seven percent of the Navajo people without electrical services to their homes, DPA and NTUA entered into a memorandum of understanding (MOU) to help address the need for development of an expanded electricity distribution system on the reservation. NTUA has expressed an interest in 30MW to 150MW of new power from the proposed DPA /Steag generation project. However, NTUA is independently evaluating other offers of power from others, and may have access to power that is less expensive today than the proposed power from the DPA/Steag plant in 2008. The wholesale and retail markets for electricity are dynamic and the price of power is key for power sales transactions.

### **Transmission and Generation**

The NTP and the new power generation projects will help bring the Navajo Nation closer to energy self-sufficiency for the Navajo people. Briefly, the new transmission infrastructure and the existing Navajo coal and other energy resources can be used to create an energy system that can provide reliable electric power for the Navajo and other people of the west. With a current 50MW-130MW demand for electricity on the Navajo reservation and with 1200MW-1500MW of expected new power generation, it will mean that the majority of the new power produced will be sold in the western wholesale markets under power purchasers agreements.

### **DPA Funding Status**

From 1985 and 2003, DPA has received funding from the Navajo Nation of about \$11.9 million for the development of energy projects on Navajo lands. The Dineh Power Project consumed about \$4.3 million before it was discontinued.

In 1990, the NTP was conceptualized, and in 1991, the 500 kV NTP was started. About \$7.6 million of grant funds have been expended since 1990 on the NTP. In 1995 and 1996, DPA

received a grant award from the U.S. Department of Energy of \$12.1 million for the preconstruction activities of the NTP under the Indian Energy Resources Act of the National Energy Policy Act (NEPA) of 1992. All past funding for the NTP is being capitalized in the DPA books for establishing equity interest in the project. In summary, the total funds expended on the DPP and the NTP is about \$24 million with \$4.3 million related to the DPP and nearly \$19.7 million expended on the NTP. The \$24 million represents about 4% of the estimated NTP cost of \$600 million.

**Congressional DPA Funding in 2003 and DPA Authorizing Language**

Senator Pete Domenici and his staff were successful in earmarking \$400,000 for DPA, and we received a copy of the Congressional conference agreement that included \$400,000 for DPA to continue development of the NTP.

After three years of effort, DPA was able to and with the assistance of Johnston and Associates of Washington D.C., put congressional authorizing language in several bills which all lead up to Senate Bill 14 (S.14) sponsored by Senator Domenici.

Title III of S.14 is the Indian Energy Section that has the DPA authorizing language, as follows: "SEC. 304. FOUR CORNERS TRANSMISSION LINE PROJECT. The Diné Power Authority, an enterprise of the Navajo Nation, shall be eligible to receive grants and other assistance as authorized by section 302 of this title and section 2602 of the Energy Policy Act of 1992, as amended by this title, for activities associated with the development of a transmission line from the Four Corners Area to southern Nevada, including related power generation opportunities."

DPA needs this congressional legislation so that it will be in a strong position in 2004 to receive federal grant funds.



**FISCAL YEAR 2004  
NAVAJO NATION COUNCIL**

**EXHIBIT "A"**

**Chapter Distribution at 50/50 for Chapter Public Employment Program**

	Program Number	Account Number	Chapters	Number of Registered Voters	Equal Distribution 50%	Register Voters Distribution 50%	Total Amount
<b>EASTERN AGENCY</b>							
1	101001	3-13402	Alamo	802	4,546	4,854	9,400
2	101002	3-13404	Baca Prewitt	861	4,546	5,211	9,757
3	101003	3-13406	Becenti	415	4,546	2,512	7,058
4	101004	3-13408	Breadsprings	558	4,546	3,377	7,923
5	101006	3-13412	Casamero Lake	363	4,546	2,197	6,743
6	101007	3-13414	Chichiltah	857	4,546	5,186	9,732
7	101008	3-13416	Church Rock	1,142	4,546	6,911	11,457
8	101009	3-13418	Counselor	473	4,546	2,863	7,409
9	101010	3-13420	Crownpoint	906	4,546	5,483	10,029
10	101011	3-13422	Huerfano	1,107	4,546	6,699	11,245
11	101012	3-13424	Iyanbito	540	4,546	3,268	7,814
12	101013	3-13426	Lake Valley	266	4,546	1,610	6,156
13	101014	3-13428	Littlewater	509	4,546	3,080	7,626
14	101015	3-13430	Manuelito	424	4,546	2,566	7,112
15	101016	3-13432	Mariano Lake	547	4,546	3,310	7,856
16	101017	3-13434	Nageezi	852	4,546	5,156	9,702
17	101018	3-13436	Nahodishgish	308	4,546	1,864	6,410
18	101019	3-13438	Ojo Encino	547	4,546	3,310	7,856
19	101020	3-13440	Pinedale	692	4,546	4,188	8,734
20	101021	3-13442	Pueblo Pintado	430	4,546	2,602	7,148
21	101022	3-13444	Ramah	846	4,546	5,120	9,666
22	101023	3-13446	Red Rock	891	4,546	5,392	9,938
23	101024	3-13448	Rock Springs	737	4,546	4,460	9,006
24	101025	3-13450	Smith Lake	481	4,546	2,911	7,457
25	101026	3-13452	Standing Rock	476	4,546	2,881	7,427
26	101005	3-13410	To'hajiilee	611	4,546	3,698	8,244
27	101027	3-13454	Thoreau	731	4,546	4,424	8,970
28	101028	3-13456	Torreon	908	4,546	5,495	10,041
29	101029	3-13458	Tsayatoh	608	4,546	3,680	8,226
30	101030	3-13460	Whitehorselake	421	4,546	2,548	7,094
31	101031	3-13462	Whiterock	264	4,546	1,598	6,144
			<b>SUBTOTALS</b>	<b>19,573</b>	<b>140,926</b>	<b>118,454</b>	<b>259,380</b>

**FISCAL YEAR 2004**  
**NAVAJO NATION COUNCIL**  
**Chapter Distribution at 50/50 for Chapter Public Employment Program**

	Program Number	Account Number	Chapters	Number of Registered Voters	Equal Distribution 50%	Register Voters Distribution 50%	Total Amount
<b>FORT DEFIANCE AGENCY</b>							
32	101101	3-13502	Cornfields	597	4,546	3,613	8,159
33	101102	3-13504	Coyote Canyon	809	4,546	4,896	9,442
34	101103	3-13506	Crystal	631	4,546	3,819	8,365
35	101104	3-13508	Dilcon	720	4,546	4,357	8,903
36	101105	3-13510	Fort Defiance	2,159	4,546	13,066	17,612
37	101106	3-13512	Ganado	875	4,546	5,295	9,841
38	101107	3-13514	Houck	882	4,546	5,338	9,884
39	101108	3-13516	Indian Wells	567	4,546	3,431	7,977
40	101109	3-13518	Jeddito	560	4,546	3,389	7,935
41	101110	3-13520	Kinlichee	997	4,546	6,034	10,580
42	101111	3-13522	Klagetoh	622	4,546	3,764	8,310
43	101112	3-13524	Low Mountain	544	4,546	3,292	7,838
44	101113	3-13526	Lower Greasewood	739	4,546	4,472	9,018
45	101114	3-13528	Lupton	505	4,546	3,056	7,602
46	101115	3-13530	Mexican Springs	660	4,546	3,994	8,540
47	101117	3-13554	Naschitti	1,086	4,546	6,572	11,118
48	101116	3-13532	Nahata Dzil	648	4,546	3,922	8,468
49	101118	3-13534	Oak Springs	485	4,546	2,935	7,481
50	101119	3-13536	Red Lake	373	4,546	2,257	6,803
51	101121	3-13540	Sawmill	678	4,545	4,103	8,648
52	101120	3-13538	St. Micheals	1,415	4,545	8,563	13,108
53	101122	3-13542	Steamboat	875	4,545	5,295	9,840
54	101123	3-13544	Teesto	608	4,545	3,680	8,225
55	101124	3-13546	Tohatchi	940	4,545	5,689	10,234
56	101125	3-13548	Twin Lakes	993	4,545	6,010	10,555
57	101126	3-13550	Whitecone	674	4,545	4,079	8,624
58	101127	3-13552	Wide Ruins	614	4,545	3,716	8,261
			<b>SUBTOTALS</b>	<b>21,256</b>	<b>122,734</b>	<b>128,639</b>	<b>251,373</b>

**FISCAL YEAR 2004  
NAVAJO NATION COUNCIL  
Chapter Distribution at 50/50 for Chapter Public Employment Program**

	Program Number	Account Number	Chapters	Number of Registered Voters	Equal Distribution 50%	Register Voters Distribution 50%	Total Amount
<b>SHIPROCK AGENCY</b>							0
59	101201	3-13602	Aneth	990	4,545	5,991	10,536
60	101202	3-13604	Beclabito	419	4,545	2,536	7,081
61	101203	3-13606	Burnham	382	4,545	2,312	6,857
62	101204	3-13608	Cove	412	4,545	2,493	7,038
63	101205	3-13610	Gadli Ahi	450	4,545	2,723	7,268
64	101206	3-13614	Hogback	786	4,545	4,757	9,302
65	101207	3-13616	Mexican Water	521	4,545	3,153	7,698
66	101208	3-13618	Nenahnezad	759	4,545	4,593	9,138
67	101209	3-13620	Newcomb	460	4,545	2,784	7,329
68	101210	3-13622	Red Mesa	764	4,545	4,624	9,169
69	101211	3-13624	Red Valley	855	4,545	5,174	9,719
70	101212	3-13626	Rock Point	790	4,545	4,781	9,326
71	101214	3-13628	Sanostee	1,142	4,545	6,911	11,456
72	101213	3-13630	San Juan	330	4,545	1,997	6,542
73	101215	3-13632	Sheep Springs	465	4,545	2,814	7,359
74	101216	3-13634	Shiprock	3,018	4,545	18,265	22,810
75	101217	3-13636	Sweetwater	690	4,545	4,176	8,721
76	101218	3-13638	TeeNosPos	832	4,545	5,035	9,580
77	101219	3-13640	Two Grey Hills	719	4,545	4,351	8,896
78	101220	3-13612	Upper Fruitland	854	4,545	5,168	9,713
<b>SUBTOTALS</b>				<b>15,638</b>	<b>90,900</b>	<b>94,640</b>	<b>185,540</b>

**FISCAL YEAR 2004**  
**NAVAJO NATION COUNCIL**  
**Chapter Distribution at 50/50 for Chapter Public Employment Program**

	Program Number	Account Number	Chapters	Number of Registered Voters	Equal Distribution 50%	Register Voters Distribution 50%	Total Amount
<b>WESTERN AGENCY</b>							
79	101301	3-13702	Birdsprings	531	4,545	3,214	7,759
80	101302	3-13704	Bodaway/Gap	813	4,545	4,920	9,465
81	101303	3-13706	Cameron	608	4,545	3,680	8,225
82	101304	3-13708	Chilchinbeto	609	4,545	3,686	8,231
83	101305	3-13710	Coalmine Canyon	575	4,545	3,480	8,025
84	101306	3-13712	Coppermine	476	4,545	2,881	7,426
85	101307	3-13714	Dennehotso	699	4,545	4,230	8,775
86	101308	3-13716	Insription House	598	4,545	3,619	8,164
87	101309	3-13718	Kaibeto	845	4,545	5,114	9,659
88	101310	3-13720	Kayenta	1,458	4,545	8,824	13,369
89	101311	3-13722	LeChee	635	4,545	3,843	8,388
90	101312	3-13724	Leupp	710	4,545	4,297	8,842
91	101313	3-13726	Navajo Mountain	488	4,545	2,953	7,498
92	101314	3-13728	Oljato	1,012	4,545	6,125	10,670
93	101315	3-13732	Shonto	914	4,545	5,531	10,076
94	1013317	3-13730	Tolani Lake	453	4,545	2,742	7,287
95	101318	3-13736	Tonalea	990	4,545	5,991	10,536
96	101316	3-13734	Toh Nanees Dixzi	2,223	4,545	13,453	17,998
			<b>SUBTOTAL</b>	<b>14,637</b>	<b>81,810</b>	<b>88,582</b>	<b>170,392</b>
<b>CHINLE AGENCY</b>							
97	101401	3-13302	Black Mesa	370	4,545	2,239	6,784
98	101402	3-13304	Chinle	2,316	4,545	14,014	18,559
99	101403	3-13306	Forest Lake	423	4,545	2,560	7,105
100	101404	3-13308	Hardrock	560	4,545	3,389	7,934
101	101405	3-13310	Lukachukai	855	4,545	5,174	9,719
102	101406	3-13312	Many Farms	989	4,545	5,985	10,530
103	101407	3-13314	Nazlini	678	4,545	4,103	8,648
104	104408	3-13316	Pinon	1,168	4,545	7,069	11,614
105	104410	3-13320	Rough Rock	473	4,545	2,863	7,408
106	101409	3-13318	Round Rock	601	4,545	3,637	8,182
107	101411	3-13322	Tachee/Blue Gap	554	4,545	3,353	7,898
108	101412	3-13324	Tsaile/Wheatfields	973	4,545	5,888	10,433
109	101413	3-13326	Tsalani/Cottonwood	985	4,545	5,961	10,506
110	101414	3-13328	Whippoorwill	570	4,545	3,450	7,995
			<b>SUBTOTAL</b>	<b>11,515</b>	<b>63,630</b>	<b>69,686</b>	<b>133,316</b>
<b>GRAND TOTAL</b>				<b>82,619</b>	<b>500,000</b>	<b>500,000</b>	<b>1,000,000</b>



THE NAVAJO NATION - FISCAL YEAR 2004  
 BUDGET JUSTIFICATION DETAIL BY OBJECT CODE

PART I.		OFFICE OF THE SPEAKER		ACCOUNT NUMBER: 101015					
GRAM NAME/NUMBER:		DIVISION/OFFICE:		BRANCH: LEGISLATIVE					
PART II.									
(A)	(B)	(C)	(D)			(E)			
Object Code	Description	Funding Type Code	Central/Window Rock (01)	Chinle (02)	Eastern (03)	Ft. Defiance (04)	Shiprock (05)	Western (06)	Total
3200	PERSONAL TRAVEL EXPENSES	01.000	13,563						13,563
3320	COMMERCIAL FARE: Round Trip Fare: Alb. NM : \$346.50 per person x 9 = 3,118.50 Round Trip Fare: Phx, AZ: \$624.00 per person x 1 = 624.00								
3250	Lodging: \$120.00/night x 5 nights x 9 rooms = 5,400.00								
3240	Per Diem Meals: 6 days x 50.00 per day = \$300.00 x 10 = 3,000.00								
3240	\$30.00 x 10 person = \$300.00								
3290	OTHER TRAVEL EXPENSES: \$5.00 per day x 5 days = \$25.00 x 10 persons = \$250.00								
3260	POV MILEAGE: Mileage to and from the Airport Flat rate of \$75.00 x 8 person = 600.00								
3290	OTHER TRAVEL EXPENSE: Airport Parking \$5.00 per day x 6 days = \$30.00 x 9 = \$270.00								
			13,563	0	0	0	0	0	13,563