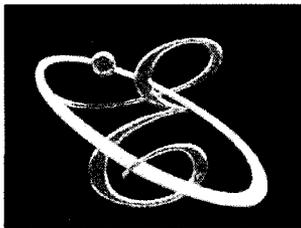


ORIGINAL



0000010491



ENERGY OUTFITTERS, LLC

September 24, 2004

Arizona Corporation Commission  
Docket Control  
1200 West Washington  
Phoenix, AZ 85007

Arizona Corporation Commission

DOCKETED

SEP 24 2004

DOCKETED BY

AZ CORP COMMISSION  
DOCUMENT CONTROL

2004 SEP 24 A 11:42

RECEIVED

Re: In the Matter of the Application of Trico Electric Cooperative, Inc., for Approval of an Extension of their Certificate of Convenience and Necessity to Areas of Pinal County, Arizona, Docket No. E-01461A-04-0393

Dear Sirs:

Enclosed for filing on behalf of the San Carlos Irrigation Project ("SCIP") is a copy of SCIP's Proposed Conceptual Electric Service Plan for Willow Springs. This proposal was prepared for the benefit of the Remington Group, who is presently developing a planned community within SCIP's service territory that is known as the Willow Springs Ranch South Village. On May 26, 2004, Trico Electric Cooperative, Inc. ("Trico") filed an Application with the Commission in this docket for approval to extend its Certificate of Convenience and Necessity to allow it to serve the Willow Springs Ranch South Village.

As noted in SCIP's June 16, 2004 letter to you regarding this matter, SCIP has been serving other customers in the area for many years, and already has a 69kV transmission line and a 12.47kV distribution line nearby that would be able to serve the electrical needs of the new development, in addition to SCIP's existing electric customers. The enclosed proposal demonstrates SCIP's commitment and willingness to accommodate the requirements of this development. In comparison to Trico, SCIP can more readily construct and extend any required facilities to meet the development's immediate needs. In combination with the lower rates it can offer the end-users, SCIP believes its proposal represents a more reliable approach to serving the Willow Springs Ranch South Village.

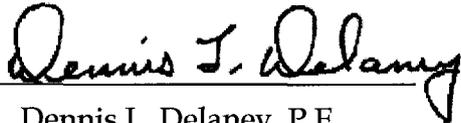
K. R. Saline & Associates, PLC

160 N. Pasadena, Suite 101 ♦ Mesa, AZ 85201-6764 ♦ Phone 480.610.8741 ♦ Fax 480.610.8796

SCIP believes that allowing Trico to expand its Certificate of Convenience and Necessity will lead to additional expansion requests which will negatively impact SCIP's existing and future customers. SCIP continues to invest significant funds in transmission, sub transmission and distribution facilities in southern Pinal County and objects to Trico's expansion plans into the Willow Springs area. The Commission should reject Trico's application and direct Trico to inform developers and potential customers that electric service in areas outside of the existing Certificate of Convenience and Necessity is provided by others and Trico will only consider extension of its Certificate of Convenience and Necessity if the other utilities providing electric service in the area are unable or unwilling to provide the electrical service.

Thank you for your attention to this matter.

Sincerely,

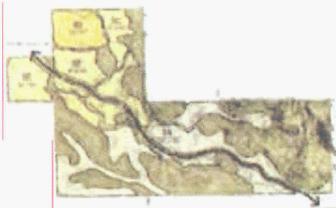
A handwritten signature in cursive script that reads "Dennis L. Delaney". The signature is written in black ink and is positioned above a horizontal line.

Dennis L. Delaney, P.E.  
K.R. Saline & Associates, PLC

Enclosure

Cc: Robert Carolin

# SCIP PROPOSED CONCEPTUAL ELECTRIC SERVICE PLAN FOR WILLOW SPRINGS



**San Carlos Irrigation Project**  
**August 18, 2004 Proposal to**  
**Willow Springs Development**  
**(South Village Project)**

1. Introduction	Page 2
2. SCIP's preliminary plans for providing service to the South Village Property	Page 3
3. Exhibit A-1: SCIP-Oracle / Willow Springs Proposed Conceptual Electric Service Plan	Page 6
4. Exhibit B-1: Phase One - Construction Power	Page 7
5. Exhibit B-2: Phase Two - Initial Retail Service	Page 8
6. Exhibit B-3: Phase Three - Conceptual Underground Backbone Distribution Plan	Page 9
7. Exhibit B-4: Sample Refund Calculation Worksheet	Page 10
8. Attachment A: SCIP Rate Comparison	Page 11
9. Attachment B: Line Extension Policy	Page 15

## **Introduction:**

The San Carlos Irrigation Project ("SCIP" or the "Project") was authorized by an Act of Congress in 1924 and is a Department of Interior, Bureau of Indian Affairs Agency established to provide irrigation water to lands on the Gila River Reservation and certain lands adjacent to the Reservation.

The territory in which SCIP presently provides service encompasses approximately 3,000 square miles in Pinal County and parts of Pima, Maricopa and Gila Counties. SCIP's system encompasses a large rural area and provides affordable electric service to irrigation, industrial, commercial and residential customers.

To provide this service to its customers, SCIP receives its power at three bulk delivery points, the Western Area Power Administration's Lone Butte, Coolidge and Oracle substations. From there, the power is delivered to Project customers through SCIP's 24 substations, 248 miles of 69kV transmission lines and over 2,800 miles of Project-owned distribution lines. SCIP is entirely self-funded, receives no federal appropriations, and has no long-term debt. SCIP expands its transmission and distribution systems from revenues collected from its customers (either from retail electric rates or from contributed funds).

SCIP receives approximately 25% of its power requirements from long-term federal hydropower generation facilities and the remainder of its power requirements under a medium-term partial requirements contract with Salt River Project ("SRP").

The Area Director of the Phoenix Area Office of the Bureau of Indian Affairs is the final authority on all policies, rate schedules and disputes. SCIP is organized under a Project Engineer with two divisions, Water and Power, and has three separate offices located in Coolidge, Oracle and San Carlos.

SCIP is willing and very interested in providing expanded service to the Willow Springs area. SCIP currently provides electric service in the area and has always envisioned that it would expand its transmission and distribution facilities to the Willow Springs area as load growth materialized.

SCIP also believes that SCIP expansion of its transmission and distribution facilities is ultimately in the best interests of both the general public and the Willow Springs development. In its ongoing provision of electrical service, SCIP continues to invest in transmission and distribution facilities in the Oracle area, those investments may become stranded if Trico leap-frogs into SCIP's historical service territory. In addition, SCIP's existing customers have expressed adamant

objections to becoming Trico customers, partially because of Trico aggressive expansion policies, but mainly because of the extraordinarily high retail rates. The average residential retail rate for Trico is approximately 15% higher than SCIP. Furthermore, SCIP understands that Trico has recently authorized its staff to forward an application to increase its rates to the Arizona Corporation Commission, thus potentially widening the gap between SCIP rates and Trico rates still further. A copy of a rate comparison analysis is attached as Attachment A.

SCIP has developed a preliminary service plan for the Willow Springs area, attached to this proposal as Exhibit A1. This preliminary conceptual plan to provide electric service in the greater Willow Springs area is intended as an example. SCIP will however commit to closely coordinating with the developer in determining the ultimate transmission and distribution requirements of the area.

The following proposal was developed to address the initial development and expansion of SCIP's transmission and distribution facilities to the South Village Property and is based upon our limited understanding of the project. It is intended to provide a general description of SCIP's approach to provide electric service to the South Village Property but will need to be coordinated and revised to address the specific development concerns.

**SCIP's preliminary plans for providing service to the South Village Property:**

- a. Phase One - Construction Power - See Exhibit B1:
  - i. SCIP will extend its existing 12.47 kV facilities (located in Township 8 South, Range 12 East, Section 16) approximately 11 to 12 miles to the location of a proposed new 69 kV South Village Property substation<sup>1</sup>. The line will be located on State land and will be constructed as a 69 kV transmission line but initially operated at 12.47 kV which will provide construction power and limited redundant (backup service) retail service to the initial retail customers. The proposed in-service date of this phase is September 2005; 100% of the cost of the extension will be funded by SCIP.
- b. Phase Two - Initial Retail Service - See Exhibit B2:

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<sup>1</sup> The exact location of the proposed Willow Springs substation will be closely coordinated with the Willow Springs developer and centrally located to ultimately provide service to the entire South Village Property.

- i. SCIP is in the process of constructing a new 25 MVA Substation<sup>2</sup> (Bio-Sphere 2 Substation) located in Township 9 South, Range 14 East, Section 36 which will increase the reliability and service capability to the Bio-Sphere area. SCIP will rebuild its existing 12.47 kV facilities from the Bio-Sphere 2 Substation to the midsection of Township 9 South, Range 14 East, Section 3. The rebuild line will be constructed to accommodate two 69 kV transmission lines and two 12.47 kV distribution circuits. The initial construction will include one 12.47 kV distribution circuit<sup>3</sup> and one 69-kV transmission line which will initially be operated at 12.47 kV. The initial 69 kV transmission line (operated at 12.47 kV) will extend service from the midsection of Township 9 South, Range 14 East, Section 3 to the location of the proposed new 69-kV South Village Property substation. The proposed in-service date is December 2006; 100% of the cost of the extension will be funded by SCIP.
- c. Phase Three - SCIP will coordinate, construct and install the underground backbone distribution system in the South Village Property.
  - i. SCIP will require the developer to provide the trenching and conduit for the facilities. SCIP will also require the developer to advance funds for the installation of the backbone distribution facilities (conductors, switching cabinets, engineering, installation, etc). SCIP will coordinate the design and installation of such facilities with the developer. Exhibit B-3 is a preliminary design intended as an illustration only. Due to the nature and size of this development, SCIP is willing to refund the funds advanced for the backbone distribution facilities as follows:
    1. SCIP will provide annual refund payments to the developer for funds advanced for the backbone distribution facilities at a rate of \$2 dollars per revenue meter per month for a period not to exceed ten years and not to exceed the amount advanced. The ten-year period shall start upon the installation of the tenth residential meter. See the sample calculation worksheet attached as Exhibit B-4.

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<sup>2</sup> The new Bio-Sphere Substation has been designed; the substation site has been secured (State Lease Land) and funding for the Substation is included within SCIP's FY2005 (October 2004 -- September 2005) budget. The proposed in-service date is June 2005.

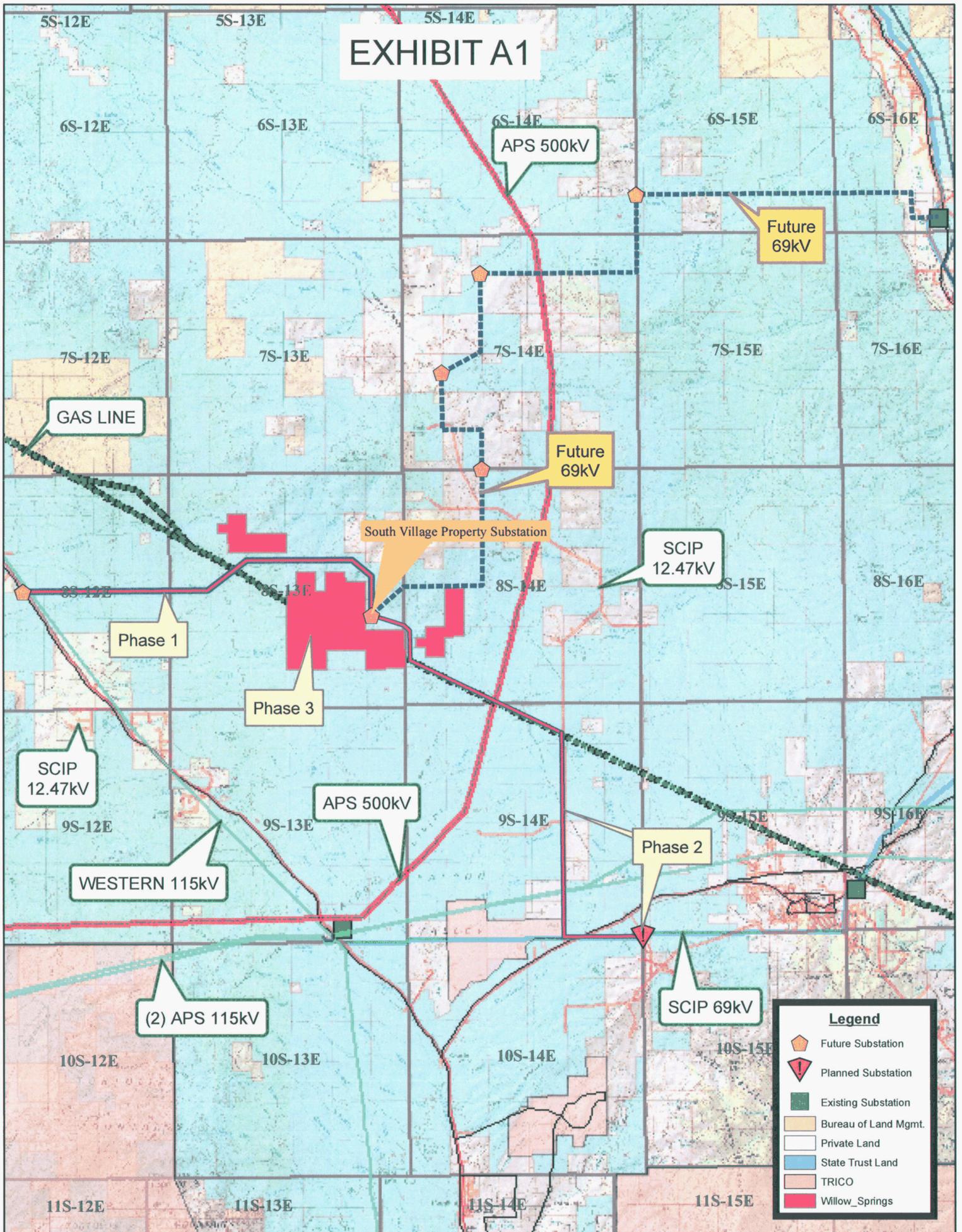
<sup>3</sup> The initial 12.47 kV circuit will replace the existing SCIP distribution circuit and will provide continued service to SCIP's existing customers in the Willow Springs area.

- ii. Facilities extended from the backbone distribution facilities to the areas developed within the South Village Property will be provided pursuant to SCIP's existing line extension policy (copy attached as Attachment B).
- d. Phase Four - Construction of Proposed Willow Springs Substation
- i. SCIP will design and construct a 56 MVA substation in two or three stages. The stages will be tied to load requirements and project load growth in the Willow Springs developments and will be coordinated with the developer. The ultimate substation design will be coordinated with the developer but is envisioned to include two or three 28 MVA 69/12.47 kV transformers, up to three 69 kV transmission lines and potentially 8 to 10 12.47 kV distribution circuits.
    - 1. First stage will include one 28 MVA 69 kV transformer which would be energized from the Bio-Sphere 2 substation. Two 12.47 kV distribution circuits will continue to provide redundant retail service (backup service) from SCIP's existing Oracle Junction Substation and SCIP's new Bio-Sphere 2 Substation. 100% of the cost of the substation and the conversion from 12.47 kV will be funded by SCIP.
    - 2. Second stage will include a second 28 MVA transformer and a second 69 kV transmission line. The second transmission line would originate from either the existing Oracle Junction substation or a proposed new 69 kV substation planned to provide additional electric service and reliability in the Cadillac Wash area (Township 8 South, Range 12 East, Section 16). 100% of the cost of the substation additions and additional 69-kV transmission facilities will be funded by SCIP. Stage three is generally a conceptual plan at this point. It will need to address and be coordinated with future developments in the Willow Spring area. In all likelihood it would include a third 28 MVA transformer at the South Village Property substation, additional 69 kV transmission facilities and potentially a new bulk power delivery substation to reinforce the entire area.

SCIP welcomes the opportunity to discuss expanding its transmission and distribution facilities to provide enhance service to the Willow Springs area, and hopes to more closely coordinate efforts with you. Please do not hesitate to call me if you have any questions.

Exhibit A-1

# EXHIBIT A1



**Legend**

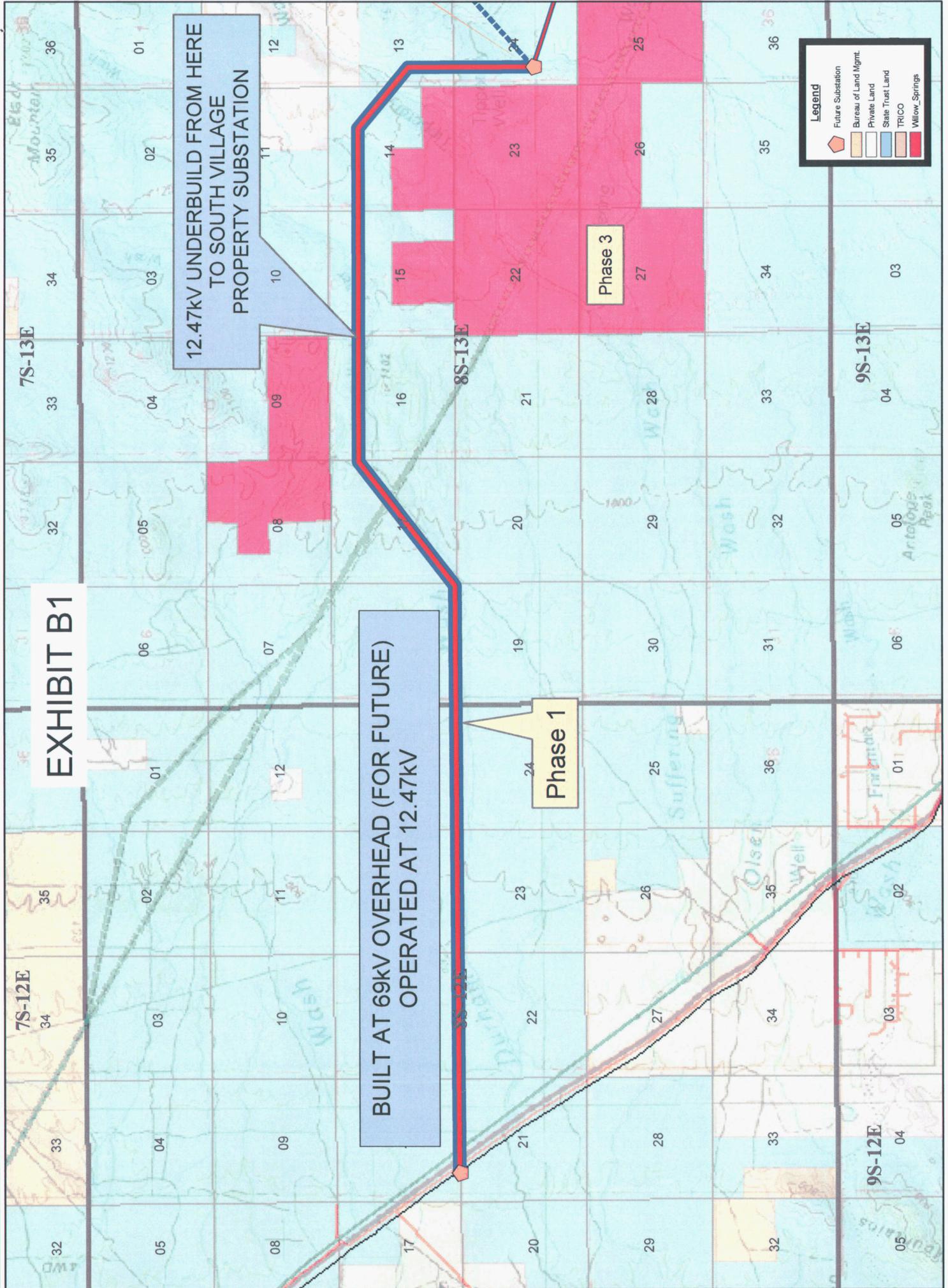
- Future Substation
- Planned Substation
- Existing Substation
- Bureau of Land Mgmt.
- Private Land
- State Trust Land
- TRICO
- Willow\_Springs

DISCLAIMER:  
K.R. Saline & Associates P.L.C.  
DO NOT WARRANT THE ACCURACY  
OR LOCATION OF THE FACILITIES SHOWN

## SCIP-ORACLE / WILLOW SPRINGS PROPOSED CONCEPTUAL ELECTRIC SERVICE PLAN



Exhibit B-1



**EXHIBIT B1**

12.47KV UNDERBUILD FROM HERE TO SOUTH VILLAGE TO PROPERTY SUBSTATION

BUILT AT 69KV OVERHEAD (FOR FUTURE) OPERATED AT 12.47KV

Phase 1

Phase 3

**Legend**

- Future Substation
- Bureau of Land Mgmt.
- Private Land
- State Trust Land
- TRICO
- Willow Springs

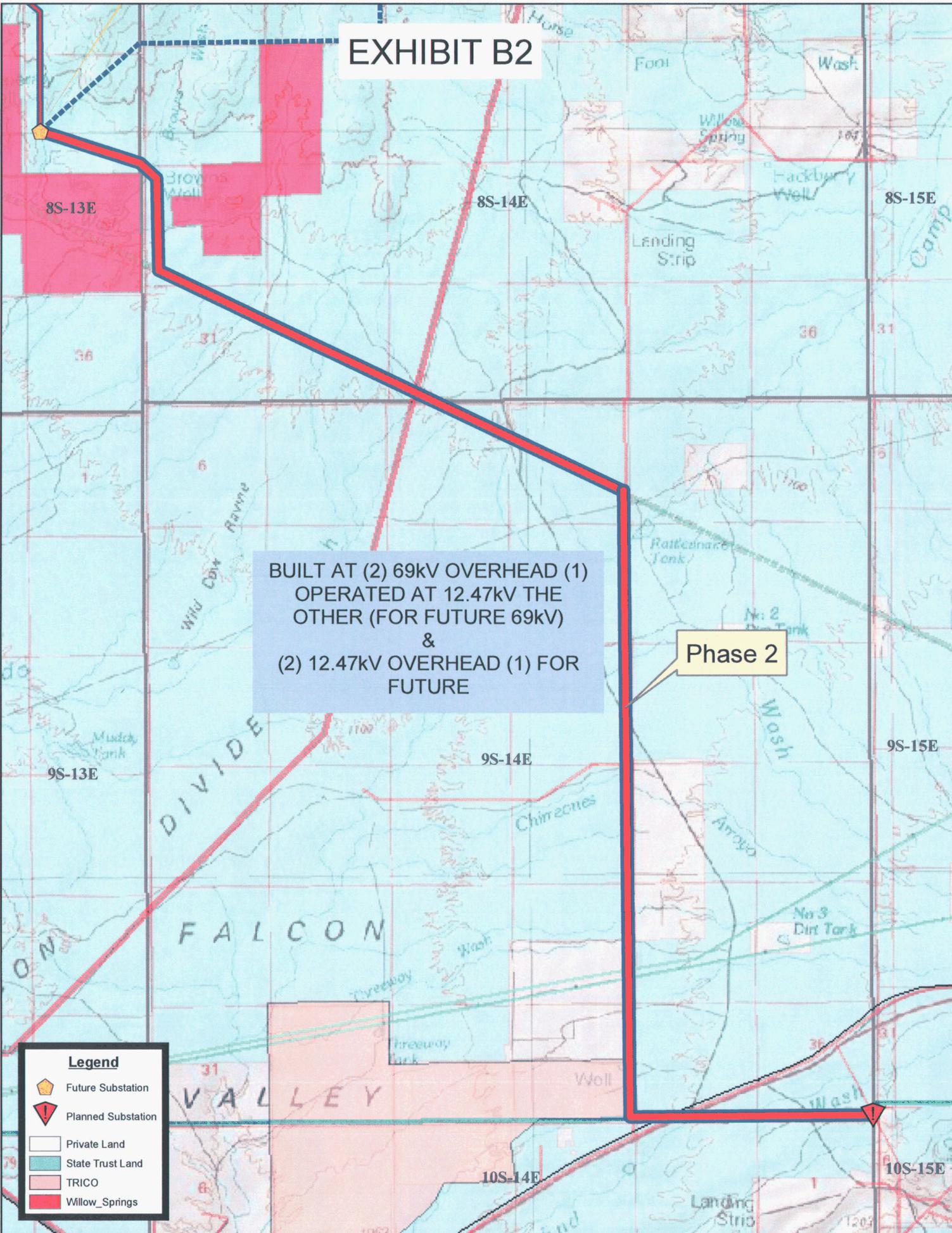


**SCIP-ORACLE / WILLOW SPRINGS  
PROPOSED CONCEPTUAL ELECTRIC SERVICE PLAN**

DISCLAIMER:  
K/S ENGINEERS, INC. PROVIDES THIS PLAN AS A CONCEPTUAL DESIGN ONLY. IT DOES NOT WARRANT THE ACCURACY OR LOCATION OF THE FACILITIES SHOWN.

## Exhibit B-2

# EXHIBIT B2



BUILT AT (2) 69KV OVERHEAD (1) OPERATED AT 12.47KV THE OTHER (FOR FUTURE 69KV) & (2) 12.47KV OVERHEAD (1) FOR FUTURE

Phase 2

**Legend**

- Future Substation
- Planned Substation
- Private Land
- State Trust Land
- TRICO
- Willow Springs

DISCLAIMER:  
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OR LOCATION OF THE FACILITIES SHOWN

## SCIP-ORACLE / WILLOW SPRINGS PROPOSED CONCEPTUAL ELECTRIC SERVICE PLAN



Exhibit B-3

# EXHIBIT B3



## SCIP-ORACLE / WILLOW SPRINGS PROPOSED CONCEPTUAL ELECTRIC SERVICE PLAN

DISCLAIMER:  
K/R Systems Associates, P.L.C.  
HAS CONDUCTED VISUAL SURVEY  
OR LOCATION OF THE FACILITIES SHOWN



## Exhibit B-4

### Sample Refund Calculation Worksheet (Illustration Only)

Total Estimated Advanced Funds	\$ 1,500,000
Total Amount Refunded	\$ 915,784
Net Present Value of Refund	\$ 661,300
Discount Rate	5%
Refund per Revenue Meter per Month	\$ 2.00

Number of Months	Month	Number of Revenue Meters	Monthly Refund	Cumulative Refund	Number of Months	Month	Number of Revenue Meters	Monthly Refund	Cumulative Refund
1	May-06	10	\$ 20	\$ 20	61	May-11	3,930	\$ 7,860	\$ 239,456
2	Jun-06	61	\$ 122	\$ 142	62	Jun-11	3,995	\$ 7,990	\$ 247,446
3	Jul-06	126	\$ 252	\$ 394	63	Jul-11	4,061	\$ 8,122	\$ 255,568
4	Aug-06	192	\$ 384	\$ 778	64	Aug-11	4,126	\$ 8,252	\$ 263,820
5	Sep-06	258	\$ 516	\$ 1,294	65	Sep-11	4,192	\$ 8,384	\$ 272,204
6	Oct-06	323	\$ 646	\$ 1,940	66	Oct-11	4,258	\$ 8,516	\$ 280,720
7	Nov-06	389	\$ 778	\$ 2,718	67	Nov-11	4,323	\$ 8,646	\$ 289,366
8	Dec-06	454	\$ 908	\$ 3,626	68	Dec-11	4,389	\$ 8,778	\$ 298,144
9	Jan-07	520	\$ 1,040	\$ 4,666	69	Jan-12	4,454	\$ 8,908	\$ 307,052
10	Feb-07	585	\$ 1,170	\$ 5,836	70	Feb-12	4,520	\$ 9,040	\$ 316,092
11	Mar-07	651	\$ 1,302	\$ 7,138	71	Mar-12	4,586	\$ 9,172	\$ 325,264
12	Apr-07	717	\$ 1,434	\$ 8,572	72	Apr-12	4,651	\$ 9,302	\$ 334,566
13	May-07	782	\$ 1,564	\$ 10,136	73	May-12	4,717	\$ 9,434	\$ 344,000
14	Jun-07	848	\$ 1,696	\$ 11,832	74	Jun-12	4,782	\$ 9,564	\$ 353,564
15	Jul-07	913	\$ 1,826	\$ 13,658	75	Jul-12	4,848	\$ 9,696	\$ 363,260
16	Aug-07	979	\$ 1,958	\$ 15,616	76	Aug-12	4,913	\$ 9,826	\$ 373,086
17	Sep-07	1,044	\$ 2,088	\$ 17,704	77	Sep-12	4,979	\$ 9,958	\$ 383,044
18	Oct-07	1,110	\$ 2,220	\$ 19,924	78	Oct-12	5,045	\$ 10,090	\$ 393,134
19	Nov-07	1,176	\$ 2,352	\$ 22,276	79	Nov-12	5,110	\$ 10,220	\$ 403,354
20	Dec-07	1,241	\$ 2,482	\$ 24,758	80	Dec-12	5,176	\$ 10,352	\$ 413,706
21	Jan-08	1,307	\$ 2,614	\$ 27,372	81	Jan-13	5,241	\$ 10,482	\$ 424,188
22	Feb-08	1,372	\$ 2,744	\$ 30,116	82	Feb-13	5,307	\$ 10,614	\$ 434,802
23	Mar-08	1,438	\$ 2,876	\$ 32,992	83	Mar-13	5,372	\$ 10,744	\$ 445,546
24	Apr-08	1,503	\$ 3,006	\$ 35,998	84	Apr-13	5,438	\$ 10,876	\$ 456,422
25	May-08	1,569	\$ 3,138	\$ 39,136	85	May-13	5,504	\$ 11,008	\$ 467,430
26	Jun-08	1,635	\$ 3,270	\$ 42,406	86	Jun-13	5,569	\$ 11,138	\$ 478,568
27	Jul-08	1,700	\$ 3,400	\$ 45,806	87	Jul-13	5,635	\$ 11,270	\$ 489,838
28	Aug-08	1,766	\$ 3,532	\$ 49,338	88	Aug-13	5,700	\$ 11,400	\$ 501,238
29	Sep-08	1,831	\$ 3,662	\$ 53,000	89	Sep-13	5,766	\$ 11,532	\$ 512,770
30	Oct-08	1,897	\$ 3,794	\$ 56,794	90	Oct-13	5,831	\$ 11,662	\$ 524,432
31	Nov-08	1,963	\$ 3,926	\$ 60,720	91	Nov-13	5,897	\$ 11,794	\$ 536,226
32	Dec-08	2,028	\$ 4,056	\$ 64,776	92	Dec-13	5,963	\$ 11,926	\$ 548,152
33	Jan-09	2,094	\$ 4,188	\$ 68,964	93	Jan-14	6,028	\$ 12,056	\$ 560,208
34	Feb-09	2,159	\$ 4,318	\$ 73,282	94	Feb-14	6,094	\$ 12,188	\$ 572,396
35	Mar-09	2,225	\$ 4,450	\$ 77,732	95	Mar-14	6,159	\$ 12,318	\$ 584,714
36	Apr-09	2,290	\$ 4,580	\$ 82,312	96	Apr-14	6,225	\$ 12,450	\$ 597,164
37	May-09	2,356	\$ 4,712	\$ 87,024	97	May-14	6,290	\$ 12,580	\$ 609,744
38	Jun-09	2,422	\$ 4,844	\$ 91,868	98	Jun-14	6,356	\$ 12,712	\$ 622,456
39	Jul-09	2,487	\$ 4,974	\$ 96,842	99	Jul-14	6,422	\$ 12,844	\$ 635,300
40	Aug-09	2,553	\$ 5,106	\$ 101,948	100	Aug-14	6,487	\$ 12,974	\$ 648,274
41	Sep-09	2,618	\$ 5,236	\$ 107,184	101	Sep-14	6,553	\$ 13,106	\$ 661,380
42	Oct-09	2,684	\$ 5,368	\$ 112,552	102	Oct-14	6,618	\$ 13,236	\$ 674,616
43	Nov-09	2,749	\$ 5,498	\$ 118,050	103	Nov-14	6,684	\$ 13,368	\$ 687,984
44	Dec-09	2,815	\$ 5,630	\$ 123,680	104	Dec-14	6,700	\$ 13,400	\$ 701,384
45	Jan-10	2,881	\$ 5,762	\$ 129,442	105	Jan-15	6,700	\$ 13,400	\$ 714,784
46	Feb-10	2,946	\$ 5,892	\$ 135,334	106	Feb-15	6,700	\$ 13,400	\$ 728,184
47	Mar-10	3,012	\$ 6,024	\$ 141,358	107	Mar-15	6,700	\$ 13,400	\$ 741,584
48	Apr-10	3,077	\$ 6,154	\$ 147,512	108	Apr-15	6,700	\$ 13,400	\$ 754,984
49	May-10	3,143	\$ 6,286	\$ 153,798	109	May-15	6,700	\$ 13,400	\$ 768,384
50	Jun-10	3,208	\$ 6,416	\$ 160,214	110	Jun-15	6,700	\$ 13,400	\$ 781,784
51	Jul-10	3,274	\$ 6,548	\$ 166,762	111	Jul-15	6,700	\$ 13,400	\$ 795,184
52	Aug-10	3,340	\$ 6,680	\$ 173,442	112	Aug-15	6,700	\$ 13,400	\$ 808,584
53	Sep-10	3,405	\$ 6,810	\$ 180,252	113	Sep-15	6,700	\$ 13,400	\$ 821,984
54	Oct-10	3,471	\$ 6,942	\$ 187,194	114	Oct-15	6,700	\$ 13,400	\$ 835,384
55	Nov-10	3,536	\$ 7,072	\$ 194,266	115	Nov-15	6,700	\$ 13,400	\$ 848,784
56	Dec-10	3,602	\$ 7,204	\$ 201,470	116	Dec-15	6,700	\$ 13,400	\$ 862,184
57	Jan-11	3,667	\$ 7,334	\$ 208,804	117	Jan-16	6,700	\$ 13,400	\$ 875,584
58	Feb-11	3,733	\$ 7,466	\$ 216,270	118	Feb-16	6,700	\$ 13,400	\$ 888,984
59	Mar-11	3,799	\$ 7,598	\$ 223,868	119	Mar-16	6,700	\$ 13,400	\$ 902,384
60	Apr-11	3,864	\$ 7,728	\$ 231,596	120	Apr-16	6,700	\$ 13,400	\$ 915,784

# Attachment A

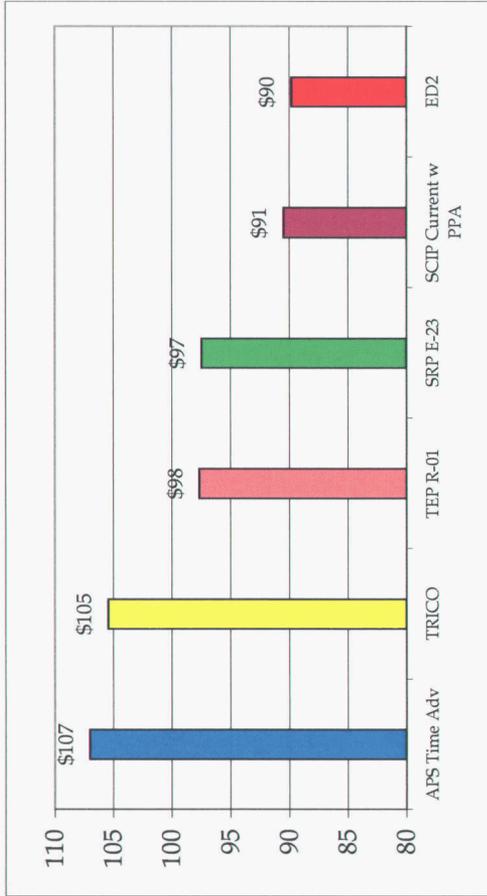
# SAN CARLOS IRRIGATION PROJECT

Comparison of Estimated Monthly Billings  
 Assumes 7% Sales Tax on All Utilities Sales (No Sales Tax for SCIP)

## Comparison of Residential Monthly Billings

Residential -(Assuming 950 kWh in Summer Month)

Estimated Monthly Power Bills	Average \$/kWh	% Difference From Highest
APS Time Adv	\$107	0.00%
TRICO	\$105	-1.46%
TEP R-01	\$98	-8.73%
SRP E-23	\$97	-8.90%
SCIP Current w PPA	\$91	-15.42%
ED2	\$90	-16.05%



## Comparison of Residential Monthly Billings

Residential -(Assuming 1,800 kWh in Summer Month)

Estimated Monthly Power Bills	Average \$/kWh	% Difference From Highest
TRICO	\$192	0.00%
APS Time Adv	\$188	-2.14%
TEP R-01	\$180	-6.12%
SRP E-23	\$177	-7.93%
SCIP Current w PPA	\$154	-19.71%
ED2	\$154	-19.63%



# SAN CARLOS IRRIGATION PROJECT

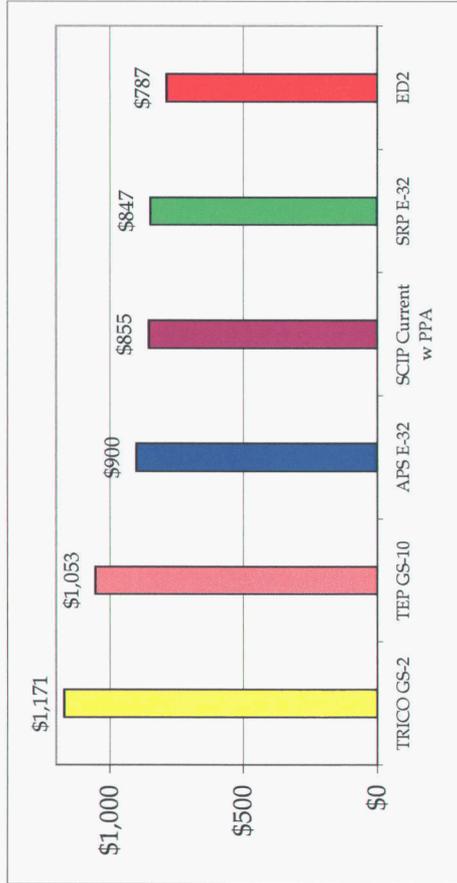
Comparison of Estimated Monthly Billings

**Assumes 7% Sales Tax on All Utilities Sales (No Sales Tax for SCIP)**

## Comparison of General Service Monthly Billings

Small Commercial -(Assuming 25 KW and 9,300 kWh in Summer Month)

<u>Estimated Monthly Power Bills</u>	Average \$/kWh	% Difference From Highest
TRICO GS-2	\$1,171	0.00%
TEP GS-10	\$1,053	-10.01%
APS E-32	\$900	-23.11%
SCIP Current w PPA	\$855	-27.00%
SRP E-32	\$847	-27.64%
ED2	\$787	-32.78%



## Comparison of General Service Monthly Billings

Small Commercial -(Assuming 100 KW and 40,000 kWh in Summer Month)

<u>Estimated Monthly Power Bills</u>	Average \$/kWh	% Difference From Highest
TEP GS-10	\$4,350	0.00%
TRICO GS-3	\$4,155	-4.48%
APS E-32	\$3,590	-17.47%
SRP E-32	\$3,475	-20.10%
ED2	\$3,167	-27.20%
SCIP Current w PPA	\$2,864	-34.15%



# SAN CARLOS IRRIGATION PROJECT

Comparison of Estimated Monthly Billings  
**Assumes 7% Sales Tax on All Utilities Sales (No Sales Tax for SCIP)**

## Comparison of General Service Monthly Billings

Large Commercial - (Assuming 1,500 KW and 550,000 kWh in Summer Month)

Estimated Monthly Power Bills	Average \$/kWh	% Difference From Highest
TRICO GS-3	\$58,923	0.00%
TEP GS-13	\$48,376	-17.90%
SRP E-32	\$44,195	-25.00%
ED2	\$41,096	-30.25%
APS E-32	\$39,236	-33.41%
SCIP Current w PPA	\$36,660	-37.78%



## Comparison of General Service Monthly Billings

Large Commercial - (Assuming 2,600 KW and 950,000 kWh in Summer Month)

Estimated Monthly Power Bills	Average \$/kWh	% Difference From Highest
TRICO GS-3	\$101,910	0.00%
TEP GS-13	\$83,332	-18.23%
SRP E-32	\$76,360	-25.07%
ED2	\$71,065	-30.27%
APS E-32	\$66,906	-34.35%
SCIP Current w PPA	\$62,860	-38.32%



# SAN CARLOS IRRIGATION PROJECT

Comparison of Estimated Monthly Billings  
**Assumes 7% Sales Tax on All Utilities Sales (No Sales Tax for SCIP)**

## Comparison of Industrial Monthly Billings

Industrial -(Assuming 4,200 KW and 1,100,000 kWh in Summer Month)

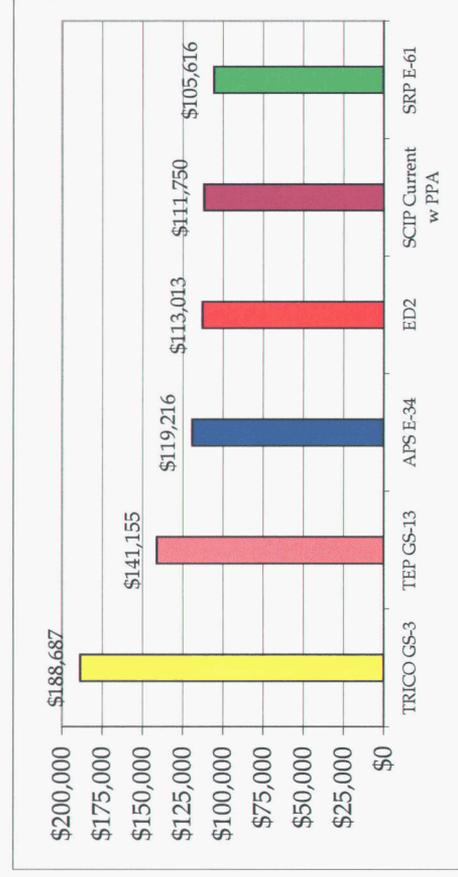
Estimated Monthly Power Bills	Average \$/kWh	% Difference From Highest
TRICO GS-3	\$0.1249	0.00%
TEP GS-13	\$0.0952	-23.78%
APS E-34	\$0.0792	-36.63%
SCIP Current w PPA	\$0.0750	-39.92%
ED2	\$0.0749	-40.01%
SRP E-61	\$0.0721	-42.30%



## Comparison of Industrial Monthly Billings

Industrial -(Assuming 6,000 KW and 1,450,000 kWh in Summer Month)

Estimated Monthly Power Bills	Average \$/kWh	% Difference From Highest
TRICO GS-3	\$0.1301	0.00%
TEP GS-13	\$0.0973	-25.19%
APS E-34	\$0.0822	-36.82%
ED2	\$0.0779	-40.11%
SCIP Current w PPA	\$0.0771	-40.77%
SRP E-61	\$0.0728	-44.03%



## Attachment B

**EXHIBIT E**

**LINE EXTENSION SCHEDULE**

**SAN CARLOS IRRIGATION PROJECT**  
**EXTENSIONS OF ELECTRIC DISTRIBUTION LINES AND SERVICES**

The following schedule will be used to determine the estimated construction costs for typical residential, commercial, industrial, lighting, and unmetered services. All estimates will contain the following items:

LABOR  
MATERIAL COSTS  
EQUIPMENT COSTS  
ADMINISTRATIVE COSTS  
EMPLOYEE BENEFITS  
CULTURAL/ENVIRONMENTAL COSTS  
RIGHT-OF-WAY/EASEMENT COSTS

All extensions are subject to the availability of adequate capacity, voltage and utility facilities at the beginning point of an extension, as determined by the Utility.

**1. RESIDENTIAL ONLY**

**1.1 GENERAL POLICY- All of the following conditions must exist:**

1.1.1\_ Applicant will be a new permanent residential Customer or group of new permanent residential Customers, Customers specified in 4 not eligible for this basis.

1.1.2 No footage will be permitted beyond the shortest practical route to the nearest practical point of delivery on each Customer's premises as determined by the Utility.

**1.2 FREE EXTENSIONS- May be made if the conditions specified in 1.1 are met and :**

1.2.1 Such free extension will be limited to a maximum of 500 feet per new permanent residential Customer. This may include but not limited to a primary extension, transformer and service drop.

1.2.2 Free allowance for the total extension will be the first 500 feet from the existing facilities per Residential Customer regardless of Customer's location along the route of extension.

**1.3 EXTENSIONS OVER THE FREE DISTANCE**

For extensions which meet the conditions specified in 1.1, above, and which exceed the free distance specified in 1.2.1, Utility may extend its facilities provided Customer or Customers will sign an extension agreement and advance the cost of such additional

footage. For extensions on the footage basis (footage includes primary, transformer, secondary and service) over the free distance. The cost of the additional footage shall be \$4.00 per foot (Subject to annual review). This is for a single phase extension only. Three phase extensions do not qualify for residential footage basis extension.

## 2. REVENUE BASIS

2.1 GENERAL POLICY- Revenue basis extensions may be made only if all of the following conditions exist:

2.1.1 Applicant is or will be a permanent Customer or group of permanent Customers. Customers specified in 4.1, 4.2, or 4.3 not eligible for this basis.

2.2 FREE EXTENSIONS

Such extension shall be free to Customer where the conditions specified in 2.1 are met and the estimated annual revenue multiplied by two (2) is equal to or greater than the total construction cost less non-refundable Customer contributions. This includes single phase or three phase extensions.

2.3 EXTENSIONS OVER THE FREE LIMITS

For extensions which meet the conditions specified in 2.1, above, and which exceed the free limits specified in 2.2, The Utility may extend its facilities, provided Customer or Customers will sign an extension agreement and advance a sufficient portion of the construction cost so that the remainder satisfies the requirements of 2.2. Advances are subject to refund as specified in 5.

## 3. REAL ESTATE DEVELOPMENT

3.1 GENERAL POLICY- Economic feasibility basis extensions may be made only if all of the following conditions exist:

3.1.1 Applicant is or will be a permanent Customer or group of permanent Customers. Customers specified in 4.1, 4.2, or 4.3 not eligible for this basis.

3.1.2 The total construction costs exceeds \$25,000 except for extensions specified in 4.4 or 7.7.

3.2 FREE EXTENSIONS

Such extensions shall be free to Customer where the conditions specified in 3.1 are met and the extension is determined to be economically feasible. Economic feasibility, as used in this policy, shall mean a determination by the Utility that the revenue less the cost of service provides an adequate rate of return on the investment made by Utility to serve Customer.

### 3.3 EXTENSIONS OVER THE FREE LIMITS

For extensions which meet the conditions specified in 3.1, above, Utility after special study and at its option, may extend its facilities to Customers whose use does not satisfy the definition of economic feasibility as specified in 3.2, provided such Customers sign an extension agreement and advance as much of the construction cost as is required to make the extension economically feasible. Advances are subject to refund as specified in 5.

## 4. OTHER CONDITIONS

### 4.1 TEMPORARY CUSTOMERS

4.1.1 Where a temporary meter or construction is required to provide service to Customer, then Customer, in advance of installation or construction, shall make a contribution equal to the cost of installing and removing the facilities required to furnish service, less the salvage value of such facilities. When the use of service is discontinued or agreement for service is terminated, Utility may dismantle its facilities and the materials and equipment provided by Utility will be salvaged and remain its property.

4.1.2 Contributions for temporary service are non-refundable.

### 4.2 DOUBTFUL PERMANENCY CUSTOMERS

When, in the opinion of Utility, permanency of Customer's service is doubtful, Customer will be required to advance the total construction cost. Advances are subject to refund as specified in 5.

### 4.3 REAL ESTATE DEVELOPMENT

Extensions of electric facilities within real estate developments including residential subdivisions, industrial parks, mobile home parks, apartment complexes, planned area developments, etc., may be made in advance of application for service by permanent Customers, as specified in 3.

### 4.4 SEASONAL CUSTOMERS

Extensions of electric facilities to Customer's premises which will be continuously occupied less than 6 months out of each 12 month period may be made only on the basis specified in 2. or 3.

## 5. REFUNDS

### 5.1 REVENUE, AND ECONOMIC FEASIBILITY BASIS REFUNDS

5.1.1 Customer advances of over \$100.00 are subject to full or partial refund, provided that a survey based on conditions of the extension not including laterals or extensions from the extension being surveyed as specified in 5.1.2 existing at the time of survey results in an advance lower than the amount actually advanced. Except as provided for in 5.3 such surveys shall not be made for customers

extended to under the basis specified in 4.1, 4.2, or 4.3. A survey will be conducted by Utility under the extension policy in force at the time of the extension and will be made five (5) years after signing the extension agreement. Upon request, Customer will be entitled to intermediate surveys within the five (5) year period after the end of six (6) months following the date of signing the extension agreement and subsequent surveys at intervals of not less than one (1) year thereafter. Utility will refund the difference between amount advanced and the amount that would have been advanced had the advance been calculated at the time of survey. In no event shall the amount of any refund exceed the amount originally advanced. In no event shall footage basis extensions qualify for refunds. Refunds due may be credited to the customer account in lieu of a cash refund. Utility will determine refund.

5.1.2. Laterals or extensions from an extension being surveyed shall not be considered in the survey when the lateral or extension was extended on the basis "extensions over the free limits" of 2, or 3, or is not connected directly to the extension being surveyed. In real estate developments extended to under the basis specified in 3, the survey may include laterals and extensions to serve permanent customers located within the real estate development described in the extension agreement for the extension being surveyed.

5.1.3 In lieu of surveys Utility will determine the refund based on the number of permanent connections to the extension for residential real estate development. In such event, Utility shall specify in the extension agreement the amount of refund per permanent Customer connection.

## 5.2 REFUNDS TO CUSTOMERS OF DOUBTFUL PERMANENCY

Customer advances of over \$100.00 are subject to full or partial refund pursuant to surveys based on the Revenue or Economic Feasibility Basis as specified on 5.1.1. In no event shall the refund exceed twenty-five (25) per cent of the annual accumulation of twelve (12) monthly bills in excess of the annual minimum bill for Customer specified in the extension agreement. Refunds due may be credited to the customer account in lieu of a cash refund. Utility will determine refund.

## 5.3 GENERAL REFUND CONDITIONS

5.3.1 Customer advances of \$100.00 or less are not subject to refund.

5.3.2 No refund will be made to any Customer for an amount more than the un-refunded balance of Customer's advance.

5.3.3 Any un-refunded balance of Customer's advance shall become non-refundable five (5) years from the date of Utility's receipt of the advance.

5.3.4. Utility reserves the right to withhold refunds to any Customer whose account is delinquent and apply these refund amounts to past due bills.

## 6. UNDERGROUND CONSTRUCTION

6.1 GENERAL UNDERGROUND CONSTRUCTION POLICY- With respect to all underground installations, Utility may install underground facilities only if all of the

following conditions are met:

- 6.1.1. The extension meets normal overhead feasibility requirements as specified in 1., 2., 3., or 4.
- 6.1.2 Customer or developer provides all earthwork including, but not limited to, trench, boring or punching, conduits, backfill, compaction, and surface restoration in accordance with Utility specifications.

(Utility may provide all earthwork and Customer or developer will make a non-refundable contribution equal to the cost of such work provided by Utility.)

- 6.1.3. If armored cable or special cable covering is required, Customer or developer will make a non-refundable contribution equal to the additional cost of such cable or covering.

6.2 THREE-PHASE UNDERGROUND CONSTRUCTION POLICY- With respect to all underground installations, Utility may install three-phase facilities if the conditions specified in 6.1 are met, and Customer provides the following:

- 6.2.1 A non-refundable contribution for excess service footage required by Customer equal to the increased estimated cost of installed service over what would be required with a maximum 40-foot service at 480 volts and 20-foot service at 120/208 or 240 volts.
- 6.2.2 Transformer pad and secondary conduits in accordance with Utility specifications.

(Utility may provide pad and conduits, and Customer or developer will make a non-refundable contribution equal to the cost of such work provided by Utility.)

## 7. GENERAL CONDITIONS

### 7.1 VOLTAGE

The extension must be designed and constructed for operation at standard voltages used by Utility in the area in which the extension is located.

### 7.2 THREE PHASE

Extensions for 3-phase service can be made under this extension policy where Customer has installed major 3-phase equipment. Equipment of 7-1/2 HP or more or single air conditioning units of 6 ton or more or where total HP of all connected 3-phase motors exceeds 12 HP or total load exceeding 100 KVA demand shall qualify for 3-phase. If less than the above HP or connected KVA is installed, Utility may at its option, when requested by Customer, serve 3-phase and require a non-refundable contribution equal to the difference in cost between 1-phase and 3-phase construction, but in no case less than \$100.

### 7.3 EASEMENTS

All suitable easements or rights-of-way required by Utility for any portion of the extension which is either on premises owned, leased or otherwise controlled by Customer, or other property, shall be furnished in Utility's name by Customer without cost to or condemnation by Utility and in reasonable time to meet proposed service requirements. All easements or rights-of-way obtained on behalf of Utility shall contain such terms and conditions as are acceptable to Utility.

### 7.4 GRADE MODIFICATIONS

If subsequent to construction of electric distribution lines and services, the final grade established by Customer or developer is changed in such a way as to require relocation of Utility facilities or results in damage to such facilities, the cost of relocation and/or resulting repairs shall be borne by Customer or developer.

### 7.5 OWNERSHIP

Except for Customer-owned facilities, all construction, including that for which Customers have made advances and/or contributions, will be owned, operated and maintained by Utility.

### 7.6 MEASUREMENT AND LOCATION

7.6.1 Measurement must be along the proposed route of construction.

7.6.2 Construction is to be on public streets, roadways, highways, or easements acceptable to Utility.

7.6.3 The extension must be a branch from, the continuation of, or an addition to, one of Utility's existing distribution lines.

### 7.7 UNUSUAL CIRCUMSTANCES

In unusual circumstances as determined by Utility, when the application and provisions of this policy appear impractical, or in case of extension of lines to be operated on voltages other than specified in the applicable rate schedule, or in case Customer's requirements exceed 2,000 kw, Utility will make a special study of the conditions to determine the basis on which service may be provided.

### 7.8 NON-STANDARD CONSTRUCTION

Where extensions of electric facilities require construction that is in any way non-standard, as determined by Utility, or if unusual obstructions are encountered, Customer will make a non-refundable contribution equal to the difference in cost between standard and non-standard construction, in addition to other applicable costs involved.

### 7.9 ABNORMAL LOADS

Utility, at its option, may make extensions to serve certain abnormal loads (such as: transformer-type welders, x-ray machines, excess capacity for test purposes and loads of unusual characteristics), provided Customer makes a non-refundable contribution equal to the total cost of such extension, including transformers.

7.10 RELOCATIONS AND/OR CONVERSIONS

7.10.1 Utility will relocate or convert its facilities for Customer's convenience or aesthetics, providing Customer makes a non-refundable contribution equal to the total cost of relocation/conversion.

7.10.2 When the relocation or conversion is in conjunction with added revenue, as determined by Utility and is not for Customers convenience or aesthetics then the relocation or conversion costs plus the costs to serve will be used to determine Customers advance on the basis specified in 2. or 3.

7.11 CHANGING OF MASTER METER TO INDIVIDUAL METER

Utility will convert its facilities from master metered system to a permanent individually metered system at Customer's request provided Customer makes a non-refundable contribution equal to the residual value plus the removal costs less salvage of the master meter facilities to be removed. The new facilities to serve the individual meters will be extended on basis specified in 2. or 3.

7.12 CHANGE IN CUSTOMER'S SERVICE REQUIREMENTS

Utility will rebuild or revamp existing facilities to meet Customer's added load or change in service requirements on the basis specified in 2. or 3.

7.13 DESIGN DEPOSIT

Any applicant requesting Utility to prepare detailed plans, specifications, or cost estimates may be required to deposit with Utility an amount equal to the estimated cost of preparation. Where the applicant authorizes Utility to proceed with construction of the extension, the deposit shall be credited to the cost of construction; otherwise the deposit shall be non-refundable. Utility will prepare without charge, a preliminary sketch and rough estimate of the cost to be paid by Customer for a line extension upon request. If the Customer requests more than one (1) estimate for the same project, the Customer will be required to make a non-refundable deposit equal to the estimating costs. These monies may be applied to the project when the project is built.