

In our report of February 15, 1967, and in our testimony of March 14, 1967, before this subcommittee, we presented in detail our position with respect to H.R. 3300 and other pending Colorado River Basin project legislation. Our basic position as presented last year remains unchanged. I shall, therefore, limit my prepared statement to the information and discussions requested by Chairman Aspinall in his letter to me of December 29, 1967.

Before responding to the specific items mentioned in that letter, I would like to point out two recent changes we have made in our analyses of the Colorado River Basin project.

The first concerns the basic period of record of Colorado River runoff. Last year our testimony was based on the 60-year period 1906 through 1965. Since 1965 the Colorado River has experienced 2 years of runoff averaging about 25 percent below the average for that 60-year period. Consistent with our position of using the longest period of hydrologic record as the basis for our analyses, we have brought our previous studies up to date by extension of the runoff record through the 1967 water year. The estimated average annual virgin runoff at Lee Ferry, based on the 62-year period of record ending in 1967 is 14,963,000 acre-feet as compared with the estimated average of 15,063,000 acre-feet for the 60-year period ending in 1965, a reduction of seven-tenths of 1 percent.

The second change concerns the projected initial date of operation of the central Arizona project. Heretofore we have anticipated that Colorado River water would first be diverted to the central Arizona area in 1975. This date no longer appears realistic. Our present projection anticipates start of construction in fiscal year 1970 and initial delivery of water in fiscal year 1979.

The physical effect of these two changes is to decrease slightly the estimated average water supply available to the central Arizona project over its payout period. The effect of the changes on financial payout, however, is insignificant. Under our analysis, the central Arizona project retains its strong justification, both economically and financially.

Unless indicated otherwise, our most recent figures are used in the remainder of my statement. Because of those adjustments, they will differ slightly from comparative figures given in previous testimony.

Turning now to the information requested, the first item concerns our proposal for prepayment arrangements to secure a block of thermal generating capacity and energy to meet the pumping requirements of the central Arizona project.

The studies for the central Arizona project plan which we presented in February of 1967 indicate that 400,000 kilowatts of capacity would be required for project pumping with the Granite Reef aqueduct sized at 2,500 cubic feet per second as we proposed. For a 3,000-cubic-feet-per-second aqueduct, as called for in S. 1004 as passed by the Senate last session, the amount would be increased to 470,000 kilowatts.

Under our proposal the Secretary of the Interior would make arrangements with non-Federal interests to acquire the right to a portion of capacity and associated energy from the output of a large thermal generating powerplant in the amount to serve required project pumping purposes.