The allocation of power is based upon a dam of such height as to produce 650,000 firm H. P. Although, for the sake of brevity, the allocations below are to the respective States, they are intended to include corporations, public, quasi-public and private, subject to the respective jurisdictions of the States of allocation, who may qualify by submitting applications supported by adequate guarantees to the Secretary of the Interior for the power in the aggregate not to exceed the allocation to the jurisdictional State.

(1) To California - 200,000 H.P., at 1.63 mills per k.w.h. at the penstocks.

(2) To Arizona - 175,000 H.P. at 1.63 mills per k.w.h. at the penstocks.

(3) To Nevada - 175,000 H.P. at 1.63 mills per k.w.h. at the penstocks.

(4) To Utah - 50,000 H.P. at 1.63 mills per k.w.h. at the penstocks.

(5) To New Mexico - 50,000 H.P. at 1.63 mills per k.w.h. at the penstocks.

The power above allocated may be used, sold, or otherwise disposed of by the State, or the successful applicant as above defined, either within or without the State of allocation.

Each State, and/or any corporation as above defined, to which power is allocated hereunder, shall be given ninety days from the date when the State of allocation is notified by the Secretary of the Interior that he is prepared to receive applications, to present applications with guarantees satisfactory to him for the due fulfillment of any contract which shall be entered into by the Secretary of the Interior with the contractee for the power so applied for, and in default of such application with sufficient guarantees within said time, then the Secretary of the Interior shall offer the allocation so defaulted upon at the price of not less than 1.75 mills per k.w.h.
In the event of the sale of the unappropriated allocations, or any of them, as provided for in the preceding paragraph, it is agreed that the contractee shall purchase the power subject to the right of the State to which the original allocation has been made, as above stated, to recapture the said allocation at any time after fifteen years succeeding the date of the completion of the project, upon notice to the contractee of such intention, giving to the contractee one year from the date of such notice to surrender the power to the State. As to the reimbursement of the contractee for capital investments, the recapturing State shall pay to the contractee such reasonable compensation as may be agreed upon, or in default of such agreement then the recapture provisions of the Federal Water Power Act as now in effect shall apply and be controlling upon that point.