



## TÓ NIZHÓNÍ ÁNÍ “SACRED WATER SPEAKS”

*Mission: Rooted in protecting the water of Black Mesa, we're working to bring power back to our Diné communities impacted by coal. Tó bee iiná. Water is life.*

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June 4, 2025

Tucson Electric Power (TEP)  
88 E Broadway Blvd.  
MS HQE910  
PO Box 711  
Tucson, AZ. 85702

Dear Tucson Electric Power,

We are writing on behalf of the Navajo communities/chapters that are situated along the 102 miles of Tucson Electric Power's transmission line right-of-way (ROW) in New Mexico. For the last 50 years, these 14 Navajo chapters have lived alongside TEP's 345-Kilovolt (KV) transmission line, which provides electricity generated at the Four Corners Power Plant to the city of Tucson and beyond, without sharing in any of the benefits from the infrastructure.

Since TEP's ROW lease expired in 2023, your company has engaged these 14 communities, seeking their support for the ROW renewal through formal chapter resolutions. However, these chapters were not fully informed and lacked the appropriate knowledge to ask the right questions during this process. Most importantly, the chapters did not have legal representation to represent their interests. Proper legal representation would have helped guide discussions and assist these Navajo communities in making a more informed decision that included direct community benefits. As a result, almost all impacted chapters voted to support TEP's resolution without any mention or inclusion of direct community benefits. If benefits were mentioned in resolutions, it is only because the communities themselves mustered up effort to have it included in the resolutions, but there is no consistent application of policy on community benefits from TEP. The result is chapter resolutions supporting the TEP ROW renewal with varying amounts of community benefits ranging from \$0 to \$100,000,000. These inconsistencies are evidence of TEP's lack of transparency and integrity in its community engagement.

On behalf of the 14 chapters, Tó Nizhóní Ání (TNA) is asking TEP to incorporate into the resolutions (collected from communities) direct community benefits that are equitable and reasonable and reflect current market rates for lands occupied by transmission lines right-of-way.

Based on a copy of the original contract – obtained through a federal Freedom of Information Act request – TEP negotiated a one-time payment to the Navajo Nation of \$269,090.50 to cover the full 50-year life of the right-of-way, plus an additional \$38,244 to cover reseeding costs on disturbed land. According to Navajo Nation Council records, 242 grazing permit holders also split approximately

\$110,000 in one-time compensation for the impact to their lands. Doing the math, the payment to the Nation comes to about \$1.32 per acre per year, substantially less than recommendations by the Bureau of Land Management (BLM) for how much transmission line developers should have compensated landowners in Navajo and Coconino counties in 1980. Even adjusted for inflation, that \$1.32 would be just under \$10 per acre per year today, which would be a considerable bargain for TEP in contrast to what the BLM, Arizona and New Mexico State Land Departments currently require utilities to pay, in the range of \$200 to \$300 per acre a year.

Last year, TEP's electricity sales company-wide generated \$1.6 billion in revenue for a net profit of \$250 million. The company's 7% ownership stake in the Four Corners plant netted it an estimated \$9.5 million in profit. Meanwhile, based on the original contract, the annualized ROW payment for the transmission line across Navajo lands, which is the only way to get TEP's power from the Four Corners plant to its customers, would equate to 0.06% of profit from the plant. This kind of one-sided exploitation is nothing new in the electricity sector. For over half a century, TEP and other utilities have benefited from discounted water rates, and other coal subsidies from the Navajo Nation.

TEP and the Navajo Nation have been in negotiations since 2023 for TEP's ROW lease renewal. The Navajo Nation Council's Resources and Development Committee (RDC) will have the final authority to approve or disapprove TEP's ROW lease renewal request when the negotiations are completed.

We urge TEP to take steps to include direct community benefits for 14 Navajo chapters (Sheepsprings, Sanostee, San Juan, Hogback, Nenahnezad, Newcomb, Twin Lakes, Naschitti, Tohatchi, Mexican Springs, Coyote Canyon, Rock Springs, Red Rock, and Chichiltah) that is fair and reasonable.

Respectfully,

*Eleanor Smith*

Eleanor Smith, Community Organizer  
Tó Nizhóní Ání (Sacred Water Speaks)

CC: Navajo Times Editor  
Gallup Independent Editor