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Transcript Exhibit(s)

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BEFORE THE ARIZONA CORPORATION COMMISSION

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EXHIBIT
APS-1
ADMITTED

MIKE GLEASON, Chairman
WILLIAM A. MUNDELL
JEFF HATCH-MILLER
KRISTIN K. MAYES
GARY PIERCE

IN THE MATTER OF THE SALE AND TRANSITION BY ARIZONA PUBLIC SERVICE TO ELECTRICAL DISTRICT NO. 3 OF CERTAIN ELECTRICAL FACILITIES IN PINAL COUNTY PURSUANT TO A.R.S. § 40-285(A) AND FOR DELETION FROM ITS CERTIFICATE OF CONVENIENCE AND NECESSITY CERTAIN AREAS IN PINAL COUNTY	DOCKET NO. E-01345A-08- E-01345A-08-0426

APPLICATION OF ARIZONA PUBLIC SERVICE COMPANY TO SELL CERTAIN FACILITIES IN PINAL COUNTY AND FOR DELETION FROM ITS CERTIFICATE OF CONVENIENCE AND NECESSITY CERTAIN AREAS IN PINAL COUNTY

Arizona Public Service Company ("APS" or "Company") hereby submits this application ("Application") to the Arizona Corporation Commission ("Commission") for authorization to sell or transfer certain electric transmission and distribution facilities in Pinal County, Arizona to Electrical District No. 3 ("ED-3") pursuant to A.R.S. § 40-285(A), and to delete from its Certificate of Convenience and Necessity ("CC&N") all areas served by ED-3 and contained within the Ak-Chin Indian Community lands (as described herein) pursuant to A.A.C. § R14-2-202(B). For the reasons set forth below, APS's Application should be approved because the proposed matters are not contrary to the public interest and are consistent with the Commission's past practice.

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BACKGROUND

APS has a CC&N for the relevant areas of Pinal County, Arizona affected by this Application. ED-3 is an Electrical District located in Pinal County organized under A.R.S. § 48-1701, *et seq.*, and is a municipal corporation not subject to the Commission's general regulatory jurisdiction. *See* Ariz. Const. Art. 15, § 2. Since 1960, both APS and ED-3 have served customers located within ED-3's district boundaries. APS has primarily served the area's residential, commercial and industrial load, while ED-3 has historically served the area's irrigation pumping loads. A map depicting the current ED-3 district boundaries is attached to the Testimony of Daniel Froetscher supporting this Application at Attachment B. The ED-3 service area proposed by this Application (the "Proposed ED-3 Service Area," which differs slightly from the present ED-3 district boundaries, as described herein) is also attached to Mr. Froetscher's testimony, at Attachment A. An itemization of the major electrical facilities located in the area is attached to Mr. Froetscher's testimony at Attachments H and I.

Prior to 1960, only APS provided electric service to the area now also served by ED-3, and, accordingly, owned the area's infrastructure. On December 21, 1960, the Commission approved a Power Agreement between APS and ED-3, pursuant to which APS agreed, for a fixed charge, to transfer its irrigation pumping customers to ED-3 and to serve those customers on behalf of ED-3. The following year, the Commission approved the sale to ED-3 and lease-back to APS of the facilities and infrastructure located within the ED-3 district boundaries that APS used to serve ED-3's irrigation customers.

Following that authorization, in July of 1961, APS and ED-3 entered into a Lease Agreement that allowed APS to lease ED-3's transmission and distribution facilities and to operate and maintain the area's entire electric system. Under a separate but related

Lease Power Agreement entered into at the same time, APS sold and delivered power to ED-3 over the leased facilities. Under the provisions of the Lease Agreement and Lease Power Agreement, APS exercised full operational control over the ED-3 system and served both APS's customers and, on behalf of ED-3, ED-3's irrigation pumping customers. In addition, APS retained ownership of other limited distribution facilities in the ED-3 district boundaries that were not used for irrigation pumping service.

Subsequent to that transaction, APS constructed various line extensions used to serve new, non-irrigation retail load. Except for a single substation (the "Sexton Substation"), these limited distribution facilities are the only facilities in the ED-3 district boundaries that are still owned by APS. Ranging from simple pole-mounted transformers with service drops to more extensive overhead and underground distribution systems, the APS-owned facilities radiate from and are interconnected to the electrical infrastructure owned by ED-3. For this reason, the APS-owned distribution systems are commonly referred to by both APS and ED-3 and will be referred to herein as the "Split Ends."

In October of 2001, the Lease Agreement expired, and ED-3 assumed complete possession and operational control of its electric system. In an Order issued by the Federal Energy Regulatory Commission ("FERC") on February 15, 2002, FERC noted that the expiration of the Lease Agreement required ED-3 to resume operational control over its transmission system, and expressly commented that "ED3 is a transmitting utility and there is no evidence that it cannot properly operate and maintain its transmission system." *Arizona Public Service Company*, 98 FERC ¶ 61, 172.

At the time that operational control of ED-3's system reverted to ED-3, ED-3 expressed its intent to enter into the retail electric service business for all classes of customers. It has since done so, and has invested significant capital in infrastructure that allows it to offer bundled retail electric service to all customer classes located within its

district boundaries, including those customers that had historically been served primarily by APS. The system used to distribute energy to all customers within the ED-3 district boundaries can best be described as a complex mix of ED-3 owned facilities and APS owned facilities. To this day, APS still owns electric distribution facilities that it constructed in the ED-3 service area and retains the obligation to provide electric service to the area's residential, commercial, and industrial classes – even if those loads are already served by ED-3. ED-3 owns the subtransmission system, distribution substations and most of the area's distribution system, and serves those customers in the area that are not already served by APS. ED-3 also provides transmission service to APS for the delivery of electricity to APS loads in the area served from the ED-3 system pursuant to a May, 2, 2002 Transmission Service Agreement approved by FERC on August 2, 2002. *See* FERC Docket No. TX02-1-000.

Over time, it became clear to both ED-3 and APS that the intermingled ownership of electric distribution facilities between the two service providers gave rise to a litany of problems that negatively impact both the utilities and their customers. Specifically, blended ownership of electrical facilities by two utilities within overlapping service areas – particularly where the facilities are interconnected at virtually hundreds of locations – raises various operational, safety, coordination, and administrative concerns. The intermingled service obligation further requires the utilities to duplicate the cost and responsibility for planning the transmission and distribution infrastructure necessary to serve the area, results in operational inefficiencies, confuses retail customers, and ultimately increases the cost of operations for each utility (and increases customer costs accordingly). The arrangement also presents potential reliability problems in the area, because both ED-3 and APS have overlapping responsibilities for providing energy

service and responding to operational issues (an issue left unresolved by the 1998 Arizona Electric Competition Act).

In attempt to eliminate some of these difficulties, in March of 2002, ED-3 and APS entered into an agreement (the "Settlement Agreement"), in which the parties agreed, among other things, that, upon approval by this Commission, APS would sell ED-3 the APS-owned electric facilities located within the ED-3 district boundaries, and that ED-3 would furnish transmission service to APS ("wheel") over ED-3's transmission lines for a set rate in order to allow APS to continue to serve the APS customers residing in the area (an arrangement approved by the FERC, as previously described). The Settlement Agreement is attached to Mr. Froetscher's testimony at Attachment C.

To effectuate the Settlement Agreement, on April 15, 2002, APS applied to this Commission for approval to sell its electric distribution facilities located within the ED-3 district boundaries to ED-3. ED-3 intervened in support of that application on February 4, 2003. Consistent with the Settlement Agreement, APS's initial application sought approval only to sell and transfer to ED-3 the APS-owned facilities within ED-3's district boundaries and did not seek to rescind the ED-3 service area from APS's CC&N.

Since that time, the operational challenges in the area have proven more complex than anticipated, and the parties realized that the Settlement Agreement's somewhat limited terms would not resolve all of the issues that have arisen. Although the terms of the Settlement Agreement resolved some of the issues arising from the intermingled ownership of facilities, many of the safety and efficiency concerns that inspired the execution of the Settlement Agreement in the first place remain. As the area has urbanized, the complexities of operating two electric utility systems interconnected at so many diverse points have increased, furthering the safety, operational, coordination, customer service and administrative challenges the two utilities face. For example, field

safety issues arise when crews from two separate utilities operate and maintain different parts of the same system. In addition, operational inefficiencies and customer confusion are virtually guaranteed when two utilities are required to respond to a single customer call regarding a faulty line (as they must, when it is difficult to ascertain which utility owns the line in question without driving to the worksite).

From an operational perspective, and despite the challenges presented by two interconnected utility systems, the parties have managed to cooperate in order to serve the area's customers to this point. Nevertheless, to minimize if not eliminate such safety and operational impacts, APS and ED-3 have expanded the terms of the Settlement Agreement in order to better define the parameters regarding which utility would be responsible for serving the area's customers going forward and how each utility would operate in the area pending the filing and resolution of this Application. This broadened agreement, which the parties believe is necessary to fully address the operational inefficiencies and safety concerns existing in the proposed ED-3 Service Area, was documented by the parties in a "Supplemental Agreement to the Implementation of the Settlement Agreement" (the "Supplemental Agreement"), dated September 20, 2007, and is attached to Mr. Froetscher's testimony at Attachment D.

In the Supplemental Agreement, APS and ED-3 concluded that the interests of their respective customers in reliable and efficient energy service are best served by ED-3 assuming sole responsibility both for the operation and maintenance of the area's electric system and for service to the area's customers (as ED-3 has had with respect to the majority of the area's customers since the expiration of the Lease Agreement in 2001).[1] ED-3 was the logical choice to assume this role because: that utility currently owns the

[1] Indeed, because APS currently relies on the ED-3 distribution system to serve its customers in the ED-3 district boundaries, even now, APS's service to that area is only as reliable as ED-3's system.

bulk of the distribution infrastructure now serving the area and already serves the significant majority of the area's customers. To effectuate that end, the parties agreed in relevant part that APS will, with this Commission's approval: (1) sell APS's portion of the electric distribution system located within or immediately adjacent to the proposed ED-3 Service Area to ED-3 for the net book value of that property at the time of the transfer[2] ($13.1 million as of October, 2007) – an amount that the parties have determined in good faith is the fair market value of the property; and (2) discontinue service to current and prospective APS customers residing within the proposed ED-3 Service Area.

By broadening the ED-3 service area beyond the ED-3 district boundaries as proposed, APS has agreed to sell all of the APS-owned infrastructure that exists within the area that it makes economic and operational sense for APS to sell, thus resolving most if not all of the operational problems currently existing in the area. APS will continue to serve its customers in the vicinities immediately adjacent to the proposed ED-3 Service Area (where APS continues to see growth), and will continue to "wheel" power to those areas over the ED-3 infrastructure (as approved by the FERC). Although this arrangement will still require some coordination between the utilities, the administrative burden will be greatly reduced compared to what it is now, which – because of the convoluted nature of the intermingled electric system – requires the exhaustive administrative burden of monthly, aggregated accounting for transmission services. Moreover, this continued coordination will be required only until it makes economic sense for APS to construct its own distribution infrastructure to serve the vicinity surrounding the proposed ED-3 Service Area.

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[2] If this Application is approved by the Commission, a final depreciation calculation along with adjustments for any new facilities constructed between the filing of the Application and its final resolution will be reflected in the parties' adjusted sales price.

In addition, transferring the Company's assets and customers within the proposed ED-3 Service Area as contemplated by this Application will have the further benefits of "completing" the ED-3 12 kV distribution system in the area, consolidating all operational, construction, maintenance and customer service responsibilities in the area to one provider, and avoiding the potential risk that ED-3 will bypass APS's existing infrastructure by constructing its own, duplicative infrastructure in order to serve any current APS customer who may ultimately seek service from ED-3 irrespective of whether the Commission approves this Application, thus allowing APS to avoid the potential for new stranded costs. APS and ED-3 firmly believe that this resolution – once effectuated by approval of this Application – will result in the most efficient, reliable, and cost-effective provision of energy service to the area's customers. APS thus withdrew its prior application in Docket No. E-01345A-02-0285, and respectfully asks that the Commission approve the requests presented by this Application, which APS believes to be in the best interests of both APS and its customers.

REQUEST FOR APPROVAL TO DELETE PORTIONS OF APS'S CC&N PURSUANT TO R14-2-202(B)

1. PROPOSED ED-3 SERVICE AREA

To serve the best interests of the customers located within the proposed ED-3 Service Area, for the reasons described above, APS requests that the Commission authorize APS to delete those parts of its certificated service area in Pinal County in which ED-3 also provides electric service. The proposed ED-3 Service Area includes all lands within the ED-3 district boundaries along with additional properties immediately adjacent to those boundaries, and for which service is provided today by APS via facilities that are interconnected to ED-3's distribution system.

The two parties, following discussions with Commission Staff on the issue, have determined that any effort to consolidate utility responsibility for the necessary construction, operations, and maintenance in the area, as well as the obligation to serve the area's customers, should be as complete and final as possible. Inclusion of the contiguous and adjacent properties within the proposed ED-3 Service Area achieves that objective and results in only limited customers continuing to receive service from APS by way of a wheeling and interconnection arrangement with ED-3. The number of APS and ED-3 interconnection points is reduced to only the minimum necessary, and operating, construction, maintenance, safety and other responsibilities will be much more efficient and simple to define and functionalize compared to what they currently are. In addition, as described in Mr. Froetscher's testimony, ED-3 has informed APS that it does not intend to have a two-tiered rate structure and that it will not treat customers located outside the ED-3 district boundaries any differently than it does customers lying inside of those boundaries. ED-3 has assured APS that it will also make such commitments to this Commission.

ED-3 currently serves 17,031 of the approximated 21,024 customers residing in the proposed ED-3 Service Area as of the time of filing. APS serves the other 3,993 customers. Under the terms of this Application, if approved by the Commission, APS will transfer all of its customers who reside inside the proposed ED-3 Service Area to ED-3, as described in Mr. Froetscher's testimony. APS and ED-3 have agreed to work together cooperatively and in good faith to ensure that the transition of responsibility for providing service to all customers within the proposed ED-3 Service Area to ED-3 is a smooth one, which has no impact on electric service or distribution reliability and of which all affected customers are aware. ED-3 has stated to APS and has shown in practice that it is strongly committed to providing reliable energy service to all of the area's customers, and has

invested a significant sum of money in developing its system and constructing the necessary infrastructure to reliably meet its new load growth. Also, as indicated in the Intervening Testimony of Mr. Jeff Woner from ED-3, ED-3 rates appear to be comparable to those that APS offers.

Moreover, both ED-3 and APS are committed to educating their respective customers of the transfer. For its part, as Mr. Froetscher describes in detail in his testimony, APS will duly and promptly notify its current customers of the transfer by, among other things, publishing a notification in the newspapers circulated in the relevant area and by sending a direct mail notice to all current APS customers.

For the reasons described above, the deletion of the proposed ED-3 Service Area from APS's CC&N is in the public interest. It is also consistent with the Commission's past practice. In Decision No. 58472, for example, the Commission authorized APS to delete a number of its certificated service areas in Coconino, Pinal, Yavapai, and other counties from its CC&N where other electric service entities could or already did provide service to the relevant areas' customers, thus eliminating the need for APS to provide such service. *See* Decision No. 58472 (Nov. 30, 1993).

Similarly, here, ED-3 provides reliable energy service to all customer classes located within the proposed ED-3 Service Area, and the customers residing in that area do not need APS also to provide electric service. Clarifying that the exclusive responsibility for providing reliable service to all customers in that region rests with ED-3 will eliminate the duplication of responsibilities for planning and constructing expensive transmission and distribution infrastructure required to reliably serve the area; eliminate confusion for retail customers; promote safety to field personnel by consolidating the design, construction, operations and maintenance and related efforts to one utility; and provide

cost benefits to both the utilities and the customers in the area. APS thus seeks approval of its request to delete the proposed ED-3 Service Area from its CC&N.

2. AK-CHIN INDIAN COMMUNITY LANDS

As a logical extension of this Application, APS also requests approval to remove the Ak-Chin Indian Community lands – which area is contained entirely within the Proposed ED-3 Service Area, as shown on Attachment A to Mr. Froetscher's testimony – from the Company's CC&N. The general area of the Ak-Chin Indian Community is southwest of the Gila River Indian Community, and in the north central portion of the proposed ED-3 Service Area. *See* Attachment A to Testimony of Mr. Froetscher. The Ak-Chin Indian Community lands cover approximately 20,500 acres or 32 square miles. A legal description of the Ak-Chin Indian Community lands is attached to Mr. Froetscher's testimony at Attachment G.

In Decision No. 60433 (Sept. 29, 1997), this Commission approved the sale from APS to the Ak-Chin Indian Community of all the APS assets existing within the Ak-Chin boundaries. This sale and transfer was motivated by the Ak-Chin Community's decision to form its own utility, now known as Ak-Chin Energy Services ("ACES"). Since that sale and transfer, ACES has served the entire area within the Community's boundaries, using the AK-Chin-owned electric facilities.

APS currently operates the Ak-Chin system as ACES's "control area operator" pursuant to a Maintenance and Construction Agreement and a Service Agreement. Those agreements, however, will terminate on December 31, 2008 and will not be renewed. APS assumed the role of "control area operator" for ACES ten years ago, when Ak-Chin decided to take over the electric system within the Community's boundaries, as a means of transitioning the new Ak-Chin utility to its newly assumed responsibilities. More than a decade has passed since then, and Ak-Chin no longer requires APS's transitional

support. APS has no customers on the Ak-Chin lands and has no reasonable prospect for acquiring any customers in that area in the future. Moreover, the Company realizes little to no profit margin in continuing its contractual relationship with ACES. In fact, with ED-3 serving the majority of the area surrounding the Ak-Chin Community and providing "wheeling" services to ACES as necessary, APS's presence throughout the total internal boundaries of the proposed ED-3 Service Area – which includes the Ak-Chin lands – has diminished substantially from what it was ten years ago, when APS first sold its system to Ak-Chin.

On the other hand, the balance of the APS service area in Pinal County has seen extensive growth, and APS believes that its resources are better deployed serving its own customers. Given the diseconomies of continuing to maintain its diminished, contractual presence on the Ak-Chin Indian Community's lands, particularly compared to the obligations and responsibilities existing in the surrounding area, APS requests that the Commission delete the Ak-Chin Indian Community from the Company's CC&N, thereby completing the total transition of electric service to ACES that the Commission began in 1997 with Decision No. 60433. Because the Ak-Chin Community lands fall wholly within the Proposed ED-3 Service Area, APS believes it makes practical sense to "clean up" its CC&N relating to the area as a whole by also formally deleting the Ak-Chin Indian Community boundaries at the same time that it modifies its CC&N to account for the requested deletion of the proposed ED-3 Service Area.

As noted above, APS has no current customers residing with the Ak-Chin Indian Community, and no realistic prospects of obtaining future customers. For that reason, APS will notify Ak-Chin of the requested deletion by sending written notification of its intent to remove its service obligations in that area to the Chairman of the Ak-Chin Indian Community Tribal Council, the Utility Manager of ACES, and also to the Chairman of the

Board of ACES. Because the Ak-Chin Indian Community has already been notified that APS intends to terminate its contractual, operational relationship with Ak-Chin, APS does not anticipate that the Community will oppose the proposed removal of the Community's lands from the Company's CC&N.

REQUEST FOR APPROVAL TO SELL PROPERTY PURSUANT TO A.R.S. § 40-285

Finally, the Company respectfully requests that the Commission also grant APS approval to sell and transfer to ED-3 the facilities APS owns that are located within the Proposed ED-3 Service Area, including the Sexton Substation, an inoperative 69kV line, and the "Split Ends."

1. SEXTON SUBSTATION

The Sexton Substation is located at Highway 84 and Anderson Road, within the current ED-3 district boundaries and the proposed ED-3 Service Area. ED-3 owns a 69kV line that enters and exits the substation, while APS owns the fuses, transformers, and breakers comprising the substation. A list identifying the principal APS-owned equipment related to the Sexton Substation and inoperative 69 kV sub-transmission line (described below) is attached to Mr. Froetscher's testimony at Attachment I.

APS also currently owns an inoperative 69kV line that extends east from the Sexton substation. The sale of the inoperative 69kV line to ED-3 will not impact APS's ability to serve its customers, irrespective of whether the requested deletion of the relevant portion of APS's CC&N is approved. The line is not in service, and is not used to serve any APS customers. At present, the only remaining APS equipment associated with the line are roughly twenty one 60-65 foot poles and a conductor that is not used to conduct any electric load. Although the structures supporting the APS line are currently used by

ED-3 to hold ED-3 infrastructure, the line and associated structures are neither necessary nor useful to APS.

APS and ED-3 have arrived at a negotiated sales price of $100,000.00 for both the Sexton Substation and inoperative 69kV sub-transmission line. The original cost of the Sexton Substation was $206,236. It has accumulated depreciation of $120,788, resulting in a current net book value of $85,448 (as of June 30, 2007). The inoperative 69kV line and supporting structures were installed in 1974, with an original cost of $19,294. This property is fully depreciated. Because ED-3 has infrastructure attached to the line, were APS to remove the line rather than include it in the sale to ED-3, APS would have to incur additional expenses for such removal, and ED-3 would incur additional cost for the construction of a 12 kV distribution system necessary to provide service to customers. Since the line has no book value, and removal of the line would result in added costs to APS, the line was included as part of the negotiated sales package to ED-3.

The requested transfer would not be contrary to the public interest and would be consistent with past Commission precedent for sales of facilities (including the sale of facilities to ED-3 specifically, which was approved in Decision No. 33182, as described above).

2. THE "SPLIT ENDS"

APS also requests authorization pursuant to A.R.S. § 40-285 to sell ED-3 the Split Ends. A description of the equipment involved in the sale of the Split Ends is attached to Mr. Froetscher's testimony at Attachment H. The original cost of the split ends in total is $19,646,489. After accounting for depreciation, the net book value of the property, as of October 2007, totals $13,071,499, which is also the negotiated sales price for all of the

equipment included in the Split Ends. The net gain to APS from the total sale to ED-3, after accounting for a tax impact, is $8,824.[3]

APS's sale of the Split Ends will not impact its ability to serve its customers, irrespective of whether the Commission approves the deletion of the relevant portion of its CC&N. As previously noted, ED-3 currently owns most of the electric distribution system used to serve the area's customers, and ED-3 wheels energy for APS on that system. For that reason, APS's ability to serve its customers already depends on ED-3's maintenance and operation of that system. By approving the sale to ED-3 of the remaining APS-owned infrastructure (which is interwoven with ED-3's system), the Commission would, in essence, be completing the sale of an electric system that was already sold to ED-3 back in 1960 and approved by this Commission in Decision No. 32690. In doing so, the Commission will also be approving an arrangement that will clarify responsibility for operating and maintaining the system, will improve the safe operation of the system by defining these responsibilities, will eliminate customer confusion resulting from the combined (and convoluted) ownership, and will further the public policy goal of resolving disputes through settlement. Moreover, because there is a risk that, if this sale is not approved, ED-3 will choose to serve new or existing customers who request ED-3's service by bypassing current APS infrastructure and constructing its own, duplicative distribution lines, approval of the Company's requested sale of assets will also avoid the potential that APS will suffer stranded costs associated with lines that may ultimately prove unnecessary to serve any APS customers – costs that will ultimately be borne by remaining APS customers.

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[3] Due to the relatively small amount of the gain contemplated by this Application, APS proposes that the amount of the gain traditionally shared with customers be treated consistently with past treatment of utility property sales as authorized by the Commission in Decision Nos. 60481 (November 25, 2997), 61708 (May 13, 1999), and 69670 (June 28, 2007). The sale will be recorded and filed as part of APS's Sale of Utility Property (Net Gains) quarterly report.

The sale of the Split Ends would thus not be contrary to the public interest and would be consistent with past Commission precedent for sales of facilities (including the sale of facilities to ED-3 specifically, approved in Decision No. 33182, as described above). APS thus respectfully requests the Commission's authorization of the sale, pursuant to A.R.S. § 40-285.

CONCLUSION

APS firmly believes that approval of the requests contained in the Application will largely resolve the current inefficiencies and safety concerns now existing in the Proposed ED-3 Service Area in a manner that will not negatively impact customers. For its part, ED-3 has represented to APS that it will: (1) assume all remaining outstanding obligations of APS to its customers (including any applicable line extension refunds, etc.), if any; (2) treat all ED-3 customers equally, both in rate structure and other applicable terms of service, regardless of whether such customers reside inside or outside of the ED-3 district boundaries; and (3) continue to operate as a reliable utility and obtain all necessary FERC approvals for wheeling arrangements, as it has historically done.

In addition, the deletion of the Ak-Chin Indian Community lands from the Company's CC&N is also in the public interest. Because APS neither owns any electric infrastructure in that area nor serves any customers in its own right (nor does it have any realistic prospect of serving any future customers), the Company believes it makes economic sense for both it and its customers to discontinue its presence in the Ak-Chin area and formally delete that area from its CC&N. The Ak-Chin utility has served the entire area's customers since the sale of APS assets to Ak-Chin more than a decade ago, and, as such, the Company's request to clean up its CC&N as it relates to this area is logical and appropriate.

For the foregoing reasons, APS believes that it is in the public interest to sell APS's distribution facilities and the transmission facilities described in this Application, all of which are located within the Proposed ED-3 Service Area, and to delete the ED-3 Service Area and Ak-Chin Indian Community Lands from APS's present CC&N. The Company therefore asks the Commission to approve this Application.

RESPECTFULLY SUBMITTED this 11th day of August, 2008.

Meghan H. Grabel

Thomas L. Mumaw
Meghan H. Grabel
Pinnacle West Capital Corp. Law Department
Attorneys for Arizona Public Service Company

Original and 13 copies of the foregoing were filed this 11th day of August, 2008 with:

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

Anna Turner

APS Exhibit 2

EXHIBIT
APS-2
ADMITTED

DIRECT TESTIMONY OF DANIEL FROETSCHER

On Behalf of Arizona Public Service Company

Docket No. E-01345A-08-_____

August 11, 2008

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TESTIMONY OF DANIEL FROETSCHER
ON BEHALF OF ARIZONA PUBLIC SERVICE COMPANY
(Docket No. E-01345A-08-_____)

I. INTRODUCTION

Q. PLEASE STATE YOUR NAME, OCCUPATION, AND ADDRESS.

A. My name is Daniel Froetscher. I am the General Manager of Rural Arizona Delivery for Arizona Public Service Company ("APS" or the "Company"). In my professional capacity, I am responsible for APS's daily operations, maintenance, construction, customer and community leader business functions as they relate to the State Region of APS's service area (other than Metro-Phoenix), including the Pinal County area. My business address is 400 N. 5th Street, Phoenix, Arizona 85004.

Q. WHAT IS YOUR EDUCATIONAL AND PROFESSIONAL BACKGROUND?

A. I received an Associate of Art degree and an Associate of Business degree from Central Arizona College in 2002. I am currently enrolled in my senior year at Northern Arizona University, where I am earning my Bachelor of Arts degree in Liberal Studies and Public Administration.

I began employment with APS in 1980 and have served in numerous management and leadership capacities during my tenure with the Company, including a seven-year stint (1996 – 2003) as the Southeast Division Manager. In that capacity, I was responsible for the day-to-day customer service activities for APS in Pinal County, many of which were specifically related to Electric District No. 3 ("ED-3"). I have completed numerous professional development

courses in utility finance, operations, construction, customer service and leadership.

Q. HAVE YOU TESTIFIED BEFORE THE ARIZONA CORPORATION COMMISSION ("COMMISSION") PREVIOUSLY?

A. I have never presented formal testimony in a hearing before this Commission, although I spoke on behalf of APS at the Commission's 2008 Summer Preparedness Meeting this past May.

Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY IN THIS PROCEEDING?

A. The purpose of my direct testimony is to support the Company's application relating to the proposed sale of APS facilities to Electrical District No. 3 ("ED-3") and the deletion of the proposed ED-3 Service Area and lands confined within the Ak-Chin Indian Community from APS's Certificate of Convenience and Necessity ("CC&N"). In particular, I describe the local operational and construction challenges currently existing in the general ED-3 service area, affecting both APS and its customers. I will also describe the proposed solution to these challenges that both APS and ED-3 believe will result in efficient system operations and the provision of reliable energy service to customers located in the proposed ED-3 service area, and that will therefore be in the public interest, as well as benefiting APS and its other customers.

II. SUMMARY OF DIRECT TESTIMONY

Q. PLEASE SUMMARIZE YOUR TESTIMONY.

A. Prior to 1960, APS was the sole provider of electric service to the general service area shown on the map attached hereto at Attachment A, and owned all of the then-existing electrical infrastructure in that area. In 1960 and 1961, the Commission approved a series of agreements between APS and ED-3, pursuant

to which APS agreed to transfer its irrigation pumping customers located within ED-3's district boundaries to ED-3, and to sell to and then lease back from ED-3 the infrastructure used to serve those and other customers. Under the sale and leaseback arrangement, APS continued to provide service to ED-3's customers on behalf of ED-3, and continued to serve all load (including residential, commercial and industrial customers), with the exception of irrigation pumping load. In October of 2001, ED-3 assumed operational control of its system and began to serve residential, commercial and industrial load in addition to its irrigation pumping customers, transforming ED-3 into a full service Electric Utility Provider, which continues to expand operations and reliable service to customers today.

Upon the formal introduction of ED-3 to the area in 1961, load growth and system upgrade needs within ED-3's district boundaries and the surrounding area required both APS and ED-3 to add to the system's existing infrastructure in order to continue providing reliable electric service to the area's customers. The result is that the system used today to serve the area's customers is now a complex mix of ED-3 and APS-owned facilities. The intermingled nature of the utilities' electric distribution facilities, both physically and operationally, as well as the utilities' overlapping service obligations, negatively impact both the utilities and their customers, raising operational, safety, coordination, and administrative concerns, as well as increasing costs to customers of both utilities.

To provide a solution that is in the best interests of the customers in the area as well as APS and ED-3, APS and ED-3 have negotiated an agreement, effective upon this Commission's approval, that APS will sell APS's portion of the

electric distribution system located within or immediately adjacent to ED-3's district boundaries to ED-3 for the net book value at the time of the transfer – an amount that the parties have determined in good faith to be the fair value of the property. As of October 2007, the net book value was approximately $13 million.[1] In addition, the parties have agreed that, upon Commission approval, APS will discontinue service to current and prospective APS customers residing within the area that the parties have designated as the proposed ED-3 "Service Area" (outlined in blue on the map and detailed in the legal description attached hereto at Attachment A). This proposal completes the transition of electric service to the area's customers from APS to ED-3 that began in 1960 and which was previously approved by this Commission. Both APS and ED-3 firmly believe this transaction will increase the efficiency of system operations while allowing the provision of reliable energy service to all customers to continue.

III. BACKGROUND.

Q. WHAT IS "ED-3"?

A. ED-3 is a municipal corporation, organized under A.R.S. § 48-1701, that serves both rural and urban electric needs in western Pinal County. Specifically, the ED-3 district boundaries (which are generally identical to its current service area) are located directly south of the Gila River Indian Community and in the vicinity of the City of Maricopa. A map illustrating the current ED-3 district boundaries is attached to the Company's Application at Attachment B. In the Company's Application, and for reasons that I will describe, the parties propose

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[1] If this Application is approved by the Commission, the final sales price will be adjusted to account for an updated depreciation calculation along with adjustments for any new infrastructure installed between October of 2007 and the sale date.

to expand the ED-3 Service Area to include the areas contained within the blue outline on the map at Attachment A (the "proposed ED-3 Service Area").

Q. SUMMARIZE THE HISTORY OF APS'S PROVISION OF ELECTRIC SERVICE TO THE ED-3 SERVICE AREA.

A. APS has a CC&N for much of the relevant areas of Pinal County, Arizona that are affected by this Application. Since 1960, both APS and ED-3 have served customers located within ED-3's proposed Service Area. APS has primarily served the area's residential, commercial and industrial load, while ED-3 has historically served the area's irrigation pumping loads.

Prior to 1960, only APS provided electric service to the area now also served by ED-3, and, accordingly, owned the area's infrastructure. On December 21, 1960, the Commission approved a Power Agreement between APS and ED-3, pursuant to which APS agreed, for a fixed charge, to transfer its irrigation pumping customers to ED-3 and to serve those customers on behalf of ED-3. The following year, the Commission approved the sale to ED-3 and lease-back to APS of the facilities and infrastructure located within the ED-3 district boundaries that APS used to serve ED-3's irrigation customers.

Following that authorization, in July of 1961, APS and ED-3 entered into a Lease Agreement that allowed APS to lease ED-3's transmission and distribution facilities and to operate and maintain the area's entire electric system. Under a separate but related Lease Power Agreement entered into at the same time, APS sold and delivered power to ED-3 over the leased facilities. Under the provisions of the Lease Agreement and Lease Power Agreement, APS exercised full operational control over the ED-3 system and served both APS's customers and ED-3's irrigation pumping customers (on behalf of ED-3). In

addition, APS retained ownership of other limited distribution facilities in the ED-3 district boundaries that were not used for irrigation pumping service.

Subsequent to that transaction, APS constructed various line extensions used to serve new, non-irrigation retail load. Except for a single substation (the "Sexton Substation"), these limited distribution facilities are the only facilities in the ED-3 district boundaries that are still owned by APS. Ranging from simple pole-mounted transformers with service drops to more extensive overhead and underground distribution systems, the APS-owned facilities radiate from and are interconnected to the electrical infrastructure owned by ED-3. For this reason, the APS-owned distribution systems are commonly referred to by both APS and ED-3 as the "Split Ends."

In October of 2001, the Lease Agreement expired, and ED-3 assumed complete possession and operational control of its electric system. In an Order issued by the Federal Energy Regulatory Commission ("FERC") on February 15, 2002, FERC noted that the expiration of the Lease Agreement required ED-3 to resume operational control over its transmission system, and expressly commented that "ED3 is a transmitting utility and there is no evidence that it cannot properly operate and maintain its transmission system." *Arizona Public Service Company*, 98 FERC ¶ 61, 172.

At the time that operational control of ED-3's system reverted to ED-3, ED-3 expressed its intent to enter into the retail electric service business for all classes of customers, which it has since done, concurrent with the investment of significant capital in infrastructure that allows it to offer bundled retail electric service to all customer classes located within the proposed ED-3 Service Area, including those that had been served primarily by APS. The system used to

distribute energy to all customers within the proposed ED-3 Service Area can best be described as a complex mix of ED-3 owned facilities and APS owned facilities. To this day, APS still owns electric distribution facilities that it constructed in the proposed ED-3 Service Area, and retains the obligation to provide electric service to the area's residential, commercial, and industrial classes – potentially even if those loads are already served by ED-3. ED-3 owns the subtransmission system, distribution substations and most of the area's distribution system, and serves those customers in its district boundaries that are not already served by APS. ED-3 also provides transmission service to APS for the delivery of electricity to APS loads in the area served from the ED-3 system, pursuant to a May, 2, 2002 Transmission Service Agreement approved by FERC on August 2, 2002. *See* FERC Docket No. TX02-1-000.

Q. HAS APS PREVIOUSLY TRANSFERRED ANY OF ITS CUSTOMERS TO ED-3?

A. Yes. As noted previously, the Commission approved the Power Agreement between APS and ED-3, pursuant to which APS agreed to transfer its irrigation pumping customers to ED-3 and to serve those customers on behalf of ED-3. *See* Decision No. 32690 (December 21, 1960). In addition, since March 1, 2002 (the date on which APS and ED-3 executed an agreement that attempted to resolve some issues that had arisen in this complex service area by that time, as will be discussed below), approximately 306 retail customers in the current APS service area have actively requested service from ED-3 and have thus been transferred to ED-3 in a cooperative arrangement between the two utilities.

Q. HAS APS PREVIOUSLY SOLD ANY ASSETS TO ED-3?

A. Yes. As I discussed earlier, the Commission approved the sale to ED-3 and lease-back to APS of the facilities and infrastructure located within the ED-3

district boundaries that APS used to serve ED-3's irrigation customers. *See* Decision No. 33182 (June 9, 1961).

Q. YOU MENTIONED PREVIOUSLY THAT THE LEASE AGREEMENT BETWEEN APS AND ED-3 TERMINATED IN 2001. DID ED-3'S ROLE WITH RESPECT TO PROVIDING ELECTRIC SERVICE WITHIN THE ED-3 DISTRICT BOUNDARIES CHANGE AFTER THAT TIME?

A. Yes, significantly. As previously discussed, when the Lease Agreement terminated in October of 2001, ED-3 assumed possession and operational control of its electric system. At that time, ED-3 also expressed its intent to enter into the retail electric business, which it has since done. The portion of Western Pinal County relevant to the Company's Application has experienced unprecedented growth over the last four years, and ED-3 has been the customer-chosen service provider for virtually all of such growth. As a result, ED-3 currently serves the great majority of customers in the area.

Q. WHO CURRENTLY OWNS THE FACILITIES THAT ARE USED TO SERVE ELECTRICITY WITHIN THE PROPOSED ED-3 SERVICE AREA?

A. As previously indicated, APS owns limited electric distribution facilities that it constructed in the proposed ED-3 Service Area and retains the obligation to provide electric service to the area's residential, commercial, and industrial classes. ED-3 owns the area's subtransmission (69 kV) system, distribution substations and most of the local distribution system, including the main electrical feeders and backbone facilities. ED-3 serves those customers in its district boundaries that are not already served by APS.

Q. HAVE ANY DIFFICULTIES ARISEN IN THIS SITUATION, IN WHICH APS AND ED-3 EACH OWN INTERCONNECTED PORTIONS OF THE SAME ELECTRIC SYSTEM?

A. Yes, intermingled ownership of electric distribution facilities and service obligations between the two service providers gives rise to a litany of problems that negatively impact both the utilities and their customers. Specifically, blended ownership of electrical facilities by two utilities within overlapping service areas, particularly where the facilities are interconnected at literally hundreds of locations, poses operational, safety, coordination and administrative concerns. The intermingled service obligation also requires the utilities to duplicate the cost and responsibility for planning transmission and distribution infrastructure to serve the area, results in operational and resource inefficiencies, confuses retail customers, and increases the cost of operations for both utilities (and increases customer costs accordingly). The current arrangement also gives rise to the potential for reliability problems in the proposed ED-3 Service Area, because both ED-3 and APS have overlapping responsibilities for providing energy service and responding to operational issues. APS believes that the proposal outlined in its Application will generally resolve these concerns.

Q. GENERALLY DESCRIBE THE TERMS OF THE MARCH 2002 SETTLEMENT AGREEMENT BETWEEN ED-3 AND APS ("SETTLEMENT AGREEMENT").

A. In attempt to resolve some of the issues that had arisen as a result of the intermingled nature of the facilities and service obligations in the proposed ED-3 Service Area, APS and ED-3 entered into a Settlement Agreement, executed in March of 2002, in which the parties agreed, among other things, that (upon approval by this Commission) APS would sell to ED-3 specified electric distribution facilities located within the proposed ED-3 Service Area, and that ED-3 would furnish transmission service to APS ("wheel") over ED-3's

transmission lines for a set rate in order to allow APS to continue to serve the APS customers residing in the area (an arrangement approved by the FERC, as previously mentioned). The Settlement Agreement, attached hereto at Attachment C, did not then contemplate that APS would request deletion of the proposed ED-3 Service Area from its CC&N.

Q. DID THE SETTLEMENT AGREEMENT RESOLVE ALL OF THE DIFFICULTIES EXPERIENCED BY APS IN THE PROPOSED ED-3 SERVICE AREA?

A. No. The implementation of the Settlement Agreement proved more complex than anticipated. Although the terms of that Agreement, by requiring APS (upon approval of this Commission) to transfer ownership of its distribution facilities to ED-3, resolved some of the issues regarding intermingled ownership of the facilities, many of the safety and efficiency concerns arising from the overlapping operational responsibilities in the proposed ED-3 Service Area remained, which were unresolved by the relatively limited nature of the Settlement Agreement. As the area has urbanized, the complexities of operating two electric utility systems interconnected at literally hundreds of points have increased, furthering the safety, operational, coordination, customer service and administrative challenges the two utilities face.

For example, field safety issues arise when crews from two separate utilities operate and maintain different parts of the same system. Operational inefficiencies and customer confusion are virtually guaranteed when two utilities are required to respond to a single customer call regarding a faulty line (as they must, when it is difficult to ascertain which utility owns the line in question without driving to the worksite). From an operational perspective, and despite the challenges presented by two interconnected utility systems, the parties have

managed to cooperate in order to serve the area's customers to this point. Nevertheless, to minimize if not eliminate such safety and operational impacts, APS and ED-3 have expanded the terms of their Settlement Agreement in order to better define the parameters regarding which utility was going to serve the area's customers and how operational elements for both utilities were to be implemented. This broadened resolution, which the parties believe is necessary to fully address the operational inefficiencies and safety concerns existing in the proposed ED-3 Service Area, was documented in a "Supplemental Agreement" between the parties, dated September 20, 2007 and is attached hereto as Attachment D.

Q. GENERALLY DESCRIBE THE TERMS OF THE SUPPLEMENTAL AGREEMENT NEGOTIATED BETWEEN ED-3 AND APS ("SUPPLEMENTAL AGREEMENT").

A. The parties believe that the Supplemental Agreement will generally resolve the intermingled service obligations in the Service Area on an interim basis. (The parties believe that the long-term solution is represented by the requests for approval made in this Application). In the Supplemental Agreement, for the benefit of both the utilities and all customers residing in the proposed ED-3 Service Area (APS and ED-3 customers alike), the parties have agreed as follows: (1) that, consistent with the terms of the Settlement Agreement, APS will sell its portion of the electric distribution system located within or immediately adjacent to the proposed ED-3 Service Area to ED-3 for the net book value of that property at the time of the transfer[2] (calculated to be roughly

[2] As previously explained, if this Application is approved by the Commission, a final depreciation calculation along with adjustments for any new facilities constructed between the filing of the Application and its final resolution will be reflected in the parties' adjusted sales price.

$13.1 million as of October, 2007) – an amount that the parties have determined in good faith is the fair market value of the property; and (2) that APS will discontinue service to current and prospective APS customers residing within the proposed ED-3 Service Area.

APS will continue to serve its customers in the areas immediately adjacent to the proposed ED-3 Service Area, and will continue to "wheel" power to them over the ED-3 infrastructure (an arrangement approved by the Federal Energy Regulatory Commission). Unlike the current ED-3 Service Area, the geography of the proposed ED-3 Service Area will require the sale to ED-3 of all but a handful of APS Split Ends, thus resolving most if not all of the operational problems currently existing in the area. See Attachment A. And although APS will still wheel on ED-3's system for the purpose of serving the load emanating from the limited remaining APS distribution facilities immediately adjacent to the proposed ED-3 Service Area, that arrangement can easily be accounted for by placing a handful of master meters on the APS infrastructure (compared to the current situation, requiring the exhaustive administrative burden of monthly, aggregated accounting for transmission services), and will be required only until it makes economic sense for APS to construct its own distribution infrastructure to serve that area. Transferring the Company's assets and customers within this proposed ED-3 Service Area as contemplated will "complete" the ED-3 12 kV distribution system, consolidate all operational, construction, maintenance and customer service responsibilities in the area to one provider and will avoid the potential risk that ED-3 will bypass APS's existing infrastructure by constructing its own, duplicative infrastructure in order to serve any current APS customer who may ultimately seek service from ED-3 irrespective of whether the Commission approves the parties' present Agreement, thus allowing APS to

avoid the potential for new stranded costs. APS and ED-3 believe that this resolution will result in the most efficient, reliable, and cost-effective provision of energy service to the area's customers.

Q. DO APS'S CUSTOMERS BENEFIT FROM THE TERMS OF THE SETTLEMENT AND SUPPLEMENTAL AGREEMENTS?

A. Yes. As discussed earlier, ownership of electrical facilities by two utilities, particularly where the facilities are interconnected at literally hundreds of locations, poses operational, safety, coordination, customer service and administrative concerns. Customer confusion is a common theme under the current scenario, as existing customers routinely see two service providers working in the area on service and reliability-related issues and do not understand that either utility may have a system issue that impacts the customer's electric service. New customers can be further confused, as one provider (APS) has the obligation to serve, yet has limited electrical facilities with which to do so; while the other provider owns the majority of facilities and would prefer to serve new customers. Administrative elements, such as whether any one utility's line extension policy should apply given the convoluted nature of the system, and to which new customers, are also problematic. The parties believe that the implementation of the Settlement and Supplemental Agreements will generally remedy many of these concerns. To the extent the express terms of the Agreements themselves do not resolve any single issue, the parties have agreed to continue their mutually cooperative relationship if and when this Application is approved in order to ensure that the electric system in the proposed ED-3 Service Area continues to provide reliable service to the area's customers.

Q. THE COMPANY PREVIOUSLY FILED A SIMILAR APPLICATION WITH THIS COMMISSION THAT WOULD HAVE ALLOWED APS TO SELL CERTAIN FACILITIES TO ED-3, BUT SUBSEQUENTLY WITHDREW IT. PLEASE EXPLAIN.

A. The parties' original Settlement Agreement naturally required that APS seek this Commission's approval of its terms. Thus, on April 15, 2002, APS applied to this Commission for approval to sell its electric distribution facilities located within the ED-3 district boundaries to ED-3. ED-3 intervened in support of that Application on February 4, 2003. APS's initial Application sought approval only to sell and transfer to ED-3 the APS-owned facilities and did not seek to rescind the ED-3 Service Area from APS' CC&N.

However, as previously described, in working towards implementation of both Agreements, APS and ED-3 have concluded that unless one provider is identified within the service territory and charged with the obligation to perform all electric utility functions, confusion would continue to exist with customers, along with the ongoing operational, safety, reliability, customer service and administrative concerns. Thus, APS, with ED-3's support, voluntarily withdrew the original Application.

IV. APS'S REQUEST FOR DELETION OF THE PROPOSED ED-3 SERVICE AREA FROM ITS CC&N.

Q. SPECIFICALLY DESCRIBE THE BOUNDARIES OF THE PROPOSED ED-3 SERVICE AREA.

A. The general area of the service territory is south of the Gila River Indian Community, north of the Tohono Indian Community, east of the Pinal-Maricopa County line, and west of the City of Casa Grande. See Attachment A. The ED-3 service area encompasses 149,309 acres or 233 square miles. A legal description of APS's current CC&N within the proposed ED-3 Service Area is attached hereto at Attachment E.

Q. HOW MANY TOTAL CUSTOMERS RESIDE IN THE PROPOSED ED-3 SERVICE AREA?

A. The Company believes that, as of June 2008, 21,024 customers reside in the proposed ED-3 Service Area. Of that total, APS serves an approximated 3,993 customers, while ED-3 serves 17,031.

Q. YOU HAVE INTIMATED THAT THE PROPOSED ED-3 SERVICE AREA INCLUDES LAND THAT DOES NOT FALL WITHIN ED-3'S DISTRICT BOUNDARIES. DOES APS BELIEVE THAT ED-3 WILL TREAT THOSE CUSTOMERS EQUALLY TO THE CUSTOMERS CURRENTLY WITHIN THE DISTRICT?

A. Yes. ED-3 has informed APS that it does not intend to have a two-tiered rate structure or that it will otherwise treat customers located outside the ED-3 district boundaries any differently than it does customers lying inside of those boundaries. ED-3 has also indicated that it will make such commitments to this Commission in this proceeding.

Q. HOW MANY APS CUSTOMERS WILL BE TRANSFERRED TO ED-3 IF THIS APPLICATION IS APPROVED?

A. All of the APS customers residing in the proposed ED-3 Service Area will be transferred to ED-3 if this Application is approved, a variable number currently estimated to be just under 4,000.

Q. SPECIFICALLY DESCRIBE HOW THE APS CUSTOMERS AFFECTED BY THIS APPLICATION WILL BE NOTIFIED OF THEIR TRANSFER TO ED-3.

A. Both ED-3 and APS are committed to educating their respective customers of the transfer. As described in the Communication Plan, attached hereto at Attachment F, APS will, among other things, notify both its current customers and surrounding landowners of this Application and proposal by publishing notification in the newspapers circulated in the proposed ED-3 Service Area and by sending a direct mail notice to all current APS customers that will be

affected. In addition, APS and ED-3 will jointly advertise and conduct at least one "community open house" to discuss the background, current status and proposed remedies (as described within the Application) of this issue. APS will also provide a website, complete with a thorough explanation of the terms of and reasons for the Agreement and serving as a conduit for customer questions or concerns.

Q. ASSUMING THAT THE REQUESTED DELETION OF THE PROPOSED ED-3 SERVICE AREA FROM APS'S CC&N IS APPROVED, HOW DO THE UTILITIES PROPOSE TO TRANSITION SERVICE OF APS'S EXISTING CUSTOMERS FROM APS TO ED-3?

A. APS and ED-3 are working together to identify a transition process that includes: (1) the transfer of meter read routes; (2) the transfer of easements, rights-of-way and permits; (3) the transfer of all operations maps; (4) descriptions of addresses and types of services; (5) load information; (6) construction advances; and (7) an appropriate communications plan. The Company will provide further details regarding this transition process as the proceedings in this matter progress.

Q. WILL APS CONTINUE TO SERVE ANY CUSTOMERS IN THE VICINITY SURROUNDING THE PROPOSED ED-3 SERVICE AREA?

A. Yes, as indicated previously, APS will continue to serve customers that reside in areas that are adjacent to but outside of the proposed ED-3 Service Area by wheeling on the ED-3 system, under the FERC-approved wheeling agreement. APS will continue to wheel on the ED-3 system in order to serve these customers only until sufficient growth is reached in the area to justify the construction of additional APS infrastructure that will enable APS to transmit energy to that area without the need for a wheeling arrangement with ED-3.

Q. WILL ELECTRIC SERVICE RELIABILITY TO THE AREA BE IMPROVED IF THE REQUESTED DELETION IS APPROVED?

A. Yes, I believe that it will. By eliminating duplicative and confusing obligations regarding the proposed ED-3 Service Area's electric systems, ED-3 will be in a better position to plan, finance, maintain, operate and construct a cohesive electric system in the designated service area. Additionally, the need for both utilities to respond to certain emergency and service issues will be eliminated, thus increasing service response times and improving operational efficiencies. Finally, confusion over the ownership of electrical distribution facilities and the obligation to repair or maintain said facilities should also be eliminated.

Q. IN SUM, WHY SHOULD THE COMMISSION APPROVE APS'S REQUEST TO ALLOW APS TO DELETE THE PROPOSED ED-3 SERVICE AREA FROM ITS CC&N?

A. Clarifying that ED-3 is responsible for providing reliable electric service to all customers in the region will eliminate the duplication of responsibilities for planning and constructing expensive transmission and distribution infrastructure required to serve the area; eliminate confusion for retail customers; promote safety to field personnel by consolidating the design, construction, operation, maintenance, access, and related responsibilities to one utility; and provide cost benefits to both the utilities and the customers in the area.

V. APS'S REQUEST FOR DELETION OF THE AK-CHIN INDIAN COMMUNITY LANDS FROM ITS CC&N.

Q. SPECIFICALLY DESCRIBE THE BOUNDARIES OF THE AK-CHIN INDIAN COMMUNITY.

A. The general area of the Ak-Chin Indian Community is southwest of the Gila River Indian Community, and in the north central portion of the proposed ED-3 Service Area. *See* Attachment A. The Ak-Chin Indian Community lands cover

approximately 20,500 acres or 32 square miles. A legal description of the Ak-Chin Indian Community lands is attached hereto at Attachment G.

Q. WHY SHOULD THE COMMISSION APPROVE APS'S REQUEST TO ALLOW APS TO DELETE THE AK-CHIN INDIAN COMMUNITY LANDS FROM ITS CC&N?

A. In Decision No. 60433 (Sept. 29, 1997), this Commission approved the sale from APS to the Ak-Chin Indian Community of all APS assets existing within the Ak-Chin's boundaries. This sale and transfer was motivated by the Ak-Chin Community's decision to form its own utility, now known as Ak-Chin Energy Services ("ACES"). Since that sale and transfer, ACES has served the entire area within the Community's boundaries, using the AK-Chin-owned electric facilities.

APS currently operates the Ak-Chin system as ACES's "control area operator" pursuant to a Maintenance and Construction Agreement and a Service Agreement. Those agreements, however, will terminate on December 31, 2008 and will not be renewed. APS assumed the role of "control area operator" for ACES ten years ago, when Ak-Chin decided to take over the electric system within the Community's boundaries, as a means of transitioning the new Ak-Chin utility to its newly assumed responsibilities.

More than a decade has passed since then, and Ak-Chin no longer requires APS's transitional support. APS has no customers on the Ak-Chin lands and has no reasonable prospect for acquiring any customers in that area in the future. Moreover, the Company realizes little to no profit margin in continuing its contractual relationship with ACES. In fact, with ED-3 serving the majority of the area surrounding the Ak-Chin Community (as previously described), and providing "wheeling" services to ACES as necessary, APS's presence

throughout the total internal boundaries of the proposed ED-3 Service Area – which includes the Ak-Chin lands, as depicted on Attachment A – has diminished substantially from what it was ten years ago, when APS first sold its system to Ak-Chin.

On the other hand, the balance of the APS service area in Pinal County has seen extensive growth, and APS believes that its resources are better deployed serving its own customers. Given the diseconomies of continuing to maintain its diminished, contractual presence on the Ak-Chin Indian Community's lands, particularly compared to the obligations and responsibilities existing in the surrounding area, APS requests that the Commission delete the Ak-Chin Indian Community from the Company's CC&N, thereby completing the total transition of electric service to ACES that the Commission began in 1997 with Decision No. 60433. Because the Ak-Chin Community lands fall wholly within the proposed ED-3 Service Area, APS believes it makes practical sense to "clean up" its CC&N relating to the area as a whole by also formally deleting the Ak-Chin Indian Community boundaries at the same time that it modifies its CC&N to account for the deletion of the proposed ED-3 Service Area.

Q. SPECIFICALLY DESCRIBE HOW THE APS CUSTOMERS AFFECTED BY THE REQUESTED DELETION OF THE AK-CHIN COMMUNITY LANDS FROM APS'S CC&N WILL BE NOTIFIED OF THE REQUEST.

A. APS has no current customers residing with the Ak-Chin Indian Community, and no realistic prospects of obtaining future customers. For that reason, APS will notify Ak-Chin of the requested deletion by sending written notification of its intent to remove its service obligations in that area to the Chairman of the Ak-Chin Indian Community Tribal Council; to Leonard Gold, Utility Manager of ACES; and also to the Chairman of the Board of ACES. Because the Ak-

Chin Indian Community has already been notified that APS intends to terminate its contractual, operational relationship with Ak-Chin, APS does not anticipate that the Community will react negatively to the proposed removal of the Community's lands from the Company's CC&N.

VI. APS REQUEST TO SELL PROPERTY TO ED-3.

A. Sexton Substation and the Inoperative APS 69kV Line.

Q. DESCRIBE THE NATURE AND OWNERSHIP OF THE PROPERTY RELATED TO THE SEXTON SUBSTATION AND 69KV LINE AT ISSUE IN THIS APPLICATION.

A. The Sexton Substation is located at Highway 84 and Anderson Road, within the current ED-3 district boundaries and the proposed ED-3 Service Area. ED-3 owns an operative 69kV line that enters the substation, while APS owns the fuses, transformers, and breakers comprising the substation. APS also owns an inoperative 69kV sub-transmission line that exits the substation – a line that is 1.3 miles in length, is radial in nature and, because it is inoperative, is not used to serve *any APS* customers. The only remaining APS equipment associated with the line are roughly twenty one 60-65 foot poles and a conductor that is not used to transmit any electric load. The structures supporting the APS line are currently used by ED-3 to support ED-3 infrastructure, but are neither necessary nor useful to APS. A list identifying the principal equipment related to the Sexton Substation and inoperative 69 kV sub-transmission line owned by APS, as well as their aggregated original cost and remaining net book value, is attached hereto as Attachment I.

Q. WILL THE SALE OF APS'S PORTION OF THIS PROPERTY TO ED-3 IMPACT THE COMPANY'S ABILITY TO SERVE ITS CUSTOMERS?

A. No, it will not. Both APS and ED-3 customers are already served by the ED-3-owned 12kV line emerging from the Sexton Substation, and APS pays ED-3

(pursuant to a FERC-approved wheeling agreement) to wheel power over ED-3 lines in order to serve APS's customers in the area. This arrangement will continue after the sale of the Sexton Substation whether or not the requested deletion from APS's CC&N is granted. Moreover, the sale of the Sexton Substation to ED-3 will have the benefit of making contiguous ED-3's existing 69kV subtransmission and distribution system, consolidating all such facilities under common ownership with common operating, maintenance and other service responsibilities. Clearly, the sale of the inoperative 69kV sub-transmission line to ED-3 will not impact APS' ability to serve its customers.

Q. FOR WHAT PURCHASE PRICE DOES APS INTEND TO SELL THIS PROPERTY?

A. APS and ED-3 have arrived at a negotiated sales price of $100,000 for both the Sexton Substation and inoperative APS 69kV sub-transmission line.

Q. HOW WAS THAT SALES PRICE DETERMINED?

A. The original cost of the Sexton Substation was $206,236. It has now depreciated in value by $120,788, resulting in a current net book value of $85,448, as of June 30, 2008. The inoperative 69kV line and supporting structures were installed in 1974, with an original cost of $19,294. This property is now fully depreciated. Because ED-3 has infrastructure attached to the line, were APS to remove the line rather than include it in the sale to ED-3, APS would have to incur additional expenses for such removal, and ED-3 would incur additional costs for the construction of a 12 kV distribution system necessary to provide service to customers. Since the line has no book value, and removal of the line would result in added removal costs for APS as well as added construction costs for a similar line for ED-3, APS included the line as part of the negotiated sales package to ED-3.

B. The "Split Ends".

Q. SPECIFICALLY DESCRIBE THE EQUIPMENT COMPRISING THE SPLIT ENDS.

A. As previously described, the Split Ends consist of equipment such as a transformer on an ED-3 pole, the service and meter for an individual customer, miles of primary conductors, and the like. An itemization of the equipment encompassing the "Split Ends," as well as their aggregated original cost and remaining net book value, is attached at Attachment H.

Q. WILL THE SALE OF THE SPLIT ENDS BY APS TO ED-3 IMPACT SERVICE TO CUSTOMERS?

A. No, it will not. As previously noted, ED-3 currently owns most of the electric distribution system used to serve the area's customers, and ED-3 wheels energy for APS on that system. For that reason, APS's ability to serve its customers already depends on ED-3's maintenance and operation of that system. By approving the sale to ED-3 of the remaining APS-owned infrastructure (which is interwoven with ED-3's system), the Commission would, in essence, be completing the sale of an electric system that was already sold to ED-3 back in 1960 and approved by this Commission in Decision No. 32690. In doing so, the Commission will also be approving an arrangement that will clarify responsibility for operating and maintaining the aggregated system, will improve the safe operation of the system by defining these responsibilities, will eliminate customer confusion resulting from the combined (and convoluted) ownership, and will further the public policy goal of resolving disputes through settlement. Moreover, because there is a risk that, if this sale is not approved, ED-3 will choose to serve new or existing customers who request ED-3's service by bypassing current APS infrastructure and constructing its own, duplicative distribution lines, approval of the Company's requested sale of assets will also

avoid the potential that APS will suffer stranded costs associated with lines that may ultimately prove unnecessary to serve any APS customers – stranded costs that would ultimately be borne by APS customers.

Q. WHAT IS THE ORIGINAL COST OF THE SPLIT ENDS?

A. The original cost of the Split Ends was $19,646,489.

Q. WHAT IS THE SALES PRICE OF THE SPLIT ENDS?

A. APS and ED-3 have arrived at a negotiated sales price for all of the equipment included in the Split Ends of the current net book value of these assets – a total of approximately $13.1 million, as of October, 2007. This amount will be adjusted, as previously discussed, as necessary upon approval of this Application to account for additional depreciation and any new facility additions. The net gain to APS from this total sale, calculated as of June 2008, after accounting for a tax impact of $5,728 is $8,824. This amount will vary slightly based on net book value at the time the Company's Application is approved, as previously discussed.

Q. HOW WILL ANY GAIN BE TREATED BY APS?

A. Due to the relatively small amount of the gain contemplated by this Application, APS proposes that the amount shared with customers be treated consistently with past treatment of utility property sales, as authorized by the Commission in Decision Nos. 60481 (November 25, 1997), 61708 (May 13, 1999) and 69670 (June 28, 2007). APS thus suggests that the gain be recorded and filed as part of APS's Sale of Utility Property (Net Gains) quarterly report.

Q. IN GENERAL, WILL APPROVAL OF APS'S OVERALL REQUEST TO SELL PROPERTY CONTAINED IN THIS APPLICATION DISPOSE OF ALL APS-OWNED PROPERTY LOCATED IN THE PROPOSED ED-3 SERVICE AREA?

A. No. Approval of the Company's Application will dispose only of APS's distribution and sub-transmission infrastructure in the proposed ED-3 Service Area. APS owns 230 kV transmission lines and a 230 / 69 kV substation, the Santa Rosa Substation, within the proposed ED-3 Service Area. These facilities are necessary for APS to serve its broader customer base in Pinal County, and are thus not included in the requested sale of assets to ED-3.

Q. IN SUM, WHY SHOULD THE COMMISSION APPROVE APS'S REQUEST TO SELL PROPERTY?

A. By approving the sale to ED-3 of the remaining APS-owned infrastructure (which is interwoven with ED-3's system), the Commission would, in essence, be completing the sale of an electric system that was already sold to ED-3 back in 1961 and approved by this Commission in Decision No. 32690. In doing so, the Commission will also be approving an arrangement that will clarify responsibility for operating and maintaining the aggregated system, will improve the safe operation of the system by defining these responsibilities, will eliminate customer confusion resulting from the combined (and convoluted) ownership, and will improve the area's environmental and esthetic landscape by abolishing the need for two sets of wires. Commission approval of the requested sale will also allow APS to avoid the risk that ED-3, unable to purchase APS's property, will bypass the Company's existing distribution infrastructure and construct its own lines to serve new or existing customers who choose to be served by ED-3 rather than APS, thus duplicating the area's infrastructure and enhancing the risk that APS will suffer stranded costs in the future if its equipment is no longer necessary to serve any APS customers.

VII. CONCLUSION

Q. DO YOU HAVE ANY CONCLUDING REMARKS?

A. APS firmly believes that approval of the requests contained in the Application will largely resolve the current inefficiencies and safety concerns now existing in the area, in a manner that will not negatively impact customers. For its part, as described in ED-3's intervening testimony, ED-3 has represented to APS that it will: (1) assume all remaining outstanding obligations of APS to its customers (including any applicable line extension refunds, etc.), if any; (2) treat all ED-3 customers equally, both in rate structure and other applicable terms of service, regardless of whether such customers reside inside or outside of the ED-3 district boundaries; and (3) continue to operate as a reliable utility, obtaining all necessary FERC approvals for wheeling arrangements as it has historically done.

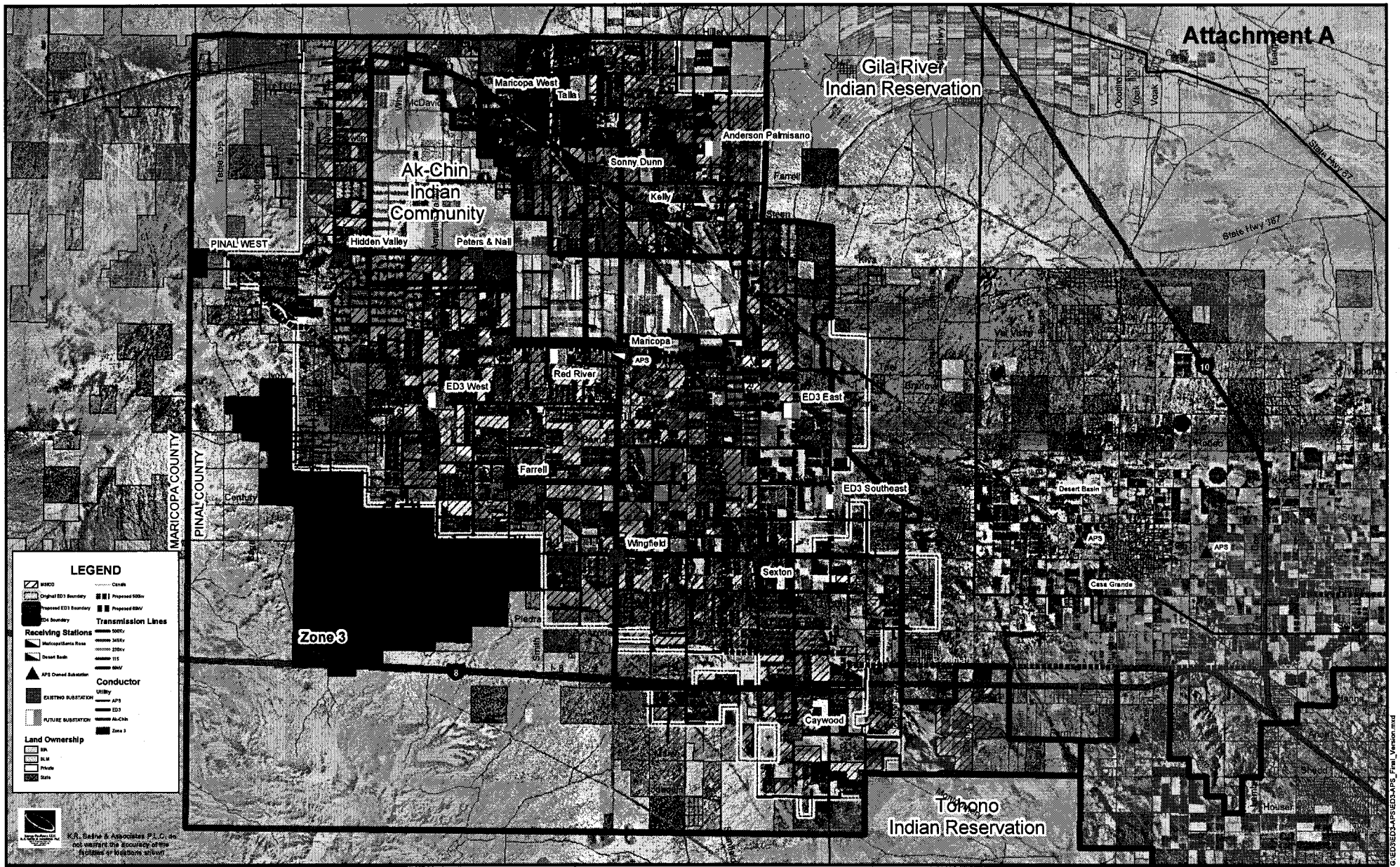
In addition, the deletion of the Ak-Chin Indian Community lands from the Company's CC&N is in the public interest. Because APS neither owns any electric infrastructure in that area nor serves any customers in its own right (nor does it have any realistic prospect of serving any future customers), the Company believes it makes economic sense for both it and its customers to discontinue its presence in the Ak-Chin area and formally delete that area from its CC&N. The Ak-Chin utility has served the entire area's customers since the sale of APS assets to Ak-Chin more than a decade ago, and as such the Company's request to clean up its CC&N as it relates to this area is logical and appropriate.

For these reasons, APS asks the Commission's approval of both the sale of facilities and the deletion of the CC&N. APS and ED-3 can then focus planning

efforts and resources towards strengthening our abilities to provide reliable and affordable electricity to each of our respective customers with clearly defined territories and facilities. If the Company's Application is approved, the Company and ED-3 are committed to continuing their cooperative working relationship to ensure that any problems that may arise in the proposed ED-3 Service Area thereafter are appropriately and timely resolved, and that reliable service to the area continues. In sum, APS and ED 3 believe that approval of the requests made in this Application will allow each utility to be poised to provide foundational electrical infrastructure for all current and future customers in the region.

Q. DOES THAT CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes



Proposed ED3 Service Area

Legal Description of Proposed
ELECTRICAL DISTRICT NO.3 OF PINAL COUNTY
Service Area

The described areas illustrate the proposed service area of Electrical District No. 3.

Township 4 South, Range 2 East of the Gila and Salt River Meridian, Pinal County, Arizona,
All of Sections **13** to **23** and **26** to **35.**

Township 4 South, Range 3 East of the Gila and Salt River Meridian, Pinal County, Arizona,
All of Sections **13** to **29 and 33** to **36;**
EXCEPT the following:

The SW4 and the S2 of the SE4 of Section **18**, and
The NW4 and the S2 of Section **19**, and
The W2 of the NW4 and the S2 of Section **29**, and
The S2 of the NW4 and the S2 of Section **33.**

Township 4 South, Range 4 East of the Gila and Salt River Meridian, Pinal County, Arizona,
All of Sections **15 to 22, 27 to 34.**

Township 5 South, Range 2 East of the Gila and Salt River Meridian, Pinal County, Arizona,
All of Sections **2** to **11** and **13** to **36.**

Township 5 South, Range 3 East of the Gila and Salt River Meridian, Pinal County, Arizona,
All of Sections **1, 2, 3, 11, 12, 16** to **21, 25** to **36;**
EXCEPT the following:

The N2 of Section **25,** and
The N2 of Section **26**, and
The N2 of Section **27.**

Township 5 South, Range 4 East of the Gila and Salt River Meridian, Pinal County, Arizona,
All of Sections **3** to **15, 22** to **36** and Tracts **37** to **52;**
EXCEPT the following:

The W2 of Section **15**, and
The W2 of Section **22**, and
The SE4 of Section **24**, and
The E2 of the E2 of Section **25**, and
That portion of the NE4 of Section **25** lying north of the MARICOPA-CASA GRANDE HWY right of way, and
Those portions of Section **27, 28, 29** and **30** lying north of the following described line:
BEGINNING at the NW corner of Tract **43;** Thence North 89°07'55" East 2123.92 feet to the NE corner of Tract **43** also being the NW corner of Tract **42**; Thence North 89°56'03" East 2620.70 feet to the NE corner of Tract **42**; Thence South 00°02'28" West along the east line of Tract **42** 1814.83 feet; Thence North 89°50'01" East 1318.19 feet to a point on the west line of Tract **53**; Thence North 00°01'36" East 1883.45 feet to the NW corner of Tract **53**; Thence South 89°05'54" East 5272.86 feet to the NE corner of Tract **53**; Thence South 00°07'59" East along the east line of Tract **53** 1808.01 feet; Thence South 89°37'54" East

4235.51 feet to a point on the west line of Tract **40**; Thence North 00°01'12" West 1861.85 feet along the west line of Tract **40** to the NW corner of Tract **40**; Thence North 89°59'58" East 2601.95 feet to the NE corner of Tract **40**; Thence North 00°03'58" East 827.35 feet to the N4 corner of Section **27** and **POINT OF TERMINUS**.

Township 5 South, Range 5 East of the Gila and Salt River Meridian, Pinal County, Arizona,
The S2 of the SW4 of the SW4 of Section **31**, and
That portion of Section **31** described as follows:
BEGINNING at the NW corner of Section **31**; Thence East along the North line of said Section **31** 50.00 feet; Thence South on a line parallel with and 50 feet east of the west line of said Section **31** to a point on the North line of the S2 of the SW4 of the SW4 of Section **31**, said point also being the **POINT OF TERMINUS**.

Township 6 South, Range 2 East of the Gila and Salt River Meridian, Pinal County, Arizona,
All of Sections **1 to 36.**

Township 6 South, Range 3 East of the Gila and Salt River Meridian, Pinal County, Arizona,
All of Sections **1 to 36.**

Township 6 South, Range 4 East of the Gila and Salt River Meridian, Pinal County, Arizona,
All of Sections **1 to 36;**
EXCEPT the following:

The E2 of Section **1**, and
That portion lying Northeasterly of the following described line:
BEGINNING at the N4 corner of Section **12**; Thence South 00°08'22" East along the North-South Mid-Section line of **12** 657.59 feet to the SW corner of the NW4 of the NW4 of the NE4 of Section **12**; Thence South 44°47'51" East to a **POINT OF TERMINUS** on the east line of the SE4 of Section **12.**

Township 6 South, Range 5 East of the Gila and Salt River Meridian, Pinal County, Arizona,
All of Sections **7, 17, 18, 19, 30, 31;**
EXCEPT the following:

That portion of Sections **7, 17** and **18** lying Northeasterly of the following described line:
BEGINNING at the S4 corner of Section **17;** Thence North 00°50'50" West along the North-South mid Section line of Section **17** 1333.11 feet to the NE corner of the SE 4 of the SW4 of Section **17**; Thence North 63°40'56" West through Section **17** and Section **18** 4472.70 feet; Thence North 44°47'51" West through Sections **18** and **7** to a **POINT OF TERMINUS** on the west line of the SW4 of Section **7.**

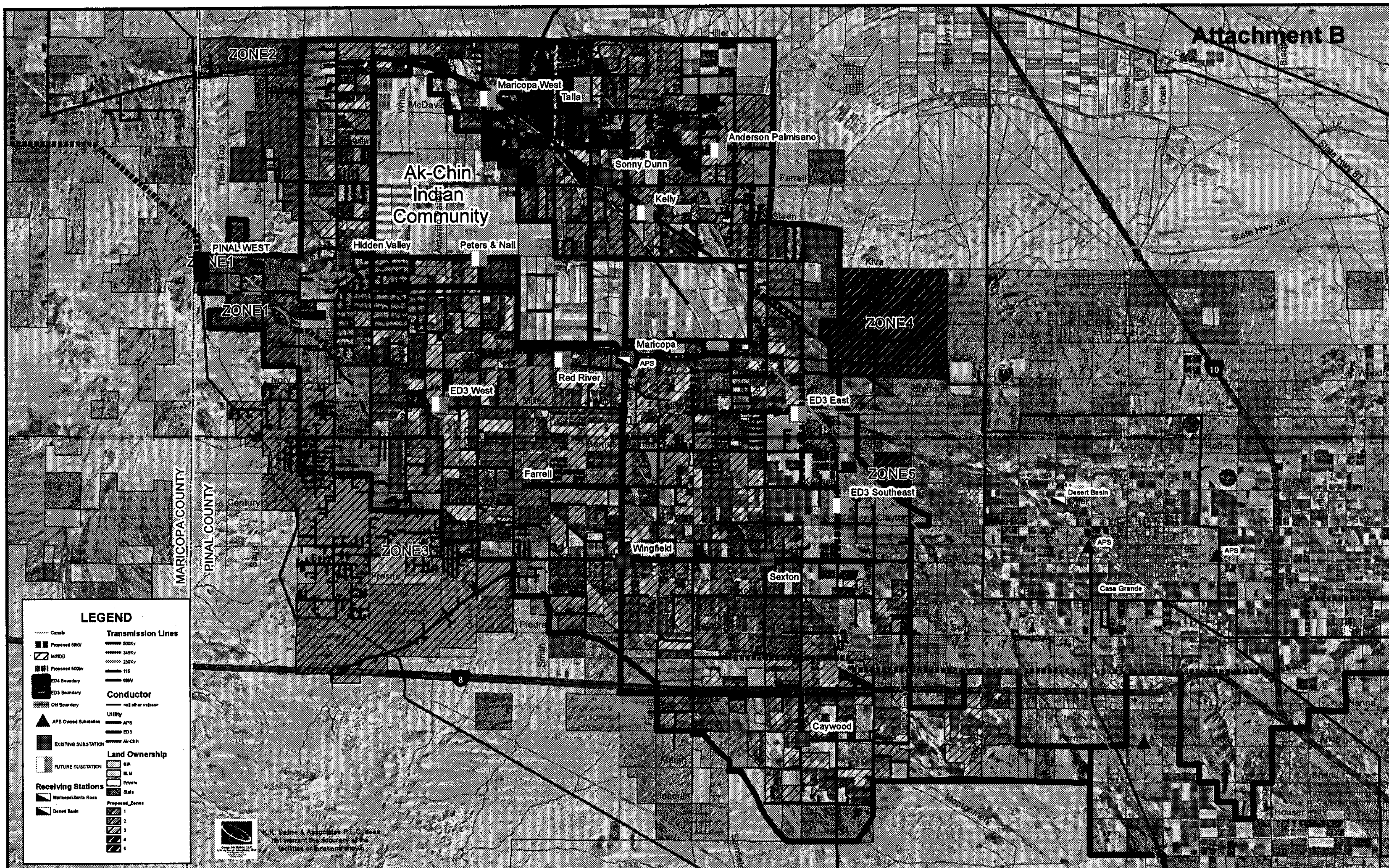
Township 7 South, Range 2 East of the Gila and Salt River Meridian, Pinal County, Arizona,
All of Sections **1 to 36.**

Township 7 South, Range 3 East of the Gila and Salt River Meridian, Pinal County, Arizona,
All of Sections **1 to 36.**

Township 7 South, Range 4 East of the Gila and Salt River Meridian, Pinal County, Arizona,
All of Sections **1 to 36.**

Township 7 South, Range 5 East of the Gila and Salt River Meridian, Pinal County, Arizona,
All of Sections **6, 7, 9, 10, 15 to 24;**
EXCEPT the following:
The W2 of Section **9.**

Attachment B



ED3 District Boundaries

DUPLICATE ORIGINAL

Attachment C

EXECUTION COPY

SETTLEMENT AGREEMENT

THIS AGREEMENT, dated as of the 1st day of March, 2002, is made by and among Electrical District No. 3 of the County of Pinal, State of Arizona in its own behalf and in its capacity as successor in interest to Electric District No. 1 of the County of Pinal, State of Arizona ("ED1") as to all matters affected by this Agreement ("ED3"), Arizona Public Service Company ("APS"), and Pinnacle West Capital Corporation ("PWCC") (each individually, a "Party," and collectively, the "Parties").

1. RECITALS:

This Agreement is made with reference to the following facts, among others:

1.1 On July 7, 1961, ED3 and APS executed a Lease Power Agreement (the "ED3 LPA"). Pursuant to notice of termination duly given by ED3 on June 23, 1998, the ED3 LPA is due to expire by its terms on February 3, 2003.

1.2 On July 7, 1961, ED 3 and APS executed a Lease Agreement (the "ED 3 Lease") which, pursuant to notice of termination, terminated midnight, October 8, 2001.

1.3 On March 29, 1977, ED1 and APS executed a Lease Agreement granting a twenty-five year lease of certain electrical facilities owned by ED1 (the "ED1 Lease"). Pursuant to notice of termination duly given by ED3 on June 23, 1998, the ED1 Lease is due to expire on March 29, 2002.

1.4 On March 29, 1977, ED1 and APS executed a Lease Power Agreement (the "ED1 LPA"). Pursuant to notice of termination duly given on behalf of ED1 on June 23, 1998, the ED1 LPA is due to expire by its terms on August 17, 2002.

1.5 Both the ED1 Lease and the ED3 Lease allowed APS to extend its own facilities from those ED1 and ED3 electrical facilities that were leased to APS.

1.6 The termination of the ED3 Lease and the imminent termination of the ED1 Lease create a need on the part of all of the Parties to provide for orderly contractual arrangements, including an agreed schedule for the termination of the ED1 LPA and the ED3 LPA, and the orderly configuration of systems and facilities for serving their respective customers following the termination of the ED1 Lease and the ED3 Lease.

1.7 PWCC has previously initiated proceedings to obtain an order for mandatory transmission service pursuant to Sections 211 and 212 of the Federal Power Act (16 U.S.C. §§ 824j, 824k) in contemplation of the termination of the ED3 Lease in FERC Docket No. TX02-1-000. On January 17, 2002, the Federal Energy Regulatory Commission ("FERC") issued a preliminary order directing transmission services and ordering further procedures in its Docket No. TX02-1-000 (Pinnacle West Capital Corp., 98 FERC ¶ 61,039 (2002)). On February 12, 2002, PWCC tendered to ED3 a request for transmission service over the facilities subject to the ED1 Lease.

1.8 ED3 plans to move its transmission and distribution system and associated loads electrically from the Control Area of APS to the Control Area of the Salt River Project Agricultural Improvement District.

2. AGREEMENT:

Now therefore, in consideration of the mutual covenants set forth herein, the mutual benefits to be derived from the implementation of this Agreement and in the interest of terminating pending and potential future litigation between and among the Parties, it is hereby agreed as follows:

3. WARRANTIES AND REPRESENTATIONS:

ED3 warrants and represents that it is the successor in interest to ED1 as to all matters affected by this Agreement.

4. TERMINATION OF ED1 LEASE:

The ED1 Lease shall terminate in accordance with its terms effective midnight on March 31, 2002. APS shall surrender to ED3 all facilities and property previously subject to the ED1 Lease to ED3 at 12:01 a.m. April 1, 2002. APS shall prepare and file, at its own expense, all notices required to be filed with FERC in order to cause the ED1 Lease termination. ED3 shall file a notice of concurrence with respect to the notice of termination to be filed by APS, and both APS and ED3 shall cooperate in seeking expeditious acceptance by FERC of the notice of termination of the ED1 Lease.

5. MODIFICATION AND TERMINATION OF LEASE POWER AGREEMENTS:

5.1 The ED1 LPA and the ED3 LPA shall terminate effective upon the purchase by ED 3 of APS's Sexton Substation in accordance with the terms of this Agreement. APS will file notices of termination of the ED1 LPA and the ED3 LPA with FERC, which notices will request a termination effective date concurrent with the purchase date of the Sexton Substation. In the event a required regulatory approval for the transfer of the Sexton Substation is denied, the Parties shall immediately negotiate in good faith to reach alternative arrangements that will place the Parties in the same relative economic position as provided by the transfer of said substation.

5.2 The Parties shall cooperate in making whatever regulatory filings are required to cause the termination of the ED1 LPA and the ED3 LPA to be effective as contemplated by Section 5.1.

5.3. Pending termination of the ED1 LPA and the ED3 LPA and as an integral part of the overall settlement, the Parties agree to amend the ED1 LPA and the ED3 LPA to remove, effective as of March 1, 2002, any restriction on the type of loads that can be served by a Party within the district boundaries of ED 1 and ED 3.

5.4 ED3 will not apply its 15 mill transmission charge to APS for ED1 and ED3 loads.

5.5 ED3 will effect a refund or transmission billing credit, at APS' option, to APS of all amounts collected by ED3 from transmission billings rendered at ED3's 15 mill per kWh rate for transmission service provided by ED3 to APS to enable APS to transmit and deliver power under the ED1 LPA and the ED3 LPA to the ED3 and ED1 loads during November and December 2001.

5.6 APS will process pending customer applications for service from ED3, and will facilitate, subject to any necessary regulatory approvals, ED3's purchase of APS-owned extensions of its distribution facilities from those of ED3 (herein, "split ends") that are used to serve customers transferring to ED3 service. ED3 will be responsible for meter reading and billing to retail customers transferring to its system from the date of customer transfer and thereafter.

6. SALES OF FACILITIES:

As consideration for ED3's agreement to the termination of the ED1 LPA and the ED3 LPA as set forth in Article 5 above, and ED3's elimination of transmission charges for ED1 and ED3 loads under the ED1 LPA and the ED3 LPA, APS will provide ED3 with a credit of $650,000 (six hundred fifty thousand dollars) to be applied as follows:

6.1. Subject to the authorization of the Arizona Corporation Commission ("ACC") pursuant to Arizona Revised Statutes ("A.R.S.") § 40-285, APS shall convey to ED3 and ED3 shall purchase the Sexton Substation for a stipulated price of $100,000 (one hundred thousand dollars). APS shall be responsible for all necessary filings with the ACC for the sale of Sexton Substation to ED 3 on or before April 15, 2002, and shall prosecute such applications vigorously to conclusion. On the request of APS, ED3 shall use all reasonable efforts to cooperate with APS in the filing and prosecution of such applications.

6.2. Subject to the approval of FERC under Section 203 of the Federal Power Act (16 U.S.C. § 824b) and such authorization of the ACC (if any) as may be necessary to enable APS lawfully to effectuate the conveyance, APS shall convey to ED3 the 69 kV line extending east from Sexton Substation. APS and ED3 shall negotiate in good faith the price to be paid by ED3 for the conveyance of the 69 kV line. APS shall be responsible for filing all necessary applications for FERC and, if necessary, ACC, authorization of the conveyance of the 69 kV line within thirty days of the Parties' agreement as to the price to be paid by ED3 to APS for such purchase and shall prosecute such applications vigorously to conclusion. On the request of APS, ED3 shall use all reasonable efforts to cooperate with APS in the filing and prosecution of such applications.

6.3. The balance of the $650,000 (six hundred fifty thousand dollars) remaining after application to ED3's purchase of the Sexton Substation and ED3's purchase of the 69 kV transmission line extending eastward from the Sexton Substation shall be applied to the purchase of APS-owned extensions of its distribution facilities from those of ED3 ("split ends"). Values

for specific facilities shall be determined by mutual agreement of APS and ED3. APS and ED3 will cooperate on "split end" selection and the allocation of the remaining balance among specific facilities. APS and ED3 shall cooperate in obtaining any required regulatory approvals related to the sale by APS of "split end" facilities in the manner set forth in Sections 6.1 and 6.2 of this Agreement.

6.4. Following application of the full balance of the $650,000 (six hundred fifty thousand dollar) credit under this Article 5, APS and ED3 will continue to cooperate and negotiate in good faith for the sale of other "split ends" within the combined boundaries of ED1 and ED3 by APS to ED3.

7. TRANSMISSION SERVICE OVER ED1 FACILITIES;
WITHDRAWAL OF REQUEST FOR TRANSMISSION SERVICE:

7.1 ED3 shall provide transmission service, under the transmission service agreement accepted by FERC in Docket No. TX02-1-000, to PWCC to enable PWCC to deliver electric power and energy to APS loads served over facilities formerly subject to the ED1 Lease.

7.2 The ED 3 wheeling rate for PWCC (including wheeling for APS loads served over the ED 1 system following termination of the ED 1 Lease Agreement) shall not exceed 15 mills per kWh through December 31, 2003.

7.3. The Parties agree that ED3's undertaking to provide transmission service in accordance with Section 7.1 above fulfills the obligation of ED1 under paragraph 5.1.2 of the ED1 Lease to enter into or offer in good faith to enter into a wheeling agreement with APS as a condition of termination of the ED1 Lease.

7.4. PWCC hereby withdraws its good faith request for transmission service to ED1, dated February 12, 2002.

8. MISCELLANEOUS:

8.1 Legal, consulting, and engineering expenses incurred by ED3 in connection with processing PWCC's Section 211 applications through the date on which a form of transmission service agreement mutually agreed between ED3 and PWCC is filed with the FERC in Docket No. TX02-1-000 will not be directly assigned to PWCC and shall not be carried over or amortized in future years.

8.2 Each Party reserves all rights with respect to any claims that may be asserted by the Ak Chin Indian Community.

8.3 ED3 shall not change control areas until after it purchases APS's Sexton Substation.

8.4 Assignment. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns where permitted by this Agreement. Neither Party shall assign, transfer, delegate or in any other manner dispose of, any of its rights, privileges or obligations under this Agreement without the other Party's written consent, which will not be unreasonably withheld; except a Party may assign this Agreement (the "Assignor") without consent in connection with a transfer, pledge or assignment of its rights to receive performance under a transaction as security for any financing with financial institutions, as long as such assignee has the same technical and financial ability as the Assignor to perform all of Assignor's obligations under the Agreement, such assignee undertakes the legal obligations to perform all of Assignor's obligations under the Agreement and Assignor shall remain liable for all of its obligations under the Agreement, and any attempt to make any such assignment, transfer or disposition without consent shall be null and void.

8.5 Notices.

(a) Form and Address. All notices, invoices and other communications from either Party to the other hereunder shall be in writing and shall be deemed received (i) upon actual receipt when personally delivered, (ii) upon acknowledgment of receipt if sent by facsimile, (iii) upon the expiration of the third business day after being deposited in the United States mails, postage prepaid, certified or registered mail, or (iv) upon the expiration of one business day after being deposited during the regular business hours for next-day delivery and prepaid for overnight delivery with a national overnight courier company, addressed to the other Party as follows:

(1) As to ED3:

General Manager
Electrical District No. 3
41630 West Lewis Johnson Drive
Maricopa, AZ 85239
FAX: (520) 424-3281

(2) As to PWCC:

Secretary
Pinnacle West Capital Corporation
P. O. Box 53999
Phoenix, AZ 85072-3999
FAX: (602) 250-3002

with a copy to:

Vice President
Pinnacle West Capital Corporation
Marketing and Trading
P.O. Box 53999
Phoenix, AZ 85072-3999
FAX: (602) 250-3719

(3) As to APS:

Manager, Federal Regulation & Pricing
Arizona Public Service Co.
P.O. Box 53999, Station 990
Phoenix, AZ 85072-3999
FAX: (602) 250-3399

8.6 Waiver. No failure or delay on the part of either Party hereto in exercising any right, power or privilege hereunder and no course of dealing between the Parties shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

8.7 Non-Severability. Each provision of this Settlement is in consideration for all other provisions of this Settlement and no provision of this Settlement is severable from the other provisions of this Settlement. In the event the Settlement can not be implemented in its entirety without modification of any provision or if the regulatory actions set forth in Articles 4, 5, and 6 do not occur, the Settlement shall be deemed withdrawn and as of no force or effect between the Parties. This Settlement is intended to resolve the specific matters at issue between the parties hereto at this time, and shall not be considered as precedent with respect to other matters or parties.

8.8 Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original, and all such counterparts together shall constitute but one and the same instrument.

8.9 Applicable Law. This Agreement shall be construed under and in accordance with the Constitution and laws of the State of Arizona, and the Constitution and laws of the United States to the extent applicable.

8.10 Entire Agreement. This Agreement constitutes the entire agreement of the Parties with respect the subject matter hereof, and supersedes any prior written or oral agreements by the Parties concerning the subject matter of this Agreement.

8.11 Amendments. This Agreement may not be amended or modified in any way except by a writing signed by an authorized representative of the Party against whom the amendment, modification or waiver is sought to be enforced.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first set forth above.

ELECTRICAL DISTRICT No. 3 OF PINAL COUNTY, STATE OF ARIZONA

W.A. Dunn 4/15/02

By: W.A. Dunn Date
Title: Chairman

ARIZONA PUBLIC SERVICE CO.

By: Date
Title:

PINNACLE WEST CAPITAL CORPORATION

By: Date
Title:

8.11 Amendments. This Agreement may not be amended or modified in any way except by a writing signed by an authorized representative of the Party against whom the amendment, modification or waiver is sought to be enforced.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first set forth above.

ELECTRICAL DISTRICT No. 3 OF PINAL COUNTY, STATE OF ARIZONA

By: _____ Date
Title:

ARIZONA PUBLIC SERVICE CO.

By: _____ 4/12/02 Date
Title: Vice President, Customer Service

PINNACLE WEST CAPITAL CORPORATION

By: _____ Date
Title:

8.11 Amendments. This Agreement may not be amended or modified in any way except by a writing signed by an authorized representative of the Party against whom the amendment, modification or waiver is sought to be enforced.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first set forth above.

ELECTRICAL DISTRICT No. 3 OF PINAL COUNTY, STATE OF ARIZONA

By: _____ Date
Title:

ARIZONA PUBLIC SERVICE CO.

By: _____ Date
Title:

PINNACLE WEST CAPITAL CORPORATION

By: _____ Date
Title: Manager

SUPPLEMENTAL AGREEMENT BETWEEN ED3 AND APS FOR THE IMPLEMENTATION OF THE SETTLEMENT AGREEMENT DATED MARCH 1, 2002

This Supplemental Agreement for the Implementation of the Settlement Agreement (the "Supplemental Agreement") is made this 20 day of September, 2007, between Electrical District No. 3 of Pinal County, Arizona ("ED3") and Arizona Public Service Company ("APS") (each individually, a "Party," and collectively, the "Parties"), in recognition of the following facts, among others:

1. RECITALS

1.1 On December 21, 1960, in Decision No. 32690 in Docket No. U-1345, the ACC issued its Opinion and Order approving an agreement for the sale of power by APS to ED3 which became effective concurrently with the ED3 Lease (the "ED3 LPA"). On June 6, 1961, the ACC approved the sale of certain electrical facilities by APS to ED3 pursuant to A.R.S. § 40-285, and the lease of the same facilities by APS from ED3 for an initial term of thirty years and subsequent renewal terms (the "ED3 Lease"). On April 27, 1976, in Decision No. 46923 in Docket No. U-1345, the ACC approved agreements for: the sale of electrical distribution facilities by APS to Electrical District No. One of Pinal County ("ED1") pursuant to A.R.S. § 40-285; and the lease of the same facilities by APS from ED1 for an initial term of twenty-five years (the "ED1 Lease"); and a sale of power, energy and associated service by APS to ED1 for the duration of the ED1 Lease (the "ED1 LPA"). On January 14, 1989, the qualified electors of both districts approved the consolidation of ED1 and ED3; and ED3 became the successor in interest of ED1 for all purposes involved in this Agreement.

1.2 From June 1961 until October 2001, APS exercised full operational control over ED3's electrical transmission, sub-transmission and distribution system under the ED3 Lease and the ED1 Lease. APS constructed and retained ownership of various line extensions to serve new, non-irrigation retail load. These additional distribution facilities, which range from simple pole-mounted transformers with service drops to entire distribution secondary sections within residential subdivisions, have generally been referred to as "split ends" since they radiate from and are interconnected to the primary distribution facilities owned by ED3.

1.3 On October 9, 2001, the Lease Agreement terminated and ED3 acquired possession and operational control of its electrical system. In an Order issued February 15, 2002 in *Arizona Public Service Company*, 98 FERC ¶ 61,172, the Federal Energy Regulatory Commission ("FERC") determined that "it is clear from the terms of the Lease Agreement that operational control over ED3's transmission system reverted to ED-3 upon termination of that agreement. ED3 is a transmitting utility and there is no evidence that it cannot properly operate and maintain its transmission system."

1.4 As of March 1, 2002, ED3, acting in its own behalf and in its capacity as successor in interest to Electric District No. 1 of the County of Pinal, State of Arizona ("ED1"), APS and Pinnacle West Capital Corporation ("PWCC") entered into a Settlement Agreement (the "Settlement Agreement") providing for:

a. the termination of the lease of certain electrical facilities owned by ED1 to APS, dated March 29, 1977 ("ED1 Lease");
b. the modification and termination of the Lease Power Agreements between APS and ED1 and ED3, respectively;
c. subject to the receipt of requisite regulatory approvals, the sale to ED3 of specified electrical facilities owned by APS that are located within the ED3 Service Area and interconnected with its electrical system, ;
d. the furnishing of transmission service by ED3 to PWCC (and now APS) over the electrical facilities owned by ED1 that were previously leased to APS, the related temporary wheeling rate, and the withdrawal of APS's good faith request to ED1 then pending for transmission service; and
e. miscellaneous specified matters.

1.5 At midnight on March 31, 2002, the ED1 Lease terminated pursuant to the Settlement Agreement, and on April 1, 2002, ED3 acquired possession and operational control of the electrical system of ED1, with which ED3 had been consolidated in 1989.

1.6 As a result of the events described in the preceding recitals, ED3 currently operates the electrical distribution and subtransmission system located within the ED3 Service Area (as hereinafter defined). APS continues to own electric distribution facilities that it constructed within the ED3 Service Area. APS also retains the obligation to provide retail electric service to residential, commercial and industrial customers therein located, other than service to loads served by ED3, under applicable Arizona law. Thus, ED3 and APS have intermingled electric distribution facilities and service obligations within overlapping service areas.

1.7 ED3 presently provides transmission service to APS for the delivery of electricity to APS loads served from the ED3 electrical system (including the ED1 electrical system), pursuant to a Transmission Service Agreement, dated as of May 2, 2002, approved by order of the FERC issued on August 2, 2002, in Docket No. TX02-1-000.

1.8 On April 15, 2002, in accordance with the Settlement Agreement, APS submitted an application to the Arizona Corporation Commission ("ACC") pursuant to Ariz. Rev. Stat. § 40-285 in ACC Docket No. E-01345A-02-0285 for authorization to sell and transfer its electric distribution facilities located within the ED3 Service Area to ED3. ED3 intervened in support of the APS application on February 4, 2003. The Parties have concluded the interest of their respective customers in reliable and efficient delivery service for electricity is best served by ED3 assuming responsibility for the operation and

maintenance of the electric distribution system within the overlapping service areas. As of the date of this Supplemental Agreement, ACC Docket No. E-01345A-02-0285 has been voluntarily dismissed at the request of APS and with the concurrence of ED3.

1.9 On June 12, 2006, ED3 deposited the sum of $1,994,209 (One Million, Nine Hundred Ninety-Four Thousand, Two Hundred Nine dollars), representing the total price agreed between ED3 and APS to be paid for ED3's purchase of the APS facilities identified in Schedule A to the Escrow Agreement, with Wells Fargo Bank, N.A., as escrow agent under the Escrow Agreement executed as of June 6, 2006 among ED3, APS and Wells Fargo (the "Escrow Agreement") to assure APS of payment for such facilities once ACC authorization for the transfer is obtained.

1.10 ED3 and APS each desire to ensure, through this Agreement, the safe and efficient operation, maintenance and expansion of their intermingled distribution facilities within their overlapping service areas for the safe and efficient provision of retail electric service to their respective and prospective customers therein located.

In light of the foregoing recitals, and in consideration of the mutual promises contained in this Agreement and the mutual benefits to be realized by the Parties under this Agreement, the Parties hereby agree as follows:

2.0 DEFINITIONS

For purposes of this Agreement, the following terms shall have the following meanings when used with initial capitalization herein:

2.1 "APS Facilities" means those electrical distribution facilities and related equipment owned by APS within or immediately adjacent to the ED3 Service Area, interconnected with the ED3 System and used to deliver electricity to APS retail customers located within the ED3 Service Area, provided, however, that APS Facilities for purposes of this Supplemental Agreement do not include any APS meters.

2.2 "Construction" means those services necessary to install, repair, replace or restore to service electrical facilities used to deliver electricity to retail customers, including but not limited to:

a. Implementation of established and mutually agreed design criteria;
b. Materials acquisition;
c. Line extensions to new delivery points;
d. Assembly and installation of components of electrical facilities, other than in the course of customary maintenance;
e. Coordination of construction activities with APS and affected customers, property owners and their agents or representatives;
f. Installation of new equipment or facilities;
g. Betterment or capital replacement of existing equipment or facilities; and

h. Other, similar activities.

2.3 "ED3 System" means the electrical facilities and related equipment, which are owned by ED3 within the ED3 Service Area and used to deliver electricity to retail and wholesale customers located within the ED3 Service Area.

2.4 "ED3 Service Area" means the geographic area delineated on the map attached hereto as **Exhibit 1**, which the Parties understand and agree is not coextensive with the territorial boundaries of ED3 as a political subdivision (either currently or in the future), and encompassing the areas described in **Exhibit 2** hereto.

2.5 "Good Utility Practice" shall mean any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety, expedition and applicable law and regulations. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the Desert Southwest region of the United States.

2.6 "Maintenance" means those activities which are customarily undertaken to ensure that electrical facilities and equipment which are used to deliver electricity to retail customers continue to function in an economic, safe, efficient, reliable and environmentally acceptable manner. These activities may include but are not limited to scheduled and nonscheduled maintenance, inspections and replacement of consumable parts and equipment, as accounted for in accordance with the terms of this Agreement, as well as the following:

a. Voltage investigations;
b. Trouble investigations;
c. Fault location and repairs;
d. De-energizing of facilities for upgrades, safety and community emergency service such as fire, police, and other, similar emergency services;
e. Periodic line patrols in accordance with established practice and procedure;
f. Emergency power restoration;
g. System mapping.

2.7 "Split End" means a distribution line extension up to but not including the meter that is built and currently owned by one Party for providing service to that Party's retail customer(s), which extends from the distribution system owned by another Party.

2.8 "Supplemental Deposit" means funds placed in escrow after June 12, 2006, with Wells Fargo Bank, N.A., as Escrow Agent pursuant to the Escrow Agreement between APS and

ED3, dated as of June 6, 2006, to assure the availability of such funds for the purchase by ED3 of additional facilities from APS, subject to all required regulatory approvals.

3.0 SCOPE AND PURPOSE

3.1 APS reaffirms its willingness to sell and transfer to ED3, which reaffirms its willingness to purchase, all of the APS Facilities located within the ED3 Service Area, as contemplated by the Settlement Agreement, subject to:

(a) the specification, identification and pricing of those facilities for which pricing has not yet been agreed; and

(b) the approval and authorization of the ACC pursuant to Ariz. Rev. Stat. § 40-285 for the sale and transfer of those facilities to ED3.

3.2 In furtherance of the Parties' shared preference that all APS Facilities located within the ED3 Service Area be sold and transferred to ED3, except for meters serving existing APS customers, the Parties undertake to cooperate in the following activities in the manner provided in this Agreement pending receipt from the ACC of authorization for such sale and transfer:

a. The Parties shall jointly identify and list all APS Facilities located within the ED3 Service Area, and shall cooperate in good faith to mutually agree on the fair value of those facilities, as provided in this Agreement.

b. Within a reasonable period after the identification of additional specific facilities to be transferred, and agreement on the price to be paid for such facilities, ED3 shall make Supplemental Deposits to augment the Escrowed Funds under the Escrow Agreement for the purchase of the APS Facilities pursuant thereto.

c. APS shall take reasonable steps to pursue, with the support of ED3, authorization from the ACC to sell and transfer to ED3 the APS Facilities located within the ED3 Service Area.

d. ED3 shall construct, operate and maintain the ED3 System in accordance with Good Utility Practice and such construction, connection, operation and maintenance procedures and protocols as shall be mutually agreed between the Parties.

e. ED3 shall operate and maintain on behalf of APS all APS Facilities located within the ED3 Service Area in accordance with Good Utility Practice and such construction, connection, operation and maintenance procedures and protocols as shall be mutually agreed between the Parties.

f. In the event that a customer requests service from APS prior to the date on which the transfer is approved, ED3 shall construct and connect, where applicable, all facilities required for new retail customers located within the ED3 Service Area in accordance with Good Utility Practice and such construction, connection, operation and maintenance procedures and protocols as shall be mutually agreed between the Parties. ED3 shall own such new facilities and shall operate and maintain such new facilities as part of the ED3 System in accordance with Good Utility Practice and such construction, connection, operation and maintenance procedures and protocols as shall be mutually agreed between the Parties.

g. APS shall apply to the ACC to remove from its existing Certificate of Convenience and Necessity ("CC&N") all areas within the ED3 Service Area, in order to clarify service responsibilities for prospective retail customers. In the event such modification of APS's CCN fails to occur, the parties agree to examine alternative remedies to accommodate their preferences as outlined in this section 3.2, prior to termination of this Supplemental Agreement.

h. Pending ACC approval of such application for modification of APS's CCN, ED3 shall maintain accounts of all construction, connection, operation, maintenance and service work performed and equipment installed by ED3 on behalf of APS pursuant to this Agreement in accordance with the Uniform System of Accounts as implemented by APS, in order to facilitate appropriate adjustments to the Parties' accounting systems upon the ACC's approval, modification or rejection of APS's Application for authorization to sell and transfer the APS Facilities located within the ED3 Service Area to ED3.;

i. The Parties shall be liable to each other only as provided in this agreement, and shall indemnify and hold each other harmless against liability to third parties as provided in this Agreement.

4.0 TERM AND TERMINATION

4.1 This Agreement shall take effect on the date first above mentioned.

4.2 This Agreement shall terminate:

a. On the date upon which APS has both (1) received authorization from the ACC to (a) transfer the APS Facilities to ED3 and (b) modify the APS CCN to remove therefrom areas within the ED3 Service Area, and (2) subsequently transferred ownership of all APS Facilities located within the ED3 Service Area from APS to ED3 such that APS no longer has any provider of last resort obligation with respect to new customers within the ED3 Service Area; or

b. Subject to the requirements of Section 3.2(g) above, upon [sixty (60)] days written notice to ED3 by APS if the ACC has not granted APS's application for the

transfer of the APS Facilities and modification of the APS CC&N to remove therefrom areas within the ED3 Service Area by December 6, 2008, without material modification unacceptable to either Party.

4.3 In the event that either (i) APS fails to make application to the ACC for modification of its CC&N as provided in Section, or (ii) the ACC fails to grant such application without material modification unacceptable to either Party by final order issued prior to the date set forth in Section 4.2.b. above, ED3 may take unilaterally any action permitted by law to acquire ownership of the APS Facilities within its Service Area.

4.4 In the event of termination pursuant to section 4.2 of this Agreement, unless otherwise agreed between them in writing, the Parties will enter into an agreement providing for their cooperation and coordination thereafter in the service of any customers of either APS or ED3 requiring delivery over the electric distribution facilities of the other Party.

5.0 IDENTIFICATION AND VALUATION OF APS FACILITIES

5.1 The APS Facilities located within the ED3 Service Area to be identified and listed for sale and transfer to ED3 shall include, but not be limited to, the following:

a. the Facilities listed in Schedule A to the Escrow Agreement, as the same may be supplemented from time to time in the manner provided in the Escrow Agreement;

b. any other Split Ends owned by APS on the date hereof;

c. all line extensions, service drops and related facilities (other than APS meters) for APS customers who switch or have switched from APS to ED3 as their service provider, other than those included in Schedules to the Escrow Agreement;

d. all facilities (other than meters) constructed and/or installed by APS within the ED3 Service Area after October 9, 2001, other than those included in Schedules to the Escrow Agreement.

5.2 All of the APS Facilities referred to in subparagraphs b, c and d of the preceding subsection 5.1 shall be described by type, size, quantity, rating, and location, to the extent applicable and reasonably feasible, as shall be mutually agreed upon by the Parties.

5.3 The value of all of the APS Facilities set forth in Schedule A to the Escrow Agreement shall be as set forth therein. The value of all other APS Facilities located within the ED3 Wires Boundaries shall be mutually agreed to by the Parties, on the basis of APS's customarily maintained system of accounts and plant records, effective as of the date such APS Facilities are identified by the Parties for transfer by identification in a supplemental Schedule to the Escrow Agreement agreed to in writing by ED3 and APS.

5.4 The Parties shall complete the identification and valuation of the APS Facilities within the ED3 Service Area to be sold or transferred to ED3 upon receipt of ACC approval as expeditiously as practicable. The list of such APS Facilities and their values shall be established and transferred in such electronic format as the Parties shall mutually agree upon; and the delivery and receipt of such list shall be acknowledged by the Parties' exchange of signed cross receipts.

6.0 ESCROW FUNDING

6.1 The Parties acknowledge that ED3 has made the Initial Deposit under the Escrow Agreement.

6.2 ED3 shall make Supplemental Deposits with the Escrow Agent under the Escrow Agreement in January and July of each calendar year in the net amounts set forth in any supplemental Schedules that are mutually agreed to in writing by ED3 and APS after the date hereof.

6.3 All funds deposited by ED3 pursuant to the Escrow Agreement shall be disbursed by the Escrow Agent in accordance with Article 3 of the Escrow Agreement, upon the occurrence of the events specified therein.

7.0 SYSTEM CONSTRUCTION, OPERATION AND MAINTENANCE

7.1 ED3 alone shall plan, operate, maintain, repair, replace and expand the ED3 System, in accordance with Good Utility Practice, and in coordination with APS.

7.2 Until the authorization of the sale and transfer of all APS Facilities located within the ED3 Service Area, when new customers choose to take electric service from APS, APS and ED3 shall cooperatively work to install the appropriate facilities necessary to interconnect such customer to the existing ED3 transmission and distribution network consistent with Section 3.2 of this Supplemental Agreement. Prior to the amendment of APS's CCN to remove all areas of the ED3 Service Area, if new customers within ED3's Service Area choose to take retail electric service from APS, ED3 shall cooperatively work to install the appropriate facilities to interconnect such customer to the existing ED3 transmission and distribution network for service under ED3's Transmission Service Agreement consistent with Section 3.2 of this Supplemental Agreement.

7.3 ED3 shall conduct, at cost and for the account of APS, all routine and emergency maintenance, curtailment, repair, replacement and service restoration operations on and relating to APS Facilities located within the ED3 Service Area, in accordance with Good Utility Practice and such construction, connection, operation and maintenance procedures and protocols as shall be mutually agreed between the Parties .

7.4 ED3 shall maintain and update maps and plans to reflect repairs, replacements, additions and betterments of and to the ED3 System.

7.5 The Parties shall cooperate and coordinate their efforts to facilitate efficient planning for growth within and adjacent to the ED3 Service Area, and to facilitate the efficient identification of underground facilities on behalf of customers and developers ("blue-staking"). The Parties shall exchange plans and specifications as necessary to ensure that all work performed on, and equipment installed in replacement of, the APS Facilities within the ED3 Service Area complies with the requirements of the National Electrical Safety Code and the customary construction and maintenance standards of the Parties' respective systems.

7.6 All work performed and equipment installed on, or in replacement of, APS Facilities by ED3 shall be performed by ED3 as an independent contractor for APS in coordination with the SDOC and in accordance with Good Utility Practice and such construction, connection, operation and maintenance procedures and protocols as shall be mutually agreed between the Parties in good faith.

8.0 ACCOUNTING

8.1 ED3 shall keep complete and accurate (a) records of and supporting documentation for all receipts and expenditures under this Agreement, and (b) accounts and records in accordance with the Uniform System of Accounts (18 C.F.R. Part 101) with respect to its performance under this Agreement and shall maintain such data for a period of at least two (2) years after final journal entries. For any matters in dispute, ED3 shall keep the records related to such matters until the dispute is ended.

8.2 ED3 shall maintain its financial records as to work performed in connection with APS Facilities located within the ED3 Service Area in a manner suitable to facilitate appropriate adjustments to the Parties' respective accounting systems (a) once ACC authorization for the sale and transfer of ownership of the APS Facilities located within the ED3 Service Area is received, or (b) in the event that ACC authorization for the transfer of ownership is not received.

8.3 ED3 shall track any "replacements" in its O&M services so that those amounts can be adjusted for any replacements of APS Facilities located within the ED3 Service Area that are installed during the term of this Agreement.

9.0 INSURANCE, LIABILITY AND INDEMNIFICATION

9.1 Until all obligations under this Agreement are satisfied, and without limiting each Party's respective indemnification obligations detailed below, the Parties shall provide and maintain the following insurance policies set forth below. All insurance required by this Section shall be carried by insurers with an AM Best rating of B+ VI or a comparable rating. A program of self insurance may be used to satisfy any of the required insurance below as long as it is provided by a qualified program of self insurance in the State of Arizona. Parties shall also cause each of its Subcontractors to comply with this Section.

9.2 Workers' Compensation covering obligations imposed by federal and state statutes with jurisdiction over Supplier's (and any Subcontractor's) employees and Employer's Liability insurance of at least $500,000.

9.3 Commercial General Liability insurance with a minimum combined single limit of $2,000,000 each occurrence for bodily injury and broad form property damage. The policy shall cover bodily injury, property damage, personal injury, products and completed operations, and broad form contractual liability coverage. Further, the insurance shall include coverage for the hazards commonly referred to as "XCU." Said insurance shall contain a severability of interests provision. The products and completed operations coverage shall extend for 2 years past acceptance, cancellation, or termination of the Work.

9.4 Business Automobile Liability insurance with a combined single limit for bodily injury and property damage of a minimum limit of $1,000,000 each occurrence with respect to any and all vehicles of the Parties (and any Subcontractor's), whether owned, hired, leased, borrowed, or non-owned, assigned to or used in connection with the Work.

9.5 Except for Workers' Compensation insurance, all the policies required by this Section shall name the other Party as an additional insured. The policies shall stipulate that the insurance shall be primary insurance and that any insurance or self-insurance carried by the other respective Party shall not be contributory insurance. Parties shall waive, and require their respective insurers to waive, any and all recovery or subrogation rights to which any insurer may have. Upon request of the other Party, each shall provide a certificate of insurance confirming its satisfaction that the required insurance policies have been obtained and will remain in effect as required by this Section. Parties shall provide at least 30 days written notice prior to any material changes in or cancellation of any insurance policies.

9.6 Each Party shall bear its own liability to third parties in accordance with the Arizona Uniform Contributions Among Tortfeasers Act, A.R.S. §§12-2501 through 12-2509, subject to the terms of Subsection 9.3 of this Supplement Agreement.

9.7 Each Party shall indemnify, defend, and save and hold the other Parties harmless from, and defend against, any and all claims, demands, costs or expenses for losses, damages or injuries to persons or property, including those of the directors and members of the governing body, employees and agents of such other Party, to the extent caused by the facilities owned, by a flaw or failure in the service provided, or by the construction, connections, operations and maintenance performed other than in accordance with Good Utility Practice, by the indemnifying Party under this Agreement.

9.7.1 Promptly after receipt by an indemnified Party of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in Subsection 9.3 may apply, the indemnified Party shall notify the indemnifying Party of such fact in writing. Any failure of or delay in such notification shall not affect a

Party's indemnification obligation unless such failure or delay is materially prejudicial to the indemnifying Party.

9.7.2 The indemnifying Party shall have the right to assume the defense of such claim, action, proceeding or investigation with counsel designated by such indemnifying Party and reasonably satisfactory to the indemnified Party (who shall not, except with the express written consent of the indemnified Party, be counsel to the indemnifying Party). Upon notification in writing to the indemnified Party by the indemnifying Party of its wish to assume such defense, the indemnifying Party shall not thereafter be liable to the indemnified Party for any legal or related expenses of other counsel subsequently incurred by it in connection with the defense thereof, other than reasonable costs of investigation. If the defendants in any such claim, action, proceeding or investigation include both (a) one or more indemnified Parties and (b) the indemnifying Party; and if the indemnified Party reasonably concludes that there may be legal defenses available to it and/or another indemnified Party which are different from or additional to those available to the indemnifying Party; then the indemnified Party shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such action on its own behalf. In such instances, the indemnifying Party shall only be required to pay the fees and expenses of one additional attorney to represent an indemnified Party or Parties having such differing or additional legal defenses.

9.7.3 The indemnified Party shall be entitled, at its expense, to participate in any such claim, action, proceeding or investigation, the defense of which has been assumed by the indemnifying Party. Notwithstanding the foregoing, the indemnifying Party shall not be entitled to assume and control the defense of any such claim, action, proceeding or investigation if and to the extent that, in the opinion of the indemnified Party and its counsel, such claim, action, proceeding or investigation involves the potential imposition of criminal liability on the indemnified Party, or there exists a conflict or adversity of interest between the indemnified Party and the indemnifying Party. In such event the indemnifying Party shall pay the reasonable expenses of the indemnified Party, and shall not settle or consent to the entry of any judgment without the consent of the indemnified Party, which shall not be reasonably withheld, conditioned or delayed.

9.7.4 If an indemnified Party is entitled to indemnification under this section 9.3 as a result of a claim by a third party, and the indemnifying Party fails, after notice and reasonable opportunity to proceed under Subsection 9.3.2, to assume the defense of such claim, such indemnified Party may at the expense of the indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.

9.7.5 If an indemnifying Party is obligated to indemnify and hold any indemnified Party harmless under Subsection 9.7 of this Agreement, the amount owing to the indemnified Party shall be the amount of such indemnified Party's actual loss, net of any insurance or other recovery.

10.0 DISPUTE RESOLUTION

10.1 Subject to the provisions of subsection 10.4 of this Agreement, in the event of a controversy or claim between any of the Parties arising out of, or relating to, this Agreement, or the breach thereof, that is not otherwise resolved on a timely basis, it shall be referred in writing at the initiative of any Party to the General Manager of ED3 and the Vice President for Customer Service of APS for negotiated resolution. Said officers of the respective Parties shall meet in person or by telecommunication within ten (10) days of receipt of such notice in order to discuss possible solutions to the matter in dispute.

10.2 If a controversy or claim between any of the Parties is not settled through negotiation as contemplated by subsection 10.1 within thirty days of the written notice of the dispute, the Parties agree first to try in good faith for a period of ninety (90) days to settle the dispute by mediation administered by the American Arbitration Association under its Commercial Mediation Procedures before resorting to arbitration, litigation or some other dispute resolution procedure.

10.3 Nothing in this Agreement shall prevent any Party from seeking a temporary restraining order, or other temporary or permanent injunctive relief, from a court of the State of Arizona having jurisdiction in the premises, in order to prevent irreparable harm to its electrical system.

11. MISCELLANEOUS

11.1 Waivers. No forbearance, failure, or delay by a Party in exercising or partially exercising any right under this Agreement, power, or remedy with respect to another Party, or with respect to any matter arising in connection with this Agreement, shall operate as a waiver thereof or preclude its further exercise with respect to any other prior or subsequent default or matter. No such forbearance, failure, or delay by a Party shall constitute acceptance of the other Party's action or inaction with respect to any matter arising in connection with this Agreement.

11.2 Notices. Notices shall, unless otherwise specified herein, be in writing and may be delivered by hand delivery, United States mail, overnight courier service, facsimile or electronic mail. Notice by electronic mail, facsimile or hand delivery shall be effective at the close of business on the day actually received, if received during business hours on a Business Day, and otherwise shall be effective at the close of business on the next Business Day. Notice by overnight United States mail or courier shall be effective on the next Business Day after it was sent. A Party may change its addresses by providing notice of same in accordance herewith.

Notices to APS other than under subsection 10.1 shall be sent to:

Evelyn Casuga, Division Manager
Arizona Public Service Company
50 N. Brown Ave.
Casa Grande, Arizona 85222
Telephone: (520) 421-8340
Fax: (520) 421-8372
E-mail: Eevelyn.Casuga@aps.com

Notices to APS under subsection 10.1 shall be sent to:

Jan Bennett, Vice President for Customer Service
Arizona Public Service Company
P.O. Box 53999
Phoenix, AZ 85072-3999
Telephone: (602) 250-3331
Fax: (602) 250-3002
E-mail: Jan.Bennett@aps.com

Notices to ED3 shall be sent to:

General Manager
Electrical District No.3
41630 West Louis Johnson Boulevard
Maricopa, Arizona 85239
Telephone: (520) 424-3344
Fax: (520) 424-3281
E-mail: grant@msidd.com

11.3 Governing Law and Venue. This Agreement shall be interpreted and construed, and any controversy or claim between any of the Parties arising out of, or relating to, this Agreement shall be resolved, in accordance with the laws of the State of Arizona, notwithstanding any laws requiring the application of the laws of another state. Subject to the provisions of Section 10 of this Agreement, the Parties agree that sole and exclusive jurisdiction and venue for any action or litigation arising from or relating to this Agreement shall be an appropriate state court located in the State of Arizona.

11.4 Headings Not to Affect Meaning. The descriptive headings used for the various sections and subsections herein have been inserted for convenience and reference only and shall in no way affect the meaning or interpretation, or modify or restrict any of the terms and provisions, hereof.

11.5 No Consent to Violation of Law. Nothing contained herein shall be construed to constitute consent or acquiescence by a Party to any action of another Party which violates the laws of the State of Arizona or the laws of United States as those provisions may be amended, supplemented or superseded, or which violates any other law or regulation, or any order, judgment or decree of any court or governmental authority of competent jurisdiction.

11.6 Uncontrollable Forces. No Party shall be considered to be in default in the performance of any of its obligations hereunder if the failure of performance shall be due to uncontrollable forces. The term "uncontrollable forces" shall mean any cause beyond the control of the Party affected and which, by the exercise of due diligence, the Party is unable to overcome, including but not restricted to an act of God, failure of facilities, flood, earthquake, fire, lightning, epidemic, quarantine, war, explosion, aircraft crash, riot, civil disturbance or disobedience, labor dispute, sabotage, terrorism, pestilence, act of a public enemy, civil or military authority, and restraint by court order of public authority. A Party rendered unable to fulfill any of its obligations under this Agreement by reason of uncontrollable forces shall inform the other Parties thereof in writing as soon as possible, and shall exercise due diligence to remove such inability with all reasonable dispatch. If the inability persists after a period of six months from the date of the notice in writing, any Party may terminate this Agreement upon fifteen (15) days' written notice to the other Parties.

11.7 No Dedication of Facilities. Any undertakings or commitments by one Party to another Party under this Agreement shall not constitute the dedication of the system or any portion thereof of any Party to the public or to another Party.

11.8 Relationship between the Parties. Nothing contained in this Agreement shall be construed to create an association, joint venture, partnership or any other type of entity or relationship among APS and ED3, or between any of them and any other Party. For all purposes of this Agreement, the Parties intend that all work performed by ED3 on or related to the APS Facilities within the ED3 Wires Boundaries shall be performed by ED3 as an independent contractor for and on behalf of APS.

11.9 Third-Party Beneficiaries. This Agreement is intended solely for the benefit of the Parties thereto, and nothing herein will be construed to create any duty to, or standard of care with reference to, or any liability to, any person not a Party hereto.

11.10 Entire Contract. This Agreement constitutes the entire agreement between the Parties as to the subject matter hereof, subject however to the agreements referred to in the Recitals of this Agreement, which agreements are separate and apart from this Agreement. Parol or extrinsic evidence shall not be used to vary or contradict the express terms of this Agreement.

11.11 Audit. APS may, at any time, but no more than one time per calendar year, and at its own expense, cause the accuracy of any account and up to two contract years' previous costs

charged to it to be verified by an examination of the accounts and records kept by ED3 with respect to this Agreement, either by APS's designated accounting personnel, or by an independent Certified Public Accountant selected by APS; and ED3 shall make accounts and records available to such individuals upon reasonable request and reasonable advance notice during normal working hours. ED3 may, at any time, but no more than one time per calendar year, and at its own expense, cause the accuracy of any account and up to two contract years' previous costs charged to it to be verified by an examination of the accounts and records kept by APS with respect to this Agreement, either by ED3's designated accounting personnel, or by an independent Certified Public Accountant selected by ED3; and APS shall make accounts and records available to such individuals upon reasonable request and reasonable advance notice during normal working hours.

11.12 Amendment. This Agreement may be amended or modified only by the mutual written agreement of the Parties.

11.13 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed below by their duly authorized representatives, as of the date first set forth above.

ELECTRICAL DISTRICT NO. 3 OF PINAL COUNTY, STATE OF ARIZONA

W A. Dunn 09/20/07

By: W. A. Dunn Date

Title: Chairman

ARIZONA PUBLIC SERVICE COMPANY

September 20, 2007

By: Jan H. Bennett Date

Title: Vice President, Customer Service

EXHIBIT 2

ELECTRICAL DISTRICT NO.3 OF PINAL COUNTY
LEGAL DESCRIPTION

Legal descriptions are of the Gila and Salt River Base Meridian, Pinal County, Arizona

4S 2E
ALL OF SECTIONS **13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35**

4S 3E
ALL OF SECTIONS **13, 14, 15, 16, 17**
THE N2 AND THE N2 OF THE SE4 OF SECTION **18**
THE NE4 OF SECTION **19**
ALL OF SECTIONS **20, 21, 22, 23, 24, 25, 26, 27, 28**
THE W2 OF THE NW4, AND THE NE4 OF SECTION **29**
THE N2 OF THE NW4, AND THE NE4 OF SECTION **33**
ALL OF SECTIONS **34, 35, 36**

4S 4E
ALL OF SECTIONS **15-22** AND **27-34**

5S 5E
THE S2 OF THE SW4 OF THE SW4 OF SECTION **31**

5S 4E
ALL OF **T5S R4E**
EXCEPT FOR THE FOLLOWING:
ALL OF SECTIONS **1, 2**
THE SE4 OF SECTION **24**
THAT PORTION OF THE NW4 OF THE NE4 SECTION **25** LYING NORTH OF THE MARICOPA - CASA GRANDE HWY RIGHT OF WAY
THE W2 OF THE W2 SECTION **25**
AND SECTION **88** DESCRIBED AS FOLLOWS:
BEGINNING AT THE NW CORNER OF T5S R4E THENCE SOUTH 0°28'23.11"W A DISTANCE OF 10811.7 FEET TO THE TRUE POINT OF BEGINNING THENCE NORTH 89°09'29"E A DISTANCE OF 18128.4 FEET, THENCE SOUTH 0°09'54"W A DISTANCE OF 11575 FEET, THENCE SOUTH 89°34'21"W A DISTANCE OF 2597.5 FEET, THENCE SOUTH 0°26'16W A DISTANCE OF 1892.9 FEET, THENCE SOUTH 89°28'55"W A DISTANCE OF 4202.3 FEET, THENCE NORTH 0°00'02"E A DISTANCE OF 1832.8 FEET, THENCE SOUTH 89°23'04"W 5231 FEET, THENCE SOUTH 1°13'45"W A DISTANCE OF 1876.3 FEET, THENCE SOUTH 89°48'16"W A DISTANCE OF 1351.7 FEET, THENCE NORTH 1°48'24"W A DISTANCE OF

Approved By:
APS:
ED3: DWT

1841 FEET, THENCE SOUTH 89°41'58"W A DISTANCE OF 4710.4 FEET, THENCE NORTH 0°17'09"E A DISTANCE OF 11663.8 FEET TO POINT OF BEGINNING.

5S 3E
ALL OF SECTIONS **1, 2, 3, 11, 12, 16, 17, 18, 19, 20, 21**
THE S2 OF SECTIONS **25**
THE S2 OF SECTIONS **26**
THE S2 OF SECTIONS **27**
ALL OF SECTIONS **28, 29, 30, 31, 32, 33, 34, 35, 36**

5S 2E
ALL OF SECTIONS **2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 13, 14, 15, 16, 17, 18**
THE SE4 OF SECTION **19**
ALL OF SECTIONS **20, 21, 22, 23, 24, 25, 26, 27, 28, 34, 35, 36**

6S 2E
ALL OF SECTIONS **1, 2, 11, 12, 13**

6S 3E
ALL OF SECTIONS **1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18**
THE N2 OF SECTION **19**
ALL OF SECTIONS **20, 22, 23, 24, 25, 26, 27**
THAT PORTION OF SECTION 33 LYING NORTH AND EAST OF THE SANTA ROSA CANALS' SOUTHWESTERN MOST RIGHT OF WAY MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT A POINT LOCATED S00°01'49"W 1596.36 FEET SOUTH OF THE NORTHEAST CORNER OF SECTION 33, THENCE S89°56' 42"W 495.52 FEET, THENCE N00°03' 18"W 1201.46 FEET, THENCE N27°27'20"W 285.33 FEET, THENCE N54°51'21"W 242.37 FEET TO A POINT ON THE NORTHERN BOUNDARY OF SECTION 33
ALL OF SECTIONS **34, 35, 36**

6S 4E
ALL OF SECTIONS **2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 35**

THE W2 OF SECTION **1**

ALL OF SECTION **12**, EXCEPT THAT PORTION THEREOF LYING NORTHEASTERLY OF THE FOLLOWING DESCRIBED LINE:

BEGINNING AT THE NORTH QUARTER CORNER OF SAID SECTION;

THENCE: SOUTH 00° 08' 22" EAST ALONG THE NORTH-SOUTH QUARTER SECTION LINE OF SECTION **12** A DISTANCE OF 657.59 FEET TO THE

Approved By:
APS: _____
ED3: _____

SOUTHWEST CORNER OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION.

THENCE: SOUTH 44° 47' 51" EAST ON A LINE TO A POINT OF TERMINATION ON THE EAST LINE OF THE SOUTHEAST QUARTER OF SECTION 12.

6S 5E
ALL OF SECTIONS **19, 30, 31**

THAT PORTION OF SECTIONS **7, 17** AND **18** LYING SOUTHWESTERLY OF THE FOLLOWING DESCRIBED LINE:

BEGINNING AT THE SOUTH QUARTER CORNER OF SECTION **17**;

THENCE: NORTH 00° 50' 50" WEST ALONG THE NORTH-SOUTH QUARTER SECTION LINE A DISTANCE OF 1333.11 FEET TO THE NORTHEAST CORNER OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER;

THENCE: NORTH 63° 40' 56" WEST THROUGH SECTION **17** AND A PORTION OF SECTION **18** A DISTANCE OF 4472.70 FEET;

THENCE: NORTH 44° 47' 51" WEST ON A LINE THROUGH A PORTION OF SECTION **18** AND SECTION 7 TO A POINT OF TERMINATION ON THE WEST LINE OF THE SOUTHWEST QUARTER OF SECTION 7.

ALL OF SECTIONS **19, 30, 31**

7S 3E
THAT PORTION OF SECTION 1 LYING NORTH AND EAST OF THE SANTA ROSA CANALS' SOUTHWESTERN MOST RIGHT OF WAY MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT A POINT ON THE EASTERN BOUNDARY LYING 529.56 FEET NORTH OF THE SOUTHEAST CORNER, THENCE N51°02'17"W 570.50 FEET, THENCE N53°54'29"W 88.63 FEET, THENCE N56°46'41"W 3157.53 FEET, THENCE N70°53'43"W 323.54 FEET, THENCE N78°02'47"W 1859.50 FEET TO A POINT ON THE WESTERN BOUNDARY OF SECTION 1 LOCATED 450.57 FEET SOUTH OF THE NORTHWEST CORNER OF SECTION 1

7S 4E
ALL OF SECTIONS **1, 2, 3, 4, 5, 6**
A PORTION OF SECTION 7 LYING NORTH AND EAST OF THE SANTA ROSA CANALS' SOUTHWESTERN MOST RIGHT OF WAY MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT A POINT ON THE SAID EAST BOUNDARY OF SECTION 7 THAT BEARS S00°04'16"W 1086.12 FEET FROM THE EAST QUARTER CORNER OF SAID SECTION 7, THENCE N51°02'17"W 5937.17 FEET TO A POINT ON THE NORTHERN BOUNDARY LOCATED

Approved By:
APS: _____
ED3: _____

S89°54'44"E 656.73 FEET FROM THE NORTHWEST CORNER OF SAID SECTION 7
ALL OF SECTIONS **8, 9, 10, 11, 12, 13, 14, 15, 16, 17**
THAT PORTION OF SECTION **21** LYING NORTH AND EAST OF THE SANTA ROSA CANALS' SOUTHWESTERN MOST RIGHT OF WAY MORE PARTICULARY DESCRIBED AS FOLLOWS: BEGINNING AT A POINT THAT BEARS N00°00'13"W 1006.93 FEET FROM THE SOUTHEAST CORNER OF SAID SECTION 21, THENCE N49°02'48"W 2060.10 FEET, THENCE N41°28'12"W 2970.67 FEET, THENCE N53°35'21"W 371.60 FEET, THENCE N77°49'38"W 371.60 FEET, THENCE N89°56'47"W 1046.96 FEET, THENCE N00°04'24"E 405.03 FEET TO A POINT ON THE NORTHERN BOUNDARY LOCATED S89°56'47"E 50 FEET FROM THE NORTHWEST CORNER OF SAID SECTION 21
ALL OF SECTIONS **22, 23, 24, 25, 26**
THAT PORTION OF SECTION **27** LYING NORTH AND EAST OF THE SANTA ROSA CANALS' SOUTHWESTERN MOST RIGHT OF WAY MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT A POINT ON THE SOUTHERN BOUNDARY OF SECTION 27 LOCATED N89°52'50"W 858.97 FEET FROM THE SOUTHEAST CORNER OF SAID SECTION 27, THENCE N21°16'47"W 1271.00 FEET, THENCE N27°27'32"W 188.37 FEET, THENCE N33°38'18"W 3957.92 FEET, THENCE S56°21'42"W 25.00 FEET, THENCE N61°44'34"W 329.76 FEET, THENCE S89°50'50"W 858.15 FEET, THENCE N00°09'11"E 504.58 FEET TO A POINT ON THE NORTHERN BOUNDARY LOCATED N89°50'50"W 501.46 FEET FROM THE NORTHWEST CORNER OF SAID SECTION 27
THAT PORTION OF SECTIONS **34** AND **35** LYING NORTH AND EAST OF THE SANTA ROSA CANALS' SOUTHWESTERN MOST RIGHT OF WAY MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT A POINT THAT BEARS N89°56'58"W 2138.23 FEET FROM THE SOUTHEAST CORNER OF SECTION 35, THENCE N47°26'54"W 1972.06 FEET, THENCE N34°38'27"W 4040.34 FEET, THENCE N21°16'47"W 674.72 FEET TO A POINT ON THE NORTHERN BOUNDARY OF SECTION 34

THAT PORTION OF SECTION **36** LYING NORTH AND WEST OF THE SANTA ROSA CANALS' SOUTHWESTERN MOST RIGHT OF WAY MORE PARTICULARLY DESCRIBED AS FOLLOWS: STARTING AT A POINT ON THE EASTERN BOUNDARY OF SECTION 36 LOCATED S00°05'49"E 107.48 FEET FROM THE SOUTHWEST CORNER OF SECTION 30, T7S, R5E, THENCE S31°19'46"W 4043.47 FEET TO A POINT ON THE SOUTHERN BOUNDARY OF SECTION 36, THENCE FOLLOWING THE SOUTHERN BOUNDARY OF SAID SECTION 36 EAST TO THE SOUTHWEST CORNER

7S 5E
ALL OF SECTIONS **6, 7, 10, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24**
THE E2 OF SECTION **9**

Approved By:
APS: _____
ED3: _____

FIRST ADDENDUM TO
SUPPLEMENTAL AGREEMENT BETWEEN ED3 AND APS
DATED SEPTEMBER 20, 2007

This **FIRST ADDENDUM** is made and entered into this **31st** day of **July 2008**, by and between the Electrical District No. 3 of Pinal County, Arizona ("ED3") and Arizona Public Service Company ("APS") (collectively, the "Parties").

RECITALS

WHEREAS, ED3 and APS entered into a Supplemental Agreement for the Implementation of the Settlement Agreement (Supplemental Agreement"), dated September 20, 2007;

WHEREAS, Section 11.12 of the Supplemental Agreement requires that any modification or amendment be by mutual written agreement; and

WHEREAS, the Parties desire to modify the description of the ED3 Service Area (as defined in Section 2. 4 of the Supplemental Agreement).

NOW, THEREFORE, the Parties agree to modify Exhibit 1 and Exhibit 2, as set forth below.

AGREEMENT

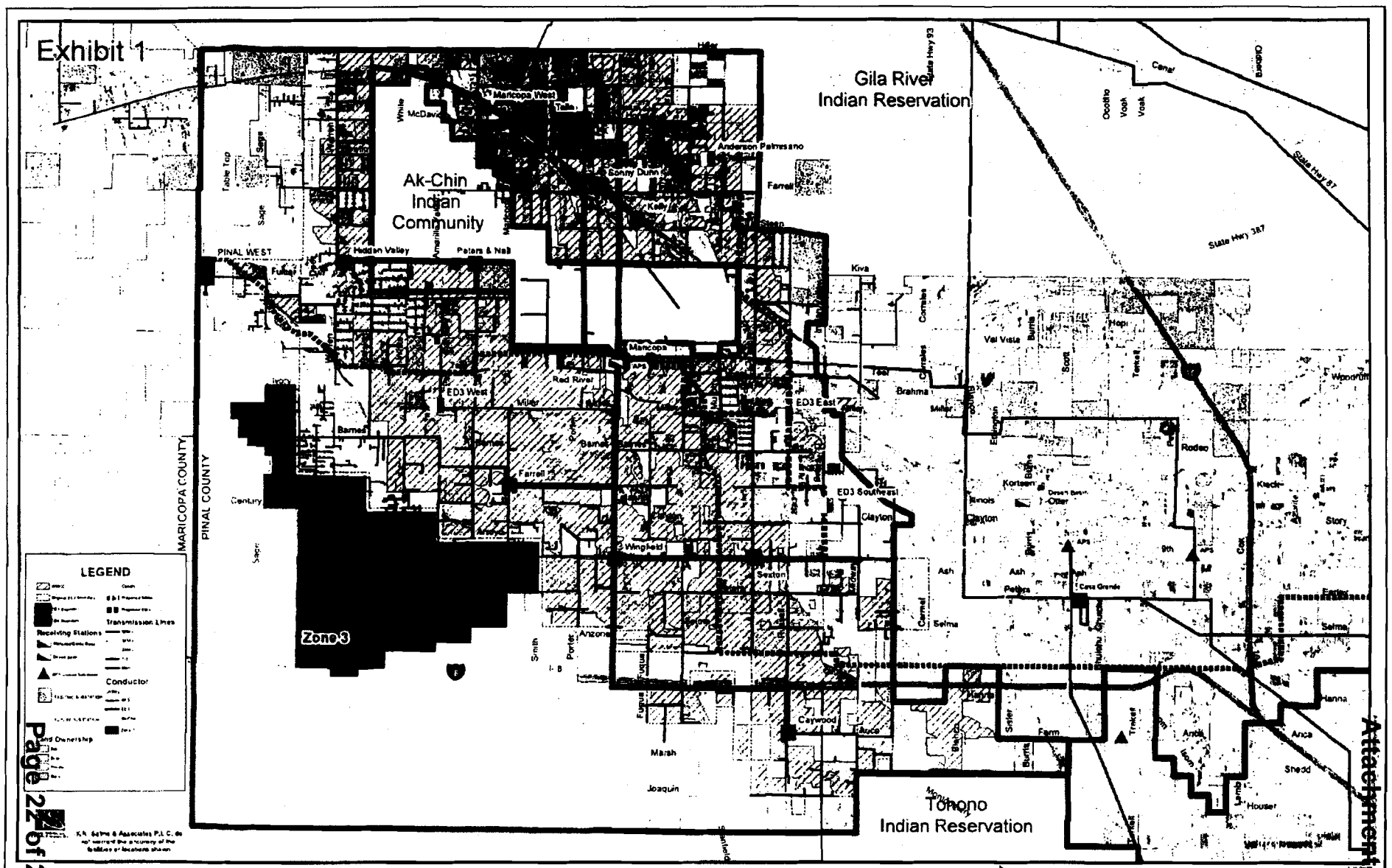
1. **Exhibit 1** of the Supplemental Agreement (Map of ED3 Wires Boundaries) is hereby replaced with and superseded by **Exhibit 1**, attached hereto.

2. **Exhibit 2** of the Supplemental Agreement (Legal Description of ED3 Wires Boundaries) is hereby replaced with and superseded by **Exhibit 2**, attached hereto.

3. Except as otherwise provided herein all terms and conditions of the Supplemental Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this First Addendum on the day first written above.

ELECTRICAL DISTRICT NO. 3 OF PINAL COUNTY, STATE OF ARIZONA **By:** _____ **Dan Thelander** **Chairman, ED3**	**ARIZONA PUBLIC SERVICE COMPANY** **By:** _____



Original ED3 Boundary with ED3 and APS Wires Before Implementation

Attachment D

ELECTRICAL DISTRICT NO.3 OF PINAL COUNTY
LEGAL DESCRIPTION
Exhibit 2

Legal descriptions are of the Gila and Salt River Base Meridian, Pinal County, Arizona

4S 2E
ALL OF SECTIONS **13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35**

4S 3E
ALL OF SECTIONS **13, 14, 15, 16, 17**
THE N2 AND THE N2 OF THE SE4 OF SECTION **18**
THE NE4 OF SECTION **19**
ALL OF SECTIONS **20, 21, 22, 23, 24, 25, 26, 27, 28**
THE E2 OF THE NW4, AND THE NE4 OF SECTION **29**
THE N2 OF THE NW4, AND THE NE4 OF SECTION **33**
ALL OF SECTIONS **34, 35, 36**

4S 4E
ALL OF SECTIONS **15-22** AND **27-34**

5S 5E
BEGINNING AT THE NORTHWEST CORNER OF SECTION **31,**

THENCE: ON A BEARING OF EAST ALONG THE NORTH LINE OF SAID SECTION **31** A DISTANCE OF 50.00 FEET;

THENCE: ON A BEARING OF SOUTH ON A LINE PARALLEL WITH AND 50 FEET EAST OF THE WEST LINE OF SAID SECTION **31** TO A POINT ON THE NORTH LINE OF THE SOUTH HALF OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION **31** AND THE POINT OF TERMINATION

THE S2 OF THE SW4 OF THE SW4 OF SECTION **31**

5S 4E
ALL OF **T5S R4E**
EXCEPT FOR THE FOLLOWING:
ALL OF SECTIONS **1, 2**
THE SE4 OF SECTION **24**
THAT PORTION OF THE NW4 OF THE NE4 SECTION **25** LYING NORTH OF THE MARICOPA - CASA GRANDE HWY RIGHT OF WAY
THE W2 OF THE W2 SECTION **25**
AND SECTION **88** DESCRIBED AS FOLLOWS:
BEGINNING AT THE NW CORNER OF T5S R4E THENCE SOUTH 0°28'23.11"W A DISTANCE OF 10811.7 FEET TO THE TRUE POINT OF BEGINNING THENCE NORTH 89°09'29"E A DISTANCE OF 18128.4 FEET, THENCE SOUTH 0°09'54"W A DISTANCE OF 11575 FEET, THENCE SOUTH 89°34'21"W A DISTANCE OF 2597.5 FEET, THENCE SOUTH

ELECTRICAL DISTRICT NO.3 OF PINAL COUNTY
LEGAL DESCRIPTION
Exhibit 2

0°26'16W A DISTANCE OF 1892.9 FEET, THENCE SOUTH 89°28'55"W A DISTANCE OF 4202.3 FEET, THENCE NORTH 0°00'02"E A DISTANCE OF 1832.8 FEET, THENCE SOUTH 89°23'04"W 5231 FEET, THENCE SOUTH 1°13'45"W A DISTANCE OF 1876.3 FEET, THENCE SOUTH 89°48'16"W A DISTANCE OF 1351.7 FEET, THENCE NORTH 1°48'24"W A DISTANCE OF 1841 FEET, THENCE SOUTH 89°41'58"W A DISTANCE OF 4710.4 FEET, THENCE NORTH 0°17'09"E A DISTANCE OF 11663.8 FEET TO POINT OF BEGINNING.

5S 3E
ALL OF SECTIONS **1, 2, 3, 11, 12, 16, 17, 18, 19, 20, 21**
THE S2 OF SECTIONS **25**
THE S2 OF SECTIONS **26**
THE S2 OF SECTIONS **27**
ALL OF SECTIONS **28, 29, 30, 31, 32, 33, 34, 35, 36**

5S 2E
ALL OF SECTIONS **2-11, 13-36**

6S 2E
ALL OF TOWNSHIP **6S 2E**

6S 3E
ALL OF TOWNSHIP **6S 3E**

6S 4E
ALL OF SECTIONS **2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 35**

THE W2 OF SECTION **1**

ALL OF SECTION **12**, EXCEPT THAT PORTION THEREOF LYING NORTHEASTERLY OF THE FOLLOWING DESCRIBED LINE:

BEGINNING AT THE NORTH QUARTER CORNER OF SAID SECTION;

THENCE: SOUTH 00° 08' 22" EAST ALONG THE NORTH-SOUTH QUARTER SECTION LINE OF SECTION **12** A DISTANCE OF 657.59 FEET TO THE

ELECTRICAL DISTRICT NO.3 OF PINAL COUNTY
LEGAL DESCRIPTION
Exhibit 2

SOUTHWEST CORNER OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION.

THENCE: SOUTH 44° 47' 51" EAST ON A LINE TO A POINT OF TERMINATION ON THE EAST LINE OF THE SOUTHEAST QUARTER OF SECTION 12.

6S 5E

THAT PORTION OF SECTIONS 7, 17 AND 18 LYING SOUTHWESTERLY OF THE FOLLOWING DESCRIBED LINE:

BEGINNING AT THE SOUTH QUARTER CORNER OF SECTION 17;

THENCE: NORTH 00° 50' 50" WEST ALONG THE NORTH-SOUTH QUARTER SECTION LINE A DISTANCE OF 1333.11 FEET TO THE NORTHEAST CORNER OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER;

THENCE: NORTH 63° 40' 56" WEST THROUGH SECTION 17 AND A PORTION OF SECTION 18 A DISTANCE OF 4472.70 FEET;

THENCE: NORTH 44° 47' 51" WEST ON A LINE THROUGH A PORTION OF SECTION 18 AND SECTION 7 TO A POINT OF TERMINATION ON THE WEST LINE OF THE SOUTHWEST QUARTER OF SECTION 7.

ALL OF SECTIONS 19, 30, 31

7S 2E
ALL OF TOWNSHIP 7S 2E

7S 3E
ALL OF TOWNSHIP 7S 3E

7S 4E
ALL OF TOWNSHIP 7S 4E

7S 5E
ALL OF SECTIONS 6, 7, 10, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24
THE E2 OF SECTION 9

Attachment E

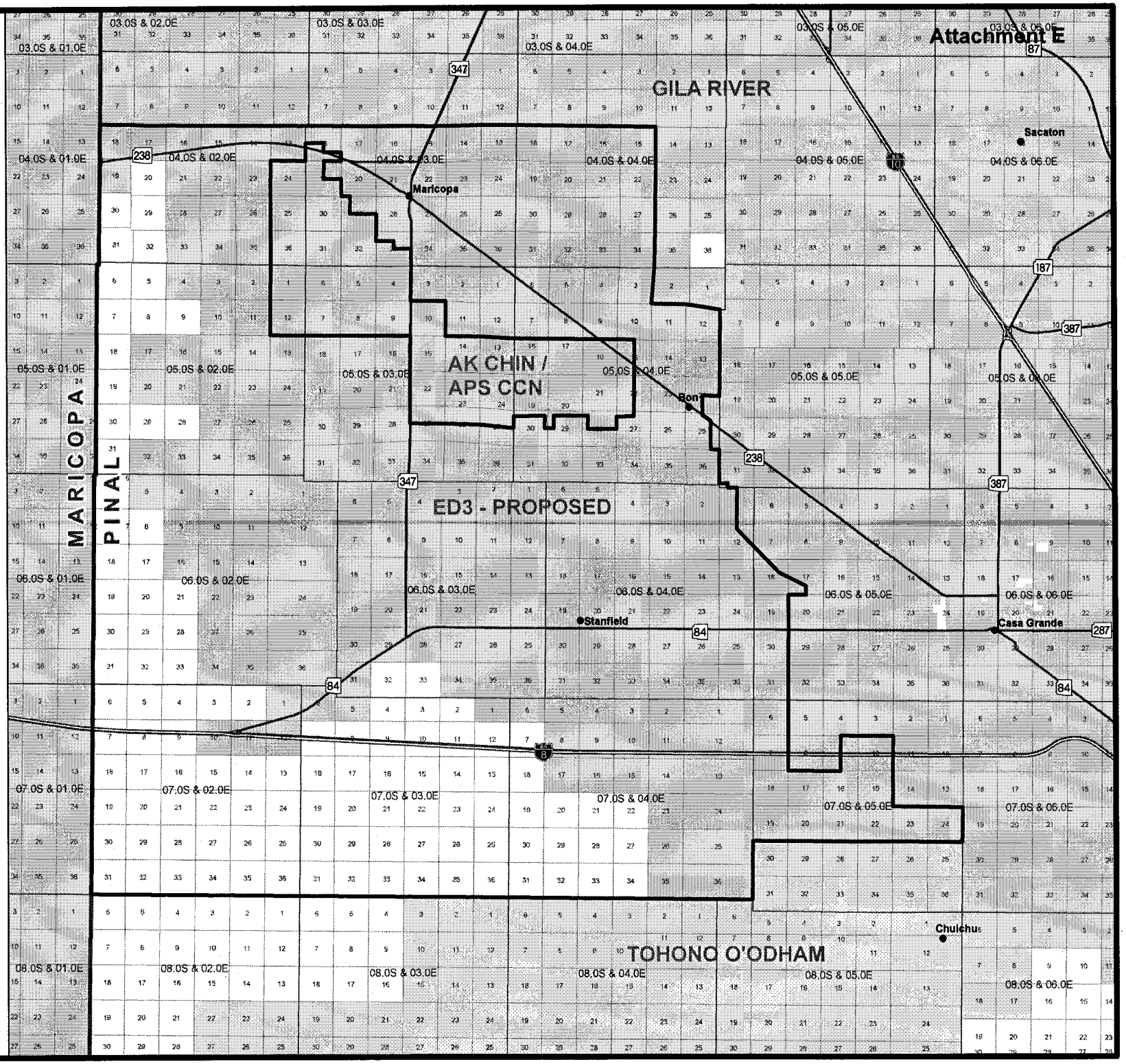
APS

APS / ED3 / AK CHIN / SERVICE AREA

- APS CCN
- ED3 - PROPOSED
- COUNTY BOUNDARY
- CITY
- TOWNSHIP AND RANGE
- SECTION

INDIAN RESERVATIONS

- AK CHIN / CCN
- GILA RIVER
- TOHONO O'ODHAM



GIS 7/16/08

...\Resources\Land Projects\ED3Proposed

Attachment E

Legal Description of APS's CC&N within Proposed ED-3 Service Area To Be Deleted

The described areas illustrate the boundary of the APS CNN.

Township 4 South, Range 2 East of the Gila and Salt River Meridian, Pinal County, Arizona,
All of Sections **13** to **19, 21, 22, 23, 26, 27, 28, 33, 34, 35.**

Township 4 South, Range 3 East of the Gila and Salt River Meridian, Pinal County, Arizona,
All of Sections **13** to **29** and **33** to **36**;
EXCEPT the following:

The SW4 and the S2 of the SE4 of Section **18,** and
The NW4 and the S2 of Section **19,** and
The W2 of the NW4 and the S2 of Section **29**, and
The S2 of the NW4 and the S2 of Section **33.**

Township 4 South, Range 4 East of the Gila and Salt River Meridian, Pinal County, Arizona,
All of Sections **16** to **22, 27** to **34.**
EXCEPT the following:

The E2 of Section **17,** and
The NE4 of Section **20,** and
The N2 of Section **21,** and
The N2 of Section **22.**

Township 5 South, Range 2 East of the Gila and Salt River Meridian, Pinal County, Arizona,
All of Sections **2** to **4, 10, 11, 13** to **17, 20** to **27, 32** to **36.**

Township 5 South, Range 3 East of the Gila and Salt River Meridian, Pinal County, Arizona,
All of Sections **1, 2, 3, 11, 12, 16** to **21, 25** to **36**;
EXCEPT the following:

The N2 of Section **25**, and
The N2 of Section **26**, and
The N2 of Section **27**.

Township 5 South, Range 4 East of the Gila and Salt River Meridian, Pinal County, Arizona,
All of Sections **3** to **15, 22** to **36** and Tracts **37** to **52**;
EXCEPT the following:

The W2 of Section **15**, and
The W2 of Section **22**, and
The SE4 of Section **24**, and
The E2 of the E2 of Section **25**, and
That portion of the NE4 of Section **25** lying north of the MARICOPA-CASA GRANDE HWY right of way, and
Those portions of Section **27, 28, 29** and **30** lying north of the following described line:
BEGINNING at the NW corner of Tract **43**; Thence North 89°07'55" East 2123.92 feet to the NE corner of Tract **43** also being the NW corner of Tract **42**; Thence North 89°56'03" East 2620.70 feet to the NE corner of Tract **42**; Thence South 00°02'28" West along the east line of Tract **42** 1814.83 feet; Thence North 89°50'01" East 1318.19 feet to a point on the

west line of Tract **53**; Thence North 00°01'36" East 1883.45 feet to the NW corner of Tract **53**; Thence South 89°05'54" East 5272.86 feet to the NE corner of Tract **53**; Thence South 00°07'59" East along the east line of Tract **53** 1808.01 feet; Thence South 89°37'54" East 4235.51 feet to a point on the west line of Tract **40**; Thence North 00°01'12" West 1861.85 feet along the west line of Tract **40** to the NW corner of Tract **40**; Thence North 89°59'58" East 2601.95 feet to the NE corner of Tract **40**; Thence North 00°03'58" East 827.35 feet to the N4 corner of Section **27** and **POINT OF TERMINUS**.

Township 5 South, Range 5 East of the Gila and Salt River Meridian, Pinal County, Arizona,
The S2 of the SW4 of the SW4 of Section **31**, and
That portion of Section **31** described as follows:
BEGINNING at the NW corner of Section **31**; Thence East along the North line of said Section **31** 50.00 feet; Thence South on a line parallel with and 50 feet east of the west line of said Section **31** to a point on the North line of the S2 of the SW4 of the SW4 of Section **31**, said point also being the **POINT OF TERMINUS**.

Township 6 South, Range 2 East of the Gila and Salt River Meridian, Pinal County, Arizona,
All of Sections **1 to 5**, **9** to **16**, **22** to **27**, **34**, **35**, **36**.

Township 6 South, Range 3 East of the Gila and Salt River Meridian, Pinal County, Arizona,
All of Sections **1** to **31**, **34**, **35**, **36**.

Township 6 South, Range 4 East of the Gila and Salt River Meridian, Pinal County, Arizona,
All of Sections **1** to **31**, **36**;
EXCEPT the following:

The E2 of Section **1**, and
That portion lying Northeasterly of the following described line:
BEGINNING at the N4 corner of Section **12**; Thence South 00°08'22" East along the North-South Mid-Section line of **12** 657.59 feet to the SW corner of the NW4 of the NW4 of the NE4 of Section **12**; Thence South 44°47'51" East to a **POINT OF TERMINUS** on the east line of the SE4 of Section **12**.

Township 6 South, Range 5 East of the Gila and Salt River Meridian, Pinal County, Arizona,
All of Sections **7**, **17**, **18**, **19**, **30**, **31**;
EXCEPT the following:

That portion of Sections **7**, **17** and **18** lying Northeasterly of the following described line:
BEGINNING at the S4 corner of Section **17**; Thence North 00°50'50" West along the North-South mid Section line of Section **17** 1333.11 feet to the NE corner of the SE 4 of the SW4 of Section **17**; Thence North 63°40'56" West through Section **17** and Section **18** 4472.70 feet; Thence North 44°47'51" West through Sections **18** and **7** to a **POINT OF TERMINUS** on the west line of the SW4 of Section **7**.

Township 7 South, Range 2 East of the Gila and Salt River Meridian, Pinal County, Arizona,
All of Sections **1**, **10**, **11**, **12**.

Township 7 South, Range 3 East of the Gila and Salt River Meridian, Pinal County, Arizona,
All of Sections **1**, **5**, **6**.

Attachment E

Township 7 South, Range 4 East of the Gila and Salt River Meridian, Pinal County, Arizona,
All of Sections **1** to **6**, **8** to **17**, **23** to **26**, **35**, **36**.

Township 7 South, Range 5 East of the Gila and Salt River Meridian, Pinal County, Arizona,
All of Sections **6**, **7**, **9**, **10**, **15** to **24**;
EXCEPT the following:
The W2 of Section **9**.

APS Customer and Community Outreach Plan

The proposed action items outlined below and the timing of their implementation may be adjusted where appropriate.

Action	Timing
Create website and establish contact means for customers and other parties upon application. Website would include letter(s), project map, comprehensive Q&A and contact information for customers, interested parties and constituents to direct inquiries.	August 2008
Send letter to existing APS customers impacted by application. Letter will also inform customers of future communications and open house.	August 2008
Notification pursuant to ACC procedural order of application, hearing and methods for intervention. Concurrently will inform customers of open house, website access, and contact information.	By deadline established in procedural order
Public open house event.	TBD
Notification of APS existing customers of ACC Decision on APS application and transition information	TBD

Attachment G

Legal Description of APS's CC&N within Ak-Chin Lands To Be Deleted

The described areas illustrate the boundary of the Ak-Chin Indian Community.

Township 4 South, Range 2 East of the Gila and Salt River Meridian, Pinal County, Arizona,
All of Sections **24, 25, 36.**

Township 4 South, Range 3 East of the Gila and Salt River Meridian, Pinal County, Arizona,
All of Sections **18, 19, 29 TO 33;**
EXCEPT the following:

The N2 and the N2 of the SE4 of Section **18**, and
The NE4 of Section **19**, and
The NE4 and the E2 of the NW4 of Section **29**, and
The N2 of the NW4 and the NE4 of Section **33.**

Township 5 South, Range 2 East of the Gila and Salt River Meridian, Pinal County, Arizona,
All of Sections **1, 12.**

Township 5 South, Range 3 East of the Gila and Salt River Meridian, Pinal County, Arizona,
All of Sections **4 TO 10, 13, 14, 15, 22 TO 27;**
EXCEPT the following:

The S2 of Section **25**, and
The S2 of Section **26**, and
The S2 of Section **27.**

Township 5 South, Range 4 East of the Gila and Salt River Meridian, Pinal County, Arizona,
All of Sections **15** to **22** and **27** to **30;**
EXCEPT the following:

The E2 of Section **15**, and
The E2 of Section **22**, and
Those portions of Section 27, 28, 29 and 30 lying south of the following described line:
BEGINNING at the NW corner of Tract **43;** Thence North 89°07'55" East 2123.92 feet to the NE corner of Tract **43** also being the NW corner of Tract **42**; Thence North 89°56'03" East 2620.70 feet to the NE corner of Tract **42**; Thence South 00°02'28" West along the east line of Tract **42** 1814.83 feet; Thence North 89°50'01" East to a point on the west line of Tract **53** 1318.19 feet; Thence North 00°01'36" East 1883.45 feet to the NW corner of Tract **53**; Thence South 89°05'54" East 5272.86 feet to the NE corner of Tract **53**; Thence South 00°07'59" East 1808.01 feet along the east line of Tract **53**; Thence South 89°37'54" East 4235.51 feet to a point on the west line of Tract **40**; Thence North 00°01'12" West 1861.85 feet along the west line of Tract **40** to the NW corner of Tract **40**; Thence North 89°59'58" East 2601.95 feet to the NE corner of Tract **40**; Thence North 00°03'58" East 827.35 feet to the N4 corner of Section **27** and **POINT OF TERMINUS.**

Attachment H

ARIZONA PUBLIC SERVICE COMPANY
"ITEMIZATION OF SPLIT END ASSETS AND CORRELATING COSTS"
As Of October 207

Description	Original Cost	Accumuilated Depreciation	Net Book Value
Metal Pole 30 ft	8,688	1,546	7,142
Metal Pole 32 ft.	660	161	499
Metal Pole 35 ft	295,965	29,674	266,291
Metal Pole 40 ft	156,330	14,164	142,166
Metal Pole 45 ft	3,005,624	263,187	2,742,437
Metal Pole 50 ft	105,662	11,382	94,280
Metal Pole (tangent)	372,774	71,950	300,824
Wood Pole 30 ft	23,500	11,176	12,324
Wood Pole 35 ft	104,068	46,060	58,008
Wood Pole 40 ft	1,216,274	693,008	523,266
Wood Pole 45 ft	127,249	51,392	75,857
Wood Pole 50 ft	3,206	1,465	1,741
Wood Pole (tangent)	713,118	280,999	432,119
Steet Light Wire	7,227	3,690	3,537
Street Light Covers	1,848	785	1,063
Luminaires	40,167	12,080	28,087
Poles	29,705	10,001	19,704
Pole Fixtures	534,165	195,112	339,053
Down Guys	1,057,194	463,455	593,739
Service	681,280	253,194	428,086
Meters	509,643	92,914	416,729
Transformers	4,935,599	2,253,614	2,681,985
OH Primary	2,085,131	525,781	1,559,350
OH Secondary	587,450	115,560	471,890
Airbreak/Reclosers/ & Disconnect	604,425	142,106	462,319
UG Primary	579,334	329,698	249,636
UG Secondary	158,158	39,528	118,630
UG Conduit, Duck Banks, Equip Pads, Manholes, Boxes, & Switches	1,409,371	641,432	767,939
Cutouts & Arresters & Other	292,674	19,874	272,800
TOTALS	**19,646,489.48**	**6,574,988**	**13,071,499.32**

Attachment I

ARIZONA PUBLIC SERVICE COMPANY
"ITEMIZATION OF SEXTON SUBSTATION AND
69KV LINE ASSETS AND CORRELATING COSTS"
As of June 30, 2008

Sexton Substation

Description	Original Cost	Accumulated Depreciation	Net Book Value
Land	104	-	104
Landscaping	2,176	1,746	430
Security Fence	1,303	1,046	257
Other Equipment	69	51	18
Perimeter Fence	3,927	3,152	775
Buildings - Roof	313	251	62
Containment Basis/ Berms	847	672	175
Outdoor or Yard Lighting	49	36	13
Roads, Sidewalks or Curbs	1,806	1,450	356
Site Clearing - Original Site	7,097	5,696	1,401
Grounding/Lightning Protection	147	114	33
Air Conditioning Unit - Complete	39	29	10
Protective or Sound Barrier Walls	7,582	6,085	1,497
Buildings - Building - Total Costs	5,535	4,442	1,093
Yard Drainage and Flood Protection	869	697	172
Control Panels	18,676	6,477	12,199
Other Equipment	2,075	720	1,355
Power Transformers	109,913	70,021	39,892
Circuit Breaker - 23 - 15 kV	28,282	8,709	19,573
Instrument Trans	353	219	134
Undetermined Switch, no volt rate	15,075	9,176	5,899
Totals	**206,236**	**120,789**	**85,448**

69kv Line East of Sexton Substation

Description	Original Cost	Accumulated Depreciation	Net Book Value
65 Foot Poles	$2,845	$2,845	$0
60 Foot Poles	$10,636	$10,636	$0
Tangent Fixtures	$1,703	$1,703	$0
#1 Wire	$4,110	$4,110	$0
Totals	**$19,294**	**$19,294**	**$0**

RECEIVED

2008 OCT 16 P 2: 13

AZ CORP COMMISSION
DOCKET CONTROL

EXHIBIT
APS-3
~~ADMITTED~~

BEFORE THE ARIZONA CORPORATION COMMISSION

MIKE GLEASON, Chairman
WILLIAM A. MUNDELL
JEFF HATCH-MILLER
KRISTIN K. MAYES
GARY PIERCE

IN THE MATTER OF THE SALE AND TRANSITION BY ARIZONA PUBLIC SERVICE TO ELECTRICAL DISTRICT NO. 3 OF CERTAIN ELECTRICAL FACILITIES IN PINAL COUNTY PURSUANT TO A.R.S. § 40-285(A) AND FOR DELETION FROM ITS CERTIFICATE OF CONVENIENCE AND NECESSITY CERTAIN AREAS IN PINAL COUNTY	DOCKET NO. E-01345A-08-0426 NOTICE OF FILING NOTICE OF ERRATA

Arizona Public Service Company hereby files its Notice of Errata to Attachment E to the Direct Testimony of Daniel Froetscher. A Revised Attachment E attached hereto contains corrections to the legal description of APS's current CC&N within the Proposed ED-3 Service Area. For ease of comparison, the revisions, both of which are found on page 2 to the attachment, have been highlighted.

RESPECTFULLY SUBMITTED this 16nd day of October, 2008.

Meghan H. Grabel
Thomas J. Mumaw
Pinnacle West Capital Corp. Law Department
Attorneys for Arizona Public Service Company

RECEIVED

OCT 16 2008

CORP COMM
Utilities

Original and 13 copies of the foregoing were filed this 16th day of October, 2008 with:

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

A copy of the foregoing was mailed or e-mailed this 16th day of October, 2008.

Bill Stacy
General Manager
Electric District No. 3
41630 W. Lewis Johnson Drive
Maricopa AZ 85239
bill@ed-3.org

Paul R. Orme Esq.
H.C. 63 Box 3042
Mayer, AZ 86333

Kenneth R. Saline
K.R. Saline & Associates, PLC
160 North Pasadena, Suite 101
Mesa, AZ 85201-6467
krs@krsaline.com

John P. Coyle, Esq.
Paul M. Breakman, Esq.
Duncan & Allen
1575 Eye Street, N.W., Sutie 300
Washington, D.C. 20005-1175

Steve Olea
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

Alexander Igwe
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

Revised Attachment E
10/16/08

Legal Description of APS's CC&N within Proposed ED-3 Service Area To Be Deleted

The described areas illustrate the boundary of the APS CNN.

Township 4 South, Range 2 East of the Gila and Salt River Meridian, Pinal County, Arizona,
All of Sections **13** to **19, 21, 22, 23, 26, 27, 28, 33, 34, 35.**

Township 4 South, Range 3 East of the Gila and Salt River Meridian, Pinal County, Arizona,
All of Sections **13** to **29** and **33** to **36;**
EXCEPT the following:
The SW4 and the S2 of the SE4 of Section **18,** and
The NW4 and the S2 of Section **19,** and
The W2 of the NW4 and the S2 of Section **29**, and
The S2 of the NW4 and the S2 of Section **33.**

Township 4 South, Range 4 East of the Gila and Salt River Meridian, Pinal County, Arizona,
All of Sections **16** to **22, 27** to **34.**
EXCEPT the following:
The E2 of Section **17,** and
The NE4 of Section **20,** and
The N2 of Section **21,** and
The N2 of Section **22.**

Township 5 South, Range 2 East of the Gila and Salt River Meridian, Pinal County, Arizona,
All of Sections **2** to **4, 10, 11, 13** to **17, 20** to **27, 32** to **36.**

Township 5 South, Range 3 East of the Gila and Salt River Meridian, Pinal County, Arizona,
All of Sections **1, 2, 3, 11, 12, 16** to **21, 25** to **36;**
EXCEPT the following:
The N2 of Section **25**, and
The N2 of Section **26**, and
The N2 of Section **27.**

Township 5 South, Range 4 East of the Gila and Salt River Meridian, Pinal County, Arizona,
All of Sections **3** to **15, 22** to **36** and Tracts **37** to **52;**
EXCEPT the following:
The W2 of Section **15**, and
The W2 of Section **22**, and
The SE4 of Section **24**, and
The E2 of the E2 of Section **25**, and
That portion of the NE4 of Section **25** lying north of the MARICOPA-CASA GRANDE HWY right of way, and
Those portions of Section **27, 28, 29** and **30** lying north of the following described line:
BEGINNING at the NW corner of Tract **43**; Thence North 89°07'55" East 2123.92 feet to the NE corner of Tract **43** also being the NW corner of Tract **42**; Thence North 89°56'03" East 2620.70 feet to the NE corner of Tract **42**; Thence South 00°02'28" West along the east line of Tract **42** 1814.83 feet; Thence North 89°50'01" East 1318.19 feet to a point on the

west line of Tract **53**; Thence North 00°01'36" East 1883.45 feet to the NW corner of Tract **53**; Thence South 89°05'54" East 5272.86 feet to the NE corner of Tract **53**; Thence South 00°07'59" East along the east line of Tract **53** 1808.01 feet; Thence South 89°37'54" East 4235.51 feet to a point on the west line of Tract **40**; Thence North 00°01'12" West 1861.85 feet along the west line of Tract **40** to the NW corner of Tract **40**; Thence North 89°59'58" East 2601.95 feet to the NE corner of Tract **40**; Thence North 00°03'58" East 827.35 feet to the N4 corner of Section **27** and **POINT OF TERMINUS.**

Township 5 South, Range 5 East of the Gila and Salt River Meridian, Pinal County, Arizona,
The S2 of the SW4 of the SW4 of Section **31**, and
That portion of Section **31** described as follows:
BEGINNING at the NW corner of Section **31**; Thence East along the North line of said Section **31** 50.00 feet; Thence South on a line parallel with and 50 feet east of the west line of said Section **31** to a point on the North line of the S2 of the SW4 of the SW4 of Section **31**, said point also being the **POINT OF TERMINUS.**

Township 6 South, Range 2 East of the Gila and Salt River Meridian, Pinal County, Arizona,
All of Sections **1 to 5, 9** to **16, 22** to **27, 34, 35, 36.**

Township 6 South, Range 3 East of the Gila and Salt River Meridian, Pinal County, Arizona,
All of Sections **1** to **31, 34, 35, 36.**

Township 6 South, Range 4 East of the Gila and Salt River Meridian, Pinal County, Arizona,
All of Sections **1** to **36;**
EXCEPT the following:

The E2 of Section **1**, and
That portion lying Northeasterly of the following described line:
BEGINNING at the N4 corner of Section **12**; Thence South 00°08'22" East along the North-South Mid-Section line of Section **12** 657.59 feet to the SW corner of the NW4 of the NW4 of the NE4 of Section **12**; Thence South 44°47'51" East to a **POINT OF TERMINUS** on the east line of the SE4 of Section **12.**

Township 6 South, Range 5 East of the Gila and Salt River Meridian, Pinal County, Arizona,
All of Sections **7, 17, 18, 19, 30, 31;**
EXCEPT the following:

That portion of Sections **7, 17** and **18** lying Northeasterly of the following described line:
BEGINNING at the S4 corner of Section **17**; Thence North 00°50'50" West along the North-South mid Section line of Section **17** 1333.11 feet to the NE corner of the SE 4 of the SW4 of Section **17**; Thence North 63°40'56" West through Section **17** and Section **18** 4472.70 feet; Thence North 44°47'51" West through Sections **18** and **7** to a **POINT OF TERMINUS** on the west line of the SW4 of Section **7.**

Township 7 South, Range 2 East of the Gila and Salt River Meridian, Pinal County, Arizona,
All of Sections **1, 10, 11, 12.**

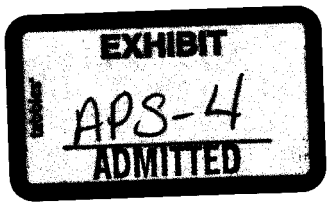
Township 7 South, Range 3 East of the Gila and Salt River Meridian, Pinal County, Arizona,
All of Sections **1, 5, 6.**

Revised Attachment E
10/16/08

Township 7 South, Range 4 East of the Gila and Salt River Meridian, Pinal County, Arizona,
All of Sections **1** to **6**, **8** to **17**, **23** to **26**, **35**, **36**.

Township 7 South, Range 5 East of the Gila and Salt River Meridian, Pinal County, Arizona,
All of Sections **6**, **7**, **9**, **10**, **15** to **24**;
EXCEPT the following:
The W2 of Section **9**.

APS Exhibit 4



Susan Casady
Supervisor
Regulatory Affairs

Tel. 602-250-2709
Fax 602-250-3003
e-mail Susan.Casady@aps.com

Mail Station 9708
PO Box 53999
Phoenix, Arizona 85072-3999

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2008 AUG 28 A 10: 09
AZ CORP COMMISSION
DOCKET CONTROL

August 27, 2008

Docket Control
Arizona Corporation commission
1200 West Washington Street
Phoenix, Arizona 85007

Re: Arizona Public Service's Application for the Sale of Certain Distribution Assets and Deletion from its CC&N of Certain Areas in Pinal County
ACC Docket No. E-01345A-08-0426

Dear Sir or Madam:

In the Arizona Public Service ("APS") application filed on August 11, 2008, in the above captioned matter, APS stated that the Company would notify Ak-Chin Indian Community of its intent remove its service obligations in that area to the Chairman of the Ak-Chin Indian Community Tribal Council, the Utility Manager of ACES and also to the Chairman of the Board of ACES. Please find attached a copy of the Ak-Chin letter that was sent to these individuals.

Also, APS recently sent our customers in portions of Pinal County a letter advising them that the Company had filed the above referenced application. The letter also contained a link to a website where customers can learn more about the application and provided a phone number and electronic mail address for any further questions our customers may have regarding the application. Please find attached a copy of that customer letter.

If you have questions, please contact me at 602-250-2709.

Sincerely,

Susan Casady

Susan Casady

SC/dmk

Enclosure

Cc: Alexander Ijwe
Steve Olea
Vicki Wallace

APS A subsidiary of Pinnacle West Capital Corporation

Daniel T. Froetscher
General Manager
Energy Delivery

318 N. Marshall
Casa Grande, AZ 85222

August 22, 2008

Dear APS Customer,

APS has some important news to share with you about your electric service provider.

On August 11, 2008, APS submitted an application to the Arizona Corporation Commission (ACC) for approval to sell its electric distribution facilities in the area to Electrical District No. 3 (ED-3).

Under the application, which must be approved by the ACC, current APS customers who reside within ED-3's proposed service boundary will be served by ED-3. We take great pride in the service we provide our customers, and we struggle with the idea of seeing 4,000 loyal customers transition to another electric service provider. However, we believe our customers will be best served by the move.

Currently, APS customers in the area are served by APS power lines that are connected with ED-3's electric system. This unique arrangement creates occasional confusion regarding which utility is responsible for repairs, can result in delays in restoring service, increases costs for both utilities, and poses a potential risk to the safety of our employees and the public.

Over the past several years, these operational challenges and tremendous growth in the area have prompted the two companies to find a more effective solution to serving the area. Approval of the application will result in a single electric utility with the responsibility of maintaining critical infrastructure and ensuring reliable service in the area. ED-3 currently serves more than 17,000 customers in the area and has proven to be a capable and reliable service provider.

Customers affected by this change will benefit from operational efficiencies that will appear seamless and may not be immediately evident to you. Benefits the two companies expect to result from the sale include:

- Consolidation of facilities under one company to lessen confusion and delays in service restoration while identifying whose facilities belong to which utility;
- Improved employee and public safety; and
- Cost savings.

We understand this letter may prompt more questions than it answers. To be candid, there are some questions that may not have answers at this point, but we are committed to keeping you informed through the process. We have established a Web site, www.aps.com/ed3, which will be updated regularly. Should you have questions about the transition, you can call (520) 421-8455.

In the coming months, we plan on hosting a community open house, the details of which will be mailed to you and posted on the Web site mentioned above. In addition, you can share your thoughts and questions with us via e-mail at ed3@aps.com.

In the meantime, if there is anything we can do to assist you during this transition, please let us know. It has been our pleasure to serve you.

Sincerely,

Daniel T. Froetscher
APS General Manager of Energy Delivery

August 26, 2008

Ms. Delia Carlyle, Chairman
Ak-Chin Indian Community
42507 West Peters and Nall Rd.
Maricopa, Az. 85238

Re: APS Application to withdraw CC&N

Dear Chairman Carlyle,

I write you in regards to a recent application submitted by Arizona Public Service Company ("APS" or "Company") to the Arizona Corporation Commission ("ACC") regarding the deletion of the Ak-Chin Indian Community lands from the Company's Certificate of Convenience and Necessity ("CC&N").

As you know, APS sold its electrical distribution facilities to the Ak-Chin Indian Community a little more than ten years ago when the Ak-Chin decided to establish a tribal utility authority to own and control the electrical distribution facilities on the Reservation. The sale of the facilities to the Ak-Chin was approved by the ACC on September 29, 1997 in Decision Number 60433. At that time, APS did not seek to withdraw its Certificate of Convenience and Necessity ("CC&N") covering the Ak-Chin Indian Community.

Recently, on August 11, 2008, APS filed an application with the ACC seeking, for various reasons, permission to sell its distribution facilities in much of Western Pinal County to Electrical District Number Three ("ED-3") and also to delete ED-3's service area from the Company's CC&N . Given the geographic location of the Ak-Chin Indian Community within ED-3's service area, coupled with the fact that APS has no customers on the Ak-Chin Community Reservation and no realistic prospects of obtaining future customers, APS has also requested in its filing that the ACC delete the Ak-Chin lands from its Certificate of Convenience and Necessity ("CC&N"). APS views the deletion of the CC&N in this regard as the final step in transitioning the provision of electric service from APS to Ak-Chin that was initiated in 1997.

We value the relationship we enjoy with the Ak-Chin and wanted to be sure you were aware of our filing and request to delete your lands from our CC&N. The application is filed at the ACC as Docket Number E-01345A-08-0426 and is available for your review. I would also be happy to send you or your designee an electronic copy of the filing if you so desire.

If you have any questions or concerns regarding this matter, or if you would like a copy of the filing, please do not hesitate to give me a call at 602-250-4101 or contact me via e-mail at Daniel.Froetscher@aps.com. I appreciate the opportunity to be of service and hope that if you have any questions, you will contact me.

Sincerely,

Daniel T. Froetscher
General Manager, Rural Az. Delivery

Cc: Chairman Charles Carlyle, Ak-Chin Energy Services
Mr. Lenny Gold, Utility Strategies Consulting Group, LLC
Jim Valenzuela, APS
Evelyn Casuga, APS

APS Exhibit 5

Leland R. Snook
Director
State Regulation & Pricing

Tel. 602-250-3730
Fax 602-250-3003
e-mail Leland.Snook@aps.com

Mail Station 9708
PO Box 53999
Phoenix, Arizona 85072-3999

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2009 MAR 17 P 4:44
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DOCKET CONTROL

EXHIBIT
APS-5
ADMITTED

March 17, 2009

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MAR 17 2009
AZ CORP COMM
Director Utilities

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

RE: Public Notice of Hearing for the Sale and Transfer of Certain Facilities to Electric District No. 3
Docket No. E-01345A-08-0426

Pursuant to a Procedural Order dated February 10, 2009:

> ...APS shall mail to each customer affected by the transfer and all property owners in the transfer area a copy of the above notice, and shall cause the above notice to be published at least once in a newspaper of general circulation in the transfer area service territory, such mailing and publication to be complete by March 6, 2009.

Attached is the Affidavit of Publication from the Casa Grande Dispatch certifying that the required public notice was published in the Casa Grande Dispatch newspaper on March 3, 2009, and a second Affidavit of Publication from the Casa Grande Dispatch certifying that the required public notice was published in the Maricopa Monitor newspaper on February 27, 2009.

Also, attached is a copy of the public notice that was mailed to each customer affected by the transfer and all property owners in the transfer area on March 3, 2009.

If you have any questions or concerns, please call Jennie Vega at 602-250-2038.

Sincerely,

Leland R. Snook

Attachments

LS/dst

CC: Steve Olea
Alexander Igwe
Deborah Reagan
Parties of Record (via electronic mail)

STATE OF ARIZONA
COUNTY OF PINAL } ss.

PUBLIC NOTICE OF HEARING ON THE A
AND TRANSFER TO ELECTRICAL DISTRIC
THE DELETION FROM ITS CERTIFICATE OF
(D

Summary

On August 11, 2008, Arizona Public Service Company pursuant to A.R.S. 40-285(A), for the sale of certain e from its certificate of Convenience and Necessity of ce a waiver of Arizona Administrative Code R14-2-212(one-time approval for APS to provide ED-3 with custo only from those APS customers that will be transferrec held on a strictly confidential basis by ED-3 and used c R14-2-203(A)(2) and specific language authorizing imp Standards ("RES") and APS' Demand Side Managemen for the sale of its electrical facilities.

If the application is approved, approximately 4,000 AP It is important to note that existing ED-3 customers v remain confidentially held by ED-3. APS has establish may call APS at (520) 421-8455 with questions or you

How You Can View or Obtain a Copy of the

Copies of the application are available at APS' offices, 3 1200 West Washington, Phoenix, Arizona, for public ir (www.azcc.gov) using the e-Docket function.

Arizona Corporation Commission Public H

The Commission will hold a hearing on this matter Commission's offices, 1200 West Washington Stree day of the hearing. Written public comments may be Corporation Commission, Consumer Services Secti instructions on how to e-mail comments to the Com you require assistance, you may contact the Consum

About Intervention

The law provides for an open public hearing at which, entitled by law to intervene and having a direct and su you must file a written motion to intervene with the Co to APS or its counsel and to all parties of record. Your

1. Your name, address, and telephone number and th is to be made, if not yourself;

Affidavit of Publication

DONOVAN M. KRAMER SR. first being duly sworn deposes and says: That he is a native born citizen of the United States of America, over 21 years of age, that he is publisher of the Casa Grande Dispatch, a daily newspaper published at Casa Grande, Pinal County, Arizona, Tuesday through Sunday of each week; that a notice, a full, true and complete printed copy of which is hereunto attached, was printed in the regular edition of said newspaper, and not in a supplement thereto, for ONE consecutive issues the first publication thereof having been on the 3RD

day of MARCH A.D., 2009

Second publication _____

Third publication _____

Fourth publication _____

Fifth publication _____

Sixth publication _____

CASA GRANDE DISPATCH

By Donovan M. Kramer Sr.
DONOVAN M. KRAMER SR., Publisher

Sworn to before me this 9th

day of March A.D. 2009

Debbie L. Mumme

Notary Public in and for the County of Pinal, State of Arizona

Official Seal
NOTARY PUBLIC
State of Arizona
County of Pinal
DEBBIE L. MUMME
My Comm. Expires 10-23-2009

PAID PUBLIC NOTICE

APS EXHIBIT 4

PUBLIC NOTICE OF HEARING ON THE APPLICATION OF ARIZONA PUBLIC SERVICE COMPANY FOR THE SALE AND TRANSFER TO ELECTRICAL DISTRICT NO. 3 OF CERTAIN ELECTRICAL FACILITIES IN PINAL COUNTY AND THE DELETION FROM ITS CERTIFICATE OF CONVENIENCE AND NECESSITY OF CERTAIN AREAS IN PINAL COUNTY (DOCKET NO. E-01345A-08-0426)

Summary

On August 11, 2008, Arizona Public Service Company ("APS") filed an application with the Arizona Corporation Commission ("Commission") pursuant to A.R.S. 40-285(A), for the sale of certain electrical facilities in Pinal County to Electrical District No. 3 ("ED-3") and for deletion from its certificate of Convenience and Necessity of certain areas in Pinal County. For the sole purpose of this transaction, APS has requested a waiver of Arizona Administrative Code R14-2-212(I), which considers all customer information to be confidential. The waiver requests a one-time approval for APS to provide ED-3 with customer-specific information such as customer name, address, billing rate, energy usage, etc. only from those APS customers that will be transferred to ED-3 and only upon approval of the Application. The information will continue to be held on a strictly confidential basis by ED-3 and used only for the purposes of providing electrical service. APS also requested a waiver of AAC R14-2-203(A)(2) and specific language authorizing impacted customers to remain eligible to participate in the Commission's Renewable Energy Standards ("RES") and APS' Demand Side Management ("DSM") programs up to the date on which the Commission approves APS' application for the sale of its electrical facilities.

If the application is approved, approximately 4,000 APS customers who reside in the Maricopa and Stanfield areas will be transferred to ED-3. It is important to note that existing ED-3 customers will NOT be impacted by this transition and their account information will continue to remain confidentially held by ED-3. APS has established a Web site with information regarding this application at www.aps.com/ed3 or you may call APS at (520) 421-8455 with questions or you may contact ED-3 at its website www.ed3online.org.

How You Can View or Obtain a Copy of the Application

Copies of the application are available at APS' offices, 318 N. Marshall, Casa Grande, Arizona, and at the Commission's Docket Control Center at 1200 West Washington, Phoenix, Arizona, for public inspection during regular business hours and on the Internet via the Commission's website (www.azcc.gov) using the e-Docket function.

Arizona Corporation Commission Public Hearing Information

The Commission will hold a hearing on this matter beginning April 2, 2009, at 10:30 a.m., or as soon thereafter as is practical, at the Commission's offices, 1200 West Washington Street, Hearing Room 100, Phoenix, Arizona. Public comments will be taken on the first day of the hearing. Written public comments may be submitted by mailing a letter referencing Docket No. E-01345A-08-0426 to Arizona Corporation Commission, Consumer Services Section, 1200 West Washington, Phoenix, AZ 85007, or by e-mail. For a form to use and instructions on how to e-mail comments to the Commission, go to http://www.azcc.gov/divisions/utilities/forms/public_comment.pdf. If you require assistance, you may contact the Consumer Services Section at 1-800-222-7000.

About Intervention

The law provides for an open public hearing at which, under appropriate circumstances, interested parties may intervene. Any person or entity entitled by law to intervene and having a direct and substantial interest in the matter will be permitted to intervene. If you desire to intervene, you must file a written motion to intervene with the Commission no later than March 18, 2009. You must send a copy of the motion to intervene to APS or its counsel and to all parties of record. Your motion to intervene must contain the following:

1. Your name, address, and telephone number and the name, address, and telephone number of any party upon whom service of documents is to be made, if not yourself;
2. A short statement of your interest in the proceeding (e.g., a customer of APS, a shareholder of APS, etc.); and
3. A statement certifying that you have mailed a copy of the motion to intervene to APS or its counsel and to all parties of record in the case.

The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except that all motions to intervene must be filed on or before March 18, 2009. If representation by counsel is required by Rule 31 of the Rules of the Arizona Supreme Court, intervention will be conditioned upon the intervenor obtaining counsel to represent the intervenor. For information about requesting intervention, visit the Commission's website at http://www.azcc.gov/divisions/utilities/forms/interven.pdf. The granting of intervention, among other things, entitles a party to present sworn evidence at the hearing and to cross-examine other witnesses. However, failure to intervene will not preclude any interested person or entity from appearing at the hearing and providing public comment on the application or from filing written comments in the record of the case.

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No. of publications: 1; date of publication: March 3, 2009

STATE OF ARIZONA
COUNTY OF PINAL } ss.

PUBLIC NOTICE OF HEARING ON THE A
AND TRANSFER TO ELECTRICAL DISTRIC
THE DELETION FROM ITS CERTIFICATE OF
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Summary

On August 11, 2008, Arizona Public Service Company
pursuant to A.R.S. 40-285(A), for the sale of certain el
from its certificate of Convenience and Necessity of ce
a waiver of Arizona Administrative Code R14-2-212(I
one-time approval for APS to provide ED-3 with custor
only from those APS customers that will be transferred
held on a strictly confidential basis by ED-3 and used o
R14-2-203(A)(2) and specific language authorizing imp
Standards ("RES") and APS' Demand Side Managemen
for the sale of its electrical facilities.

If the application is approved, approximately 4,000 AP
It is important to note that existing ED-3 customers w
remain confidentially held by ED-3. APS has establish
may call APS at (520) 421-8455 with questions or you

How You Can View or Obtain a Copy of the

Copies of the application are available at APS' offices, 31
1200 West Washington, Phoenix, Arizona, for public in
(www.azcc.gov) using the e-Docket function.

Arizona Corporation Commission Public H

The Commission will hold a hearing on this matter
Commission's offices; 1200 West Washington Street
day of the hearing. Written public comments may be
Corporation Commission, Consumer Services Sectio
instructions on how to e-mail comments to the Com
you require assistance, you may contact the Consum

About Intervention

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you must file a written motion to intervene with the Co
to APS or its counsel and to all parties of record. Your

1. Your name, address, and telephone number and the
is to be made, if not yourself;

Affidavit of Publication

DONOVAN M. KRAMER SR. first being duly sworn deposes and says: That he is a native born citizen of the United States of America, over 21 years of age, that he is publisher of the Casa Grande Dispatch, a daily newspaper published at Casa Grande, Pinal County, Arizona, Tuesday through Sunday of each week; that a notice, a full, true and complete printed copy of which is hereunto attached, was printed in the regular edition of said newspaper, and not in a supplement thereto, for ONE consecutive issues the first publication thereof having been on the 27TH

day of FEBRUARY A.D., 2009

Second publication _____

Third publication _____

Fourth publication _____

Fifth publication _____

Sixth publication _____

*** MARICOPA MONITOR ***

CASA GRANDE DISPATCH

By _____ PK
DONOVAN M. KRAMER SR., Publisher

Sworn to before me this 3rd
day of March A.D., 2009

Notary Public in and for the County
of Pinal, State of Arizona

Official Seal
NOTARY PUBLIC
State of Arizona
County of Pinal
ARMELIA M SANCHEZ
My Comm Expires 09-30-2009

PAID PUBLIC NOTICE

APS EXHIBIT 4

PUBLIC NOTICE OF HEARING ON THE APPLICATION OF ARIZONA PUBLIC SERVICE COMPANY FOR THE SALE AND TRANSFER TO ELECTRICAL DISTRICT NO. 3 OF CERTAIN ELECTRICAL FACILITIES IN PINAL COUNTY AND THE DELETION FROM ITS CERTIFICATE OF CONVENIENCE AND NECESSITY OF CERTAIN AREAS IN PINAL COUNTY (DOCKET NO. E-01345A-08-0426)

Summary

On August 11, 2008, Arizona Public Service Company ("APS") filed an application with the Arizona Corporation Commission ("Commission") pursuant to A.R.S. 40-285(A), for the sale of certain electrical facilities in Pinal County to Electrical District No. 3 ("ED-3") and for deletion from its certificate of Convenience and Necessity of certain areas in Pinal County. For the sole purpose of this transaction, APS has requested a waiver of Arizona Administrative Code R14-2-212(I), which considers all customer information to be confidential. The waiver requests a one-time approval for APS to provide ED-3 with customer-specific information such as customer name, address, billing rate, energy usage, etc. only from those APS customers that will be transferred to ED-3 and only upon approval of the Application. The information will continue to be held on a strictly confidential basis by ED-3 and used only for the purposes of providing electrical service. APS also requested a waiver of AAC R14-2-203(A)(2) and specific language authorizing impacted customers to remain eligible to participate in the Commission's Renewable Energy Standards ("RES") and APS' Demand Side Management ("DSM") programs up to the date on which the Commission approves APS' application for the sale of its electrical facilities.

If the application is approved, approximately 4,000 APS customers who reside in the Maricopa and Stanfield areas will be transferred to ED-3. It is important to note that existing ED-3 customers will NOT be impacted by this transition and their account information will continue to remain confidentially held by ED-3. APS has established a Web site with information regarding this application at www.aps.com/ed3 or you may call APS at (520) 421-8455 with questions or you may contact ED-3 at its website www.ed3online.org.

How You Can View or Obtain a Copy of the Application

Copies of the application are available at APS' offices, 318 N. Marshall, Casa Grande, Arizona, and at the Commission's Docket Control Center at 1200 West Washington, Phoenix, Arizona, for public inspection during regular business hours and on the Internet via the Commission's website (www.azcc.gov) using the e-Docket function.

Arizona Corporation Commission Public Hearing Information

The Commission will hold a hearing on this matter beginning April 2, 2009, at 10:30 a.m., or as soon thereafter as is practical, at the Commission's offices, 1200 West Washington Street, Hearing Room 100, Phoenix, Arizona. Public comments will be taken on the first day of the hearing. Written public comments may be submitted by mailing a letter referencing Docket No. E-01345A-08-0426 to Arizona Corporation Commission, Consumer Services Section, 1200 West Washington, Phoenix, AZ 85007, or by e-mail. For a form to use and instructions on how to e-mail comments to the Commission, go to http://www.azcc.gov/divisions/utilities/forms/public_comment.pdf. If you require assistance, you may contact the Consumer Services Section at 1-800-222-7000.

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No. of publications: 1; date of publication: February 27, 2009

PUBLIC NOTICE OF HEARING ON THE APPLICATION OF ARIZONA PUBLIC SERVICE COMPANY FOR THE SALE AND TRANSFER TO ELECTRICAL DISTRICT NO. 3 OF CERTAIN ELECTRICAL FACILITIES IN PINAL COUNTY AND THE DELETION FROM ITS CERTIFICATE OF CONVENIENCE AND NECESSITY OF CERTAIN AREAS IN PINAL COUNTY (Docket No. E-01345A-08-0426)

Summary

On August 11, 2008, Arizona Public Service Company ("APS") filed an application with the Arizona Corporation Commission ("Commission") pursuant to A.R.S. 40-285(A), for the sale of certain electrical facilities in Pinal County to Electrical District No. 3 ("ED-3") and for deletion from its certificate of Convenience and Necessity of certain areas in Pinal County. For the sole purpose of this transaction, APS has requested a waiver of Arizona Administrative Code R14-2-212(I), which considers all customer information to be confidential. The waiver requests a one-time approval for APS to provide ED-3 with customer-specific information such as customer name, address, billing rate, energy usage, etc. only from those APS customers that will be transferred to ED-3 and only upon approval of the Application. The information will continue to be held on a strictly confidential basis by ED-3 and used only for the purposes of providing electrical service. APS also requested a waiver of AAC R14-2-203(A)(2) and specific language authorizing impacted customers to remain eligible to participate in the Commission's Renewable Energy Standards ("RES") and APS' Demand Side Management ("DSM") programs up to the date on which the Commission approves APS' application for the sale of its electrical facilities.

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318 N. Marshall
Casa Grande, AZ 85222

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APS Exhibit 6

EXHIBIT APS-6 ADMITTED

BEFORE THE ARIZONA CORPORATION COMMISSION

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AZ CORP COMMISSION DOCKET CONTROL

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AZ CORP COMM
Director Utilities

COMMISSIONERS

KRISTIN K. MAYES
GARY PIERCE
PAUL NEWMAN
SANDRA D. KENNEDY
BOB STUMP

IN THE MATTER OF THE SALE AND TRANSITION BY ARIZONA PUBLIC SERVICE TO ELECTRICAL DISTRICT NO. 3 OF CERTAIN ELECTRICAL FACILITIES IN PINAL COUNTY PURSUANT TO A.R.S. § 40-285 (A) AND FOR DELETION FROM ITS CERTIFICATE OF CONVENIENCE AND NECESSITY CERTAIN AREAS IN PINAL COUNTY.	DOCKET NO. E-01345A-08-0426 **JOINT TRANSITION PLAN OF APS AND ED-3 AND REQUESTS FOR WAIVER OF CERTAIN RULES PURSUANT TO A.A.C. R14-2-212(I) AND SPECIFIC ORDERING LANGUAGE TO EFFECTUATE SUCH PLAN**

On August 11, 2008, APS filed an application ("Application") for the sale by Arizona Public Service Company ("APS" or "Company") to Electrical District Number 3 ("ED-3") of certain electrical facilities in Pinal County pursuant to A.R.S. 40-285(A), and for deletion from its Certificate of Convenience and Necessity certain areas in Pinal County. Transferring the Company's assets and customers within the proposed ED-3 Service Area as contemplated by the Company's Application requires careful planning and cooperation between the parties to provide as smooth a transition for customers as possible. In that vein, APS and ED-3 are working closely together to assure that, if the Arizona Corporation Commission ("Commission") approves the Company's Application, the transfer of APS's distribution system and customers in the ED-3 Service Area will occur in as timely and straightforward a manner as possible.

To that end, the parties determined that the following "transition plan" will best serve the interests of those APS customers that would be affected if the Company's

Application is approved. This plan outlines the parties' intended course of action with respect to several areas: (1) customer notification of the Application; (2) communications with the customer upon approval of the Application; (3) the transfer of operational information from APS to ED-3; (4) the transfer of customer information from APS to ED-3; (5) the treatment of customer applications for installations of equipment that may qualify under the Commissions Renewable Energy Standards ("RES") or the Company's Demand Side Management ("DSM") program guidelines; and (6) the rate-treatment of low-income customers. Where necessary to effectuate this transition, and as described more fully herein, APS respectfully requests, pursuant to A.A.C. R14-2-212(I), that, for the sole purposes of the transaction contemplated by the Company's Application, the Commission include in its final Order in this matter a waiver of rule A.A.C. R14-2-203(A)(2) of the Arizona Administrative Code, and specific language authorizing the Company's proposed treatment of certain RES and DSM projects undertaken by customers affected by the Company's Application.

1. CUSTOMER NOTIFICATION OF APPLICATION.

As expressed in the Company's Community Outreach Plan (attached to the Testimony of Daniel Froetscher in support of the Company's Application at Attachment F), APS and ED-3 are each committed to educating all affected customers of the facts and circumstances underlying the Application and to informing customers of how the Application will affect them. APS and ED-3 have each taken a series of actions to effectuate that goal, including designing and maintaining public websites devoted to educating the public about the Company's Application and responding to all inquiries directed at APS and ED-3 regarding the matter. APS sent a letter to customers advising them of the Application and that communications will continue throughout the process. APS and ED-3 also made a brief presentation to the City Council of Maricopa at their

7/15 and 10/21 Work Study Sessions to discuss the proposed transaction and outline efforts to communicate with customers in the proposed ED-3 Service Area.

In addition, APS and ED-3 have jointly held two community open house events – one in Stanfield, Arizona on October 23, 2008, and another in Maricopa, Arizona, on October 28, 2008. To make customers aware of these open houses, the Company sent letters to its customers located within the proposed ED-3 Service Area and placed advertisements in relevant local newspapers, inviting all area residents to attend. Representatives from both ED-3 and APS were present and available at the open houses to discuss the background and current status of the Company's Application, and to resolve any concerns expressed by area residents.

As described in the Community Outreach Plan, APS and ED-3 will continue to communicate with all customers residing in the proposed ED-3 Service Area throughout the application process and will continue to address customer questions and concerns in order to make the transition as smooth and transparent as possible.

2. CUSTOMER COMMUNICATIONS UPON APPROVAL OF APPLICATION.

If the Company's Application is approved, APS and ED-3 will provide all affected customers with written notice of that approval. This notice will contain information regarding the exact date on which that customer will be transferred from APS to ED-3 (based on APS's normal meter reading cycle for each customer), information regarding how APS's final meter reading and billing will be handled, and information regarding the applicability of any security deposits, line extension advances, and credit or debit balances with APS. In that regard, the communication will make clear that, to the extent that APS holds a security deposit for the customer at the time of the transfer, APS will apply that deposit to the customer's final bill and

refund any remaining balance. Credit balances will also be refunded at such time, and any existing debit balances will be due from the customer upon that customer's receipt of the final bill. APS customers eligible for refunds under refundable line extension agreements will receive a full refund of such amounts upon the closing of the transfer of assets to ED-3.

In this same communication, customers will be provided with a listing of ED-3's available rates, programs, and deposit and credit policies. Customers will be asked to choose an ED-3 rate for which they qualify and will be given a deadline for doing so. The communication will also clarify that if such deadline passes and the customer has not selected an ED-3 rate, that customer will be placed automatically on the ED-3 rate that is most comparable to its current APS rate. The letter will also make clear that both APS and ED-3 are available to answer any questions remaining about the transfer and how it will affect that specific customer, and will provide contact information for personnel at both utilities who will be available to address the customer's needs.

Finally, customers that are currently enrolled in special programs offered by APS such as Equalizer, automatic payment, and the like will be asked in the same communication outlined above to discuss whether the customer would like to continue to participate in similar programs through ED-3.

3. TRANSFER OF OPERATIONAL INFORMATION FROM APS TO ED-3.

If the Company's Application is approved, APS will provide ED-3 available information regarding its distribution operations in the relevant area. Such information will include the following:

- Maps of the area, including GIS maps, wall maps, one-lines and cabinet details.
- Right-of-way, survey and easement information.

- Meter locations, routes, and other relevant metering information.
- Locations of regulators, capacitor banks, reclosers, switches, and fuses.
- Equipment records.

APS operations personnel will work closely with ED-3 personnel before, during, and after any transfer of equipment and information to assure that the transfer of APS's distribution system and customers to ED-3 will occur in as seamless and straightforward a manner as possible.

4. TRANSFER OF CUSTOMER INFORMATION FROM APS TO ED-3.

If the Company's Application is approved, ED-3 will require certain information regarding the APS customers that it will serve. For residential customers, this may include their name, relevant contact and identification information, billing and service addresses, kilowatt hour and kilowatt demand usage history, meter number and meter code, the rates and programs in which the customer is then participating with APS, and whether that customer is on a medical monitoring account. For non-residential customers, this may include similar information, including business identification information, federal tax id number, and officer identities. Such information is reasonably necessary for ED-3 to establish service with the customer, thereby effectuating the transition of that customer from APS to ED-3. ED-3 will take commercially reasonable steps to protect and preserve the confidentiality of all customer-specific information APS provides, in accordance with ED-3's privacy policies and applicable law.

APS is concerned that it may be prohibited from providing this customer-specific information to ED-3 without a waiver from the Commission from the requirements of A.A.C. R14-2-203(A)(2). That rule prohibits APS from releasing any customer-specific information "without specific prior written customer authorization

unless the information is requested by a law enforcement or other public agency, or is requested by the Commission or its staff, or is reasonably required for legitimate account collection activities, or is necessary to provide safe and reliable service to a customer."

So that APS may provide ED-3 with information relating to the APS customers that will be transferred to ED-3 upon approval of the Company's application, APS hereby requests that the Commission include in its final Order in this matter either: (a) a waiver pursuant to A.A.C. R14-2-212(I) from the requirements of A.A.C. R14-2-203(A)(2) for all customers affected by the Company's Application and for the sole purpose of the transaction contemplated therein, or (b) a declaration that the transfer of customer-specific information from APS to ED-3 as contemplated by the Application does not require a waiver from A.A.C. R14-2-203(A)(2) because, in these circumstances, APS's release of such information falls within one of the exceptions to that rule (that, for example, it is "reasonably required for legitimate account collection activities" or is "necessary to provide safe and reliable service to a customer").

5. TREATMENT OF CUSTOMER APPLICATIONS FOR INSTALLATIONS THAT WOULD QUALIFY UNDER THE COMMISSION'S RENEWABLE ENERGY STANDARDS OR APS'S DEMAND SIDE MANAGEMENT PROGRAM.

APS intends for all of its current customers (residential, commercial, and industrial) to remain eligible to participate in the Company's RES and DSM programs up to the date, if any, that the Commission approves the Company's Application. The Company anticipates, however, that some customers will have applied for an incentive from APS under the Company's RES or DSM programs, but the projects will not be completed prior to the date, if any, that the Commission approves the Company's Application. The Company believes that any current APS customer that applies for an

applicable energy saving and/or renewable energy installation project prior to that customer's potential transition to ED-3 should be motivated to complete such project and receive the applicable incentive from APS even after the customer's transfer to ED-3, under reasonable conditions. To achieve this end, and with the Commission's approval, the Company hopes to proceed in these circumstances as follows:

With respect to RES projects, if APS has received an application from an APS customer (whether residential or non-residential) for an incentive under one of the Company's RES programs and the customer has a reservation in place for a RES-qualifying installation at the time the Company's Application is approved, APS will honor that customer's reservation and will provide the customer with the applicable incentive even after that customer's transfer to ED-3, if: (a) the customer completes the installation and interconnection of the applied-for RES project before or within twelve (12) months from the date of the Commission's approval of the Company's Application; and (b) the Commission includes specific language in the Order in this matter that allows the Company to continue to pay such incentives to APS customers from RES funds after the transfer under the circumstances described and permits APS to credit such incentives toward APS RES distributed generation targets.

Similarly, if any customer (residential or non-residential) affected by the Company's Application has applied with APS for an incentive related to any of the Company's Commission-approved DSM programs, and that application remains pending at the time the Company's Application is approved, APS will pay the applicable incentive to such customer provided that: (a) the customer completes the qualifying project before or within twelve (12) months from the date of the Commission's approval of the Company's Application, and (b) the Commission includes specific language in the Order in this matter that allows the Company to

continue to pay such incentives to APS customers after the transfer under the circumstances described and permits the Company to recover the costs relating to that incentive through APS's Demand Side Management Adjustment Clause and claim the energy savings resulting from that project for all DSM-related regulatory purposes.

6. TREATMENT OF LOW INCOME CUSTOMERS.

Approximately 190 of the customers affected by the Company's Application are enrolled in APS's low income assistance programs through rate schedules E-3 and E-4. Although ED-3 does not offer similar low-income assistance programs, it has agreed to apply a low-income discount in an amount that matches that of APS's E-3 and E-4 rates for those APS customers that are enrolled in those programs at the time the Company's Application is approved so that such customers will continue to receive the same low-income assistance they currently receive as APS customers.

CONCLUSION

As previously described, APS and ED-3 are committed to working together throughout the transfer process in an attempt to anticipate issues that may arise and to be prepared to address those issues in a manner that best serves the APS customers affected by the Company's Application. APS believes that the foregoing transition plan is in the best interests of its customers, and that the requested waivers serve the public interest and should therefore be granted.

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. . .

RESPECTFULLY SUBMITTED this 5th day of January, 2009.

PINNACLE WEST CAPITAL CORPORATION

Thomas L. Mumaw

Meghan H. Grabel
Thomas L. Mumaw
Joseph A. D'Aguanno
Pinnacle West Capital Corp. Law Department
Attorneys for Arizona Public Service Company

Original and 13 copies of the foregoing were filed this 5th day of January, 2009 with:

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

All Parties of Record

Donna Turner

EXHIBIT
ED3-1
ADMITTED

BEFORE THE ARIZONA CORPORATION COMMISSION

MIKE GLEASON
Chairman
WILLIAM A. MUNDELL
Commissioner
JEFF HATCH-MILLER
Commissioner
KRISTIN K. MAYES
Commissioner
GARY PIERCE
Commissioner

IN THE MATTER OF THE SALE AND TRANSITION BY ARIZONA PUBLIC SERVICE TO ELECTRICAL DISTRICT NO. 3 OF CERTAIN ELECTRICAL FACILITIES IN PINAL COUNTY PURSUANT TO A.R.S. § 40-285(A) AND FOR DELETION FROM ITS CERTIFICATE OF CONVENIENCE AND NECESSITY CERTAIN AREAS OF PINAL COUNTY	**DOCKET NO. E-01345A-08-0426**

DIRECT TESTIMONY

OF

DAVID BENEDICT

On Behalf of
Electrical District No. 3

Filed on:
August 12, 2008

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I. CREDENTIALS

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is David "Brett" Benedict. My business address is 41630 West Louis Johnson Boulevard, Maricopa, Arizona, 85239.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am the Director of Financial Services for Electrical District No. 3 of Pinal County ("ED3"). My responsibilities include oversight of all financial activities of ED3. I have served in this position since 2004.

Q. WHAT IS YOUR EDUCATIONAL AND PROFESSIONAL BACKGROUND?

A. I graduated from Thunderbird, American Graduate School of International Management, with a Masters in International Business. I received my Bachelor of Science from the University of Arizona.

Prior to joining ED3, I was Chief Financial Officer of Benedict Feeding Company, which fed over twenty thousand head of cattle with annual revenues of over $7 million; I also owned and managed a diversified farming operation with as many as a thousand acres and annual sales of about $2 million.

Q. IN WHAT CAPACITY ARE YOU PRESENTING YOUR TESTIMONY?

A. I am presenting this testimony on behalf of ED3 to support APS's application relating to the proposed sale of APS facilities to ED3 and the deletion of the ED3 Service Area from APS's Certificate of Convenience and Necessity ("CC&N").

Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE ARIZONA CORPORATION COMMISSION ("COMMISSION")?

A. No, I have not previously testified before this Commission.

II. SUMMARY AND PURPOSE OF TESTIMONY; INTRODUCTION OF OTHER WITNESSES

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. It is my intent to support APS's application relating to the proposed sale of the APS facilities to ED3 and the deletion of the ED3 Service Area from APS's CC&N. Specifically, I will provide background and an overview of the history and organization of ED3, the history of system acquisition, leasebacks to APS, lease termination and reasons for ED3's resumption of control over its system, an overview of the March 1, 2002 Settlement Agreement between APS and ED3, efforts to implement the Settlement Agreement, and the Supplemental Agreement as executed on September 20, 2007. I will also testify on ED3's financial capability to carry out the task of meeting the reliability needs in the areas of Pinal County for which ED3 provides service. Finally, I will describe the valuation of the facilities proposed to be transferred to ED3. I will defer to ED3's other witnesses, Kenneth Saline, Jeffrey Woner and Jerry Smith, in support of the technical aspects behind the proposed transfer.

Q. PLEASE IDENTIFY EACH OF THE OTHER WITNESSES TESTIFYING ON BEHALF OF ED3 IN THIS PROCEEDING AND BRIEFLY DESCRIBE THEIR TESTIMONY.

A. Kenneth R. Saline testifies in detail as to ED3's load growth, planning and infrastructure development. Mr. Saline also testifies about ED3's current and future commitments to quality and reliability of electric service. Mr. Saline is an owner and founder of K.R. Saline & Associates, PLC, and is a registered electrical engineer in the State of Arizona.

Jerry D. Smith, also of K.R. Saline & Associates, PLC, and formerly a staff electric utility engineer with the ACC, testifies on behalf of ED3 concerning the public benefits from the transfer of APS facilities and the redefinition of APS service territory to realign retail service obligations.

Jeffrey J. Woner, also a partner of K.R. Saline & Associates, PLC, testifies on behalf of ED3 concerning the impacts upon the retail customers of APS that are proposed to be transferred to ED3 under APS' Application.

III. BACKGROUND AND OVERVIEW

Q. PLEASE DISCUSS THE HISTORY OF ED3 AND ITS SYSTEM ACQUISITION.

A. ED3 is an electrical district established by the Board of Supervisors of Pinal County pursuant to what is now Chapter 12 of Title 48 of the Arizona Revised Statutes and currently provides electrical service to approximately 17,000 customers in western Pinal County. The formation of ED3 was completed on January 5, 1926. The original boundaries comprised approximately 87,000 acres. The area of ED3 was increased in 1948, when the Board of Directors completed the steps as prescribed by law to annex certain contiguous lands, to 138,448 acres, of which approximately 90,000 acres are now irrigable.

On June 6, 1961, ED3 purchased the entire 69 kV and 12 kV system for the ED3 service area from APS. The ACC approved the sale pursuant to A.R.S. § 40-285 and authorized the lease of the same facilities by APS from ED3 for an initial term of thirty years and subsequent renewal terms (the "ED3 Lease"). A parallel power sale agreement had been approved in December 1960, (the ED3 Lease Power Agreement or "ED3 LPA").

On April 27, 1976, in Decision No. 46923 in Docket No. U-1345, the ACC approved a number of other arrangements: (1) an agreement for the sale of electrical distribution facilities by APS to Electrical District No. One of Pinal County ("ED1") pursuant to A.R.S. § 40-285; (2) the lease of the same facilities by APS from ED1 for an initial term of twenty-five years (the "ED1 Lease"); and (3) an agreement for the sale of power, energy and associated service by APS to ED1 for the duration of the ED1 Lease Power Agreement (the "ED1 LPA").

From June 1961 until October 2001, APS exercised full operational control over ED3's electrical transmission, sub-transmission and distribution system under the ED3 Lease and the ED1 Lease. ED1 was consolidated into ED3 in 1989. From that point forward, ED3 has managed and financially supported the operation, maintenance, and replacement of its electric system; and has purchased power supplies including federal hydro power allocations, and supplemental power for the districts' customers,.

Between the purchase of its system from APS in 1961 and October 8, 2001, ED3 leased its electric transmission and distribution system to APS. The ED3 Lease Agreement expired on October 8, 2001,[1/] and the Federal Energy Regulatory Commission subsequently determined that the termination of the ED3 Lease Agreement returned full control of ED3's system to ED3. *Arizona Public Service Co.*, 98 FERC ¶ 61,172 at pp. 61,636-61,637 (2002). Beginning on March 29, 1977, ED1 (ED3's predecessor in interest) leased its electric system to APS for a term of twenty-five years. The ED1 Lease Agreement was terminated by mutual agreement of ED3 and APS, effective March 29, 2002. APS has numerous retail customers connected to the ED3 system (including the electrical facilities owned by ED1 prior to its consolidation into ED3) that are served using that system.

Q. WHAT HAPPENED WITH NEW CONNECTIONS BETWEEN 1961 AND TODAY?

A. During the terms of the ED3 Lease (from 1961 to October 8, 2001) and the ED1 Lease (from 1976 to March 31, 2002), APS constructed and retained ownership of various line extensions to serve new, non-irrigation retail load. This situation occurred because of the bundled treatment of customers at that time. That is, the utility which provided retail power to customers would pay for the line extension costs back to the main system (1961 system). The Districts' hydropower entitlements were limited and were used primarily to support irrigation service. Additional pumps, or irrigation-based accounts, continued to be served by ED3

1/ The Federal Energy Regulatory Commission ("FERC") accepted APS's notice of termination of the ED3 Lease Agreement on December 5, 2001. *Arizona Public Service Co.*, Letter Order in Docket No. ER02-65-000 (December 5, 2001).

and those line extensions were paid for by the Districts. The Districts also repaid to APS all direct operations and maintenance expenses on the ED3 system.

These additional distribution facilities, which range from simple pole-mounted transformers with service drops to primary distribution systems, have generally been referred to as "split ends" since they radiate from and are interconnected to the primary distribution facilities owned by ED3. Except for a single substation (the "Sexton Substation"), these limited distribution facilities – the split ends – are the only distribution facilities in the ED3 territory that are still owned by APS. APS continues to own certain transmission facilities, substations, easements and other facilities within Pinal County, for which it is not seeking authorization to transfer, pursuant to A.R.S. § 40-285, in this proceeding (for example, the Santa Rosa Substation and associated 230 kV transmission lines).

Q. PLEASE PROVIDE A SUMMARY OF THE LEASE TERMINATIONS AND THE MARCH 1, 2002 SETTLEMENT AGREEMENT.

A. As I referenced above, APS leased and operated the ED3 system through October 8, 2001, when the Lease Agreement terminated and ED3 acquired possession and operational control of its electrical system. In an Order issued February 15, 2002 in *Arizona Public Service Company,* 98 FERC ¶ 61,172, the FERC determined that "it is clear from the terms of the Lease Agreement that operational control over ED3's transmission system reverted to ED-3 upon termination of that agreement. ED3 is a transmitting utility and there is no evidence that it cannot properly operate and maintain its transmission system."

On October 9, 2001, Pinnacle West Capital Corp. ("Pinnacle West"), APS's parent company, petitioned the FERC under Section 211 of the Federal Power Act for an order requiring ED3 to provide network transmission service to enable it to deliver power and energy to APS retail loads served through the ED3 system. On January 17, 2002, FERC issued a proposed order finding the transmission service requested by Pinnacle West would meet the standards of Sections 211 and 212 of the Federal Power Act and giving ED3 and Pinnacle West 45 days to negotiate the rates, terms and conditions of such service. *Pinnacle West Capital Corp.*, 98 FERC ¶ 61,039 (2002).

Effective March 1, 2002, APS and ED3 entered into a Settlement Agreement. The Settlement Agreement (1) provided for the sale of APS facilities within ED3's boundaries to ED3 (subject to Commission approval); (2) resolved the rates, terms and conditions for transmission service to APS retail loads served via the ED3 system; and (3) resolved the termination of the ED1 Lease and provided for the termination of APS's Lease Power Agreements with ED1 and ED3 upon the sale of specified facilities.

As part of the arrangements rationalized in the Settlement Agreement, ED3 provides transmission service over its transmission and distribution facilities to Pinnacle West, for the delivery of retail electric service to APS's retail customers within ED3's boundaries, under rates, terms and conditions of service supervised by the FERC under Sections 211 and 212 of the Federal Power Act (*Pinnacle*

West Capital Corp., 98 FERC ¶ 61,039 at pp. 61,115-61,116 (2002); *Pinnacle West Capital Corp.*, 100 FERC ¶ 61,146 at P9 (2002)).

Q. WAS SUCCESSFUL IMPLEMENTATION OF THE SETTLEMENT AGREEMENT ACHIEVED?

Not entirely. APS, in accordance with the Settlement Agreement, initiated a proceeding with the Arizona Corporation Commission on April 15, 2002 seeking authorization to sell some of its electric distribution facilities located within the ED3 Service Area to ED3. The application did not seek to withdraw the ED3 Service Area from APS's CC&N. ED3 intervened in support of the application on February 4, 2003. Prior to any procedural order in that case, APS and ED3, with guidance from the Commission's Staff, recognized that numerous details remained to be resolved regarding such matters as the transition of functions, facilities, responsibility, and customer service rights and obligations Informed by that realization, APS and ED3 have worked towards implementation of the Settlement Agreement. Through that process, they have concluded that the current situation – which imposes duplicative and overlapping service obligations on both APS and ED3 – is inefficient, uneconomical and untenable for both the utilities and for their customers. Unless one provider is identified within the service territory, confusion will continue to exist regarding which utility should respond to customer service calls, along with the related operation, safety, reliability, financial responsibility, and administrative concerns. Although ED3 and APS continue to cooperate and coordinate their utility service efforts (and

have done so for a number of years), as residential and commercial growth increases in and around Pinal County, having two utilities attempting to serve the same geographic area is inefficient and will lead to other problems in the future.

To resolve those issues, APS (with ED3's support) voluntarily withdrew its 2002 application (Docket No. E-01345A-02-0285), and the parties negotiated the Supplemental Agreement. The process outlined in the Supplemental Agreement completes the transition of electric service to the Service Area's customers from APS to ED3 that began in 1960 and has already been approved by this Commission.

The transfer of facilities for which APS seeks the Commission's authorization in this proceeding, together with APS's request to discontinue service to current and prospective APS customers residing within the ED3 Service Area (and for deletion of the ED3 Service Area from APS's CC&N), is the final step needed in separating both utility's facilities, such that each will be able to provide reliable, safe, orderly and economical electric service to their respective loads in Pinal County.

Q. COULD YOU PLEASE DESCRIBE THE ORGANIZATIONAL STRUCTURE OF ED3?

A. As explained above, ED3 is an electrical district established pursuant to Arizona law. I have attached ED3's organizational chart hereto as Exhibit ED3-5.

Q. COULD YOU PLEASE PROVIDE A GENERAL INDICATION OF ED3'S FINANCIAL STATUS?

A. ED3 has essentially gone from serving 400 irrigation meters to over 17,000 residential, commercial and irrigation meters in less than 7 years. As a result, ED3 has had to make substantial improvements to the electric system, including the addition of 69 kV lines, substation enhancements & additions, pole & conductor replacements and the replacement of other equipment. In effect, ED3 went from almost no new annual infrastructural investment to current levels of more than $25-30 million of infrastructure investment each year. This trend is expected to continue for the foreseeable future, as ED3 continues both to rebuild and to expand its system.

From a financial perspective, ED3 is well positioned to continue investing in needed utility infrastructure. ED3 keeps its operation and maintenance and plant accounts in accordance with the FERC's Uniform System of Accounts. Its current financial status is best represented in its most recent audited financial statements, a copy of which is attached hereto as Exhibit ED3-6.

IV. IMPACT OF THE TRANSFER OF FACILITIES ON CURRENT CUSTOMERS

Q. WHAT IMPACT ON RATES, REGULATIONS, AND CUSTOMER SERVICES WILL THE TRANSFER OF FACILITIES HAVE ON CURRENT APS CUSTOMERS?

A. Based on past experience of APS customers switching to ED3, we do not believe there will be a negative impact on the APS customers. As demonstrated in Mr. Woner's testimony, ED3 rates compare favorably to APS' current and proposed

rates. Electrical service will be made available on a uniform and non-discriminatory basis to all of ED3's customers, including the new customers switching from APS. The APS customers will be moved into an appropriate ED3 rate class, comparable to other ED3 customers.

Q. HOW WILL THE PROPOSED TRANSFER AFFECT APS CUSTOMERS' PARTICIPATION IN ED3 DECISIONS?

A. ED3 has a District Boundary which includes a significant portion of the ED3 Service Area. The customers outside the District Boundary can petition to be included. However, such decisions would include being subjected to property tax assessments for ED3's statutory costs. Typically, because of such additional property tax assessments, customers do not petition to be included in the Districts' voting boundary. In addition, the ED3 Bylaws have been modified to include partial acreage voting so that any retail customer with a parcel size of at least 0.25 acreage is eligible to vote in ED3 elections. This is similar to Salt River Project's policies for partial acreage voting and representation.

Most importantly, ED3 does not discriminate among its retail electric customers on any basis, whether upon voting rights or whether the customer's property is included in ED3's tax base, and ED3's customer service records do not track such information on the customers (Pinal County provides the property tax records, assessed value, and parcel/customer information and the County levies the tax for ED3). Therefore, all electric customers will be billed under the same rates and served under the same terms and conditions of service. All electric customers have equal access to ED3's customer services and customer service policies to

remedy any issues a customer may have with ED3 services. Any customer requests that require ED3 Board actions are routinely referred to the ED3 Board for consideration and action, if necessary. The ED3 Board meetings are held on public notice and are open to the public, where any ED3 electric customer may bring forward comments and suggestions directly to ED3's Board.

V. VALUATION OF FACILITIES PROPOSED TO BE SOLD TO ED3

Q. IN KENNETH SALINE'S SUPPORTING TESTIMONY, HE DESCRIBES WHY CERTAIN FACILITIES KNOWN AS THE "SPLIT ENDS" ARE BEING SOLD BY APS TO ED3. WHAT STEPS HAVE BEEN TAKEN TOWARDS VALUATION AND IDENTIFICATION OF THE SPLIT ENDS?

A. A description of the equipment involved in the sale of the split ends is attached to APS's Application. Generally speaking, the split ends consist of equipment such as a transformer on an ED3 pole, the service and meter for an individual customer, miles of primary conductors, etc. A split end can be minimal (a single transformer on an ED3 owned pole) or extensive (an entire underground line emanating from the ED3 infrastructure). The original cost of the split ends was $19,646,489.48 and the net book value as of October 2007 is $13,071,499.32.

Q. HAVE THE PARTIES SETTLED ON A SALES PRICE FOR THE SPLIT ENDS?

A. Yes, the parties have arrived at a total negotiated sales price for all of the equipment included in the split ends of that property's net book value -- $13.1 million as of October 2007. The final sales price will be adjusted upon approval of APS's Application to update the applicable depreciation calculation and to adjust for any additional facilities added since October of last year. On June 12, 2006, ED3 deposited (pursuant to a June 6, 2006 Escrow Agreement) an initial

escrow payment of $1,994,209, representing the price of facilities of APS customers that had, by that date, switched from APS to ED3, as agreed between ED3 and APS. The price also includes the split ends, which are identified in Schedule A to the Escrow Agreement. The Escrow Agreement assures APS payment for all such facilities – including the split ends – upon ACC authorization of the transfer proposed in this proceeding. Under the Supplemental Agreement, additional escrow payments will be made by ED3 for any facilities associated with additional APS customers that transfer to ED3, also subject to being paid to APS once ACC authorization for the transfer is obtained.

Q. KENNETH SALINE TESTIFIES THE SEXTON SUBSTATION AND AN INOPERATIVE 69KV LINE ARE BEING SOLD TO ED3. HAVE THE PARTIES SETTLED ON A SALES PRICE FOR BOTH THE SEXTON SUBSTATION AND INOPERATIVE 69KV SUB-TRANSMISSION LINE?

A. Yes. APS and ED3 have arrived at a negotiated sales price of $100,000.00 for both the Sexton Substation and inoperative 69kV sub-transmission line. Because ED3 has infrastructure attached to the line, were APS to remove the line rather than include it in the sale to ED3, APS would have to incur additional expenses for the line removal, and ED3 would face the financial burden of reconstructing a line to serve a portion of its customer base. Since the line has no book value, and removal of the line would cost APS, APS included the line as part of the negotiated sales package to ED-3.

VI. BENEFITS TO RETAIL CUSTOMERS

Q. WHAT BENEFITS DOES ED3 PROVIDE TO ITS RETAIL CUSTOMERS?

A. ED3 provides low cost and reliable service to all of its customers. It continues to make significant investments for the future of its system and the region, as demonstrated by the testimony submitted in this proceeding. ED3 has competitive rates and customer regulations. As discussed in the Testimony of Jeff Woner, ED3 has recently enacted a Renewable Energy Policy. ED3 is using Advanced Metering Reading ("AMR") technologies for meter reading and system operations with the future intent of examining load management programs; ED3 is using internet based customer service and billing technologies and provides two billing centers; and finally, ED3 utilizes a Geographic Information System ("GIS"), which allows it to view, understand, analyze, and interpret its electrical system in a user friendly format. ED3 is currently using ESRI Software, similar to what most utilities in Arizona use. ED3 employs an industry standard database to track and maintain data on its electrical system.

VII. CONCLUSION

Q. PLEASE PROVIDE ANY CONCLUDING REMARKS.

A. From a financial perspective, ED3 is well positioned to carry out the task of reliably meeting the electric needs of all of its customers. I would also like to draw your attention to a June 2008 article published in the Public Power magazine, a nationally distributed trade publication. The article recognized ED3 for its accomplishments in providing affordable and reliable electricity to its customers, and its commitment to long-term customer service. A copy of that article is attached hereto as Exhibit ED3-7.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes

EXHIBIT
ED3-2
ADMITTED

BEFORE THE ARIZONA CORPORATION COMMISSION

MIKE GLEASON
Chairman
WILLIAM A. MUNDELL
Commissioner
JEFF HATCH-MILLER
Commissioner
KRISTIN K. MAYES
Commissioner
GARY PIERCE
Commissioner

IN THE MATTER OF THE SALE AND TRANSITION BY ARIZONA PUBLIC SERVICE TO ELECTRICAL DISTRICT NO. 3 OF CERTAIN ELECTRICAL FACILITIES IN PINAL COUNTY PURSUANT TO A.R.S. § 40-285(A) AND FOR DELETION FROM ITS CERTIFICATE OF CONVENIENCE AND NECESSITY CERTAIN AREAS OF PINAL COUNTY	**DOCKET NO. E-01345A-08-0426**

DIRECT TESTIMONY

OF

KENNETH R. SALINE

On Behalf of
Electrical District No. 3

Filed on:
August 12, 2008

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I. CREDENTIALS

Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND PHONE NUMBER.

A. Kenneth R. Saline, 160 N. Pasadena, Suite 101, Mesa, Arizona 85201-6764. My office number is (480) 610-8741.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am an owner and president of the engineering consulting firm of K.R. Saline & Associates, PLC. My responsibilities include management and oversight of our Firm.

Q. BRIEFLY DESCRIBE YOUR QUALIFICATIONS AND RELATIONSHIP WITH THE ELECTRICAL DISTRICT NO. 3.

A. I have over 28 years of professional experience as an electrical engineer working in the electric utility industry. I have worked with both investor-owned and consumer-owned utilities. Prior to starting K.R. Saline and Associates, PLC, in 1991, I was employed by R. W. Beck Inc. in its Phoenix office for over 7 years. Prior to joining R.W. Beck, I was employed by San Antonio Public Service, the consumer-owned utility serving the City of San Antonio, Texas. My work experience includes areas such as transmission planning, electric rate studies, regulatory matters and power resource planning. I am a graduate of New Mexico State University, and have a Bachelor of Science degree in Electrical Engineering. I am a registered professional engineer in the state of Arizona.

I have provided consulting services to local wholesale utilities in connection with FERC proceedings related to wholesale power supply and transmission issues.[1/] I have provided consulting services to ED3 on power supply, transmission planning and interconnection matters over the past 24 years. On a day-to-day basis, I am closely involved in virtually all of ED3's power supply and infrastructure negotiations and many of ED3's general business affairs.

Q. IN WHAT CAPACITY ARE YOU PRESENTING YOUR TESTIMONY?

A. I am presenting this testimony on behalf of ED3 to support APS's application relating to the proposed sale of APS facilities to ED3 and the deletion of the ED3 Service Area from APS's Certificate of Convenience and Necessity ("CC&N").

Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE ARIZONA CORPORATION COMMISSION ("COMMISSION")?

A. Yes, I have testified before the Arizona Corporation Commission in matters related to retail deregulation on behalf of several public power utilities in Arizona.

II. SUMMARY AND PURPOSE OF TESTIMONY

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

1/ APS FERC Wholesale Power Agreements (1986, 1989, 1996, 2005), APS FERC Wheeling and administrative service agreements (1986, 1989, 1996, 2005), 1989 APS Rate Settlement and Stipulation (ER89-265-000), Pinnacle West Market Rates (ER00-2268-015, ER99-4124-012, ER00-3312-012, EL05-10-005), APS Open Access Transmission Tariff (OA96-153-000, ER96-2401-000), and Pinnacle West-ED3 Wholesale Facilities and Power Supply Settlement (TX02-1-000.

A. The primary objective of my testimony is (1) to describe how ED3 – established in 1926 and functioning as a full-service utility for the past six years – reliably serves approximately 17,031 electricity customers in western Pinal County; and (2) to demonstrate how ED3 will reliably meet ongoing growth in demand in and around Pinal County, while continuing to provide quality customer service. Specifically, I will present details on ED3's load growth, planning and utility infrastructure development, and provide a historical review of the ED3 system and system acquisition. I will describe ED3's experience operating an electric system and will expound on ED3's phenomenal growth over the last six years -- during which time its peak load has grown from 54 MW in 2002 to approximately 170 MW in 2007. Additionally, I will illustrate ED3's approach to operating as a full-service utility capable of meeting all future growth in demand (with full intention of eventually becoming a vertically-integrated utility, with a solid infrastructure of distribution, transmission and generation assets). Finally, I will provide an overview of the various arrangements and efforts which led up to the filing of APS's ACC Application which is the subject of this proceeding.

III. BACKGROUND

Q. AS SOMEONE WITH NEARLY 25 YEARS OF INSTITUTIONAL KNOWLEDGE FROM WORKING WITH ED3, WOULD YOU PLEASE PROVIDE SOME HISTORICAL BACKGROUND ABOUT THE ED3 SYSTEM?

A. As explained in greater detail in David Benedict's testimony (Exhibit ED3-1), ED3 owns an electric transmission and distribution system located within Pinal

County.[2] Between the time it purchased its system from Arizona Public Service Company ("APS") in 1961 and October 8, 2001, ED3 leased its electric transmission and distribution system to APS. The ED3 Lease Agreement expired on October 8, 2001,[3] and the Federal Energy Regulatory Commission ("FERC") subsequently determined that the termination of the ED3 Lease Agreement returned control of ED3's system to ED3. *Arizona Public Service Co.*, 98 FERC ¶ 61,172 at pp. 61,636-61,637 (2002). Beginning on March 29, 1977, ED1 (ED3's predecessor in interest) leased its electric system to APS for a term of twenty-five years. The ED1 Lease Agreement expired on March 29, 2002.

APS has numerous retail customers connected to the ED3 system (including the electrical facilities owned by ED1 prior to its consolidation into ED3) that are served using that system. Since the return of its system to ED3's control over six years ago, ED3 has invested approximately $125 million in transmission and distribution infrastructure to serve loads that have grown from a peak of approximately 54 MW in 2002 to a peak of approximately 170 MW today. ED3 and APS have cooperated and coordinated their efforts over that same period, in order to ensure and improve the provision of safe, reliable, efficient and economical retail service to their respective retail customers within Pinal County, Arizona.

2/ ED3 owns and operates its own transmission and distribution system and also the transmission and distribution system of Electrical District No. 1 of the County of Pinal, State of Arizona ("ED1"), to whose interests ED3 succeeded when the two Districts were consolidated in 1989. For simplicity, references herein to the ED3 transmission system also include the ED1 system.

3/ The Federal Energy Regulatory Commission accepted APS's notice of termination of the ED3 Lease Agreement on December 5, 2001. *Arizona Public Service Co.*, Letter Order in Docket No. ER02-65-000 (December 5, 2001).

Q. PLEASE EXPLAIN WHY ED3 ASSUMED CONTROL AND OPERATION OF ITS ELECTRICAL SYSTEM FOLLOWING TERMINATION OF THE LEASE AGREEMENT IN OCTOBER 2001.

A. ED3 recognized that the area of Pinal County, Arizona, that is served by ED3's transmission and distribution system was starting to undergo a transition from a primarily agricultural customer base (rural farming) to residential / urban development. To serve the best interests of the customers located within the ED3 Service Territory, ED3 determined that it would need to make significant capital improvements to its back-bone system to meet growing demand. Consistent with national and state laws regarding direct access, and open access transmission and market separation, ED3 determined that it was necessary to take over its system operation and planning responsibility.

Q. WERE ED3'S ASSUMPTIONS ABOUT ITS SYSTEM LOAD GROWTH AND A TRANSITIONING CUSTOMER BASE CORRECT?

A. Yes. Since the return of its system to ED3's control over six years ago, ED3 has invested approximately $125 million in transmission and distribution infrastructure, to serve a load base that has grown from approximately 54 MW in 2002 to a peak of over 170 MW today. The number of meter connections has gone from 488 in 2002 (not including those APS customers being served via the ED3 system through the FERC-approved wheeling arrangements between APS and ED3) to approximately 17,031 today (with new service connections averaging approximately 100 customers each month).

Q. YOU MENTIONED ED3 HAS BEEN EXPERIENCING ACCELERATING GROWTH AND HAS MADE SIGNIFICANT INFRASTRUCTURE

INVESTMENT IN ITS SERVICE AREA OVER THE LAST SEVERAL YEARS. WOULD YOU PLEASE PROVIDE SOME ADDITIONAL DETAILS ON THAT SUBJECT?

A. Yes. Recent census data and population forecasts seem to indicate that the accelerated growth will continue into the near future. According to data from a special census undertaken in 2004, the population at that time was about 5,000 people living in the area. Forecasts recently performed project the population to reach 185,000 people by 2025 for the entire Maricopa/Stanfield area. Additional data from the City of Maricopa indicates that the City is currently on track to issue 2,500 permits in 2008 and has developed a long-range general plan around a base of 350,000 residents and approximately 125,000 dwelling units. The City of Maricopa requires that all new homes be served through underground facilities, for aesthetic reasons. Therefore, ED3 will have to replace its overhead facilities with underground facilities adequate to serve new housing developments in a number of areas. For all of these reasons, ED3's accelerated investment in transmission and distribution infrastructure is likely to continue into the near future.

Prior to 2001, ED3 served power for agricultural irrigation purposes only. As a result, the annual investment in new infrastructure was limited to connecting one or two new wells or replacing existing facilities. Upon assuming the operating control of its system in 2001, ED3 had to make substantial improvements to the system including the addition of 69 kV lines, substation enhancements, pole and conductor replacements and the replacement of other equipment. Additionally, in late 2001 ED3 began construction of the electric facilities needed to serve a

residential master-planned community which, upon complete build out, would serve approximately 11,000 homes and related business. Since then, the demand for homes within ED3's service territory has continued to increase significantly. In effect, ED3 went from almost no new annual infrastructural investment to current levels of more than $25-30 million each year. Currently, ED3's system growth rate has slowed to an average of 100 new meters per month, from a peak growth rate of several times that number in 2006-2007. As ED3 facilities supply infill of the master-planned communities, the trend of ED3's capital expenditures will inevitably slow for the foreseeable future.

Q. COULD YOU PLEASE DESCRIBE THE ED3 BOUNDARIES.

A. ED3's current district boundaries make up 149,309 acres (233.3 square miles). Subject to Commission approval of the proposed sale of APS' facilities, ED3's boundaries would encompass 242,649 acres (379.1 square miles). A map showing the ED3 boundaries after the proposed sale and transfer is attached to my testimony as Exhibit ED3-8.

Q. HAS ED3'S CONTRIBUTION TO MEETING PINAL COUNTY ELECTRIC INFRASTRUCTURE NEEDS BEEN LIMITED TO DISTRIBUTION FACILITIES?

A. No. ED3 has been very active in ensuring that sufficient transmission infrastructure is available to meet the needs of its system loads, and those of the entire Pinal County area, for the foreseeable future.

In fact, ED3 regularly studies and forecasts its transmission infrastructure needs. In December of 2007, ED3 released its 2007 ED3 Transmission Plan of Service report (attached hereto as Exhibit ED3-9). Specifically, the report documents ED3's electric transmission plan for the budget years 2008, 2009, and 2010; with a screening analysis for the years 2012 and 2017; and presents the transmission plan of ED3 necessary to meet the load serving requirements of the district and to communicate the projects required to reliably serve the rapid growth the district is experiencing. ED3 continually looks for ways to maintain a reliable transmission system while providing the best value to its customers as illustrated by several key projects in the report.

Q. PLEASE DESCRIBE ED3'S CURRENT TRANSMISSION SYSTEM?

A. The ED3 transmission system is primarily comprised of a 69kV system emanating from the ED3 Maricopa and Santa Rosa 69kV bulk receiving stations (the Maricopa and Santa Rosa 69kV buses are connected through a bus tie arrangement). The interconnection with the 230kV system is made through three 230/69 kV transformers connecting to APS' Santa Rosa Substation and Western Area Power Administration's ("WAPA") Test Track Substation.. Currently, ED3 has approximately 80 miles of 69kV transmission system serving eleven (11) electrical distribution substations. A map of ED3 Transmission System is included as part of Exhibit ED3-8.

The bulk of the transmission activity for ED3 is primarily focused on providing reliable transmission service to meet the distribution substation loading requirements for the next ten years. Additional activity has also included the

rebuild of older facilities that are being integrated from a radial system to a "looped" system. Future opportunities include possible connections to the Pinal West bulk receiving station as needed in the future.

With recent system improvements, the ED3 system in 2008 is capable of service up to approximately 350 MW of import capability from the 230kV network. ED3 has load serving capability at its distribution substations of approximately 320 MW. The existing 69kV system improvements and prudent planning of additional 69kV facilities meet the definition of Good Utility Practice.

ED3 has expended significant efforts in rebuilding the 1940's vintage Western Maricopa 115 kV substation, converting it to a 69kV Switching Station for ED3's system with a 230kV connection to APS' Santa Rosa Substation, two 69kV connections to APS Santa Rosa 69kV, and a 69/230kV connection to WAPA's Test Track Substation. ED3 is supported by two control areas and five 230kV lines. ED3 is an owner and participant in the South East Valley 500 kV transmission project and will have transmission rights from Maricopa to the Palo Verde Market when that project is connected to ED3's system.

ED3 has a number of transmission planning efforts underway. I describe those planning and infrastructure activities in Part V., below, of my testimony.

IV. DISCUSSION OF ARRANGEMENTS WITH APS AND FACILITIES PROPOSED TO BE SOLD TO ED3

Q. WHAT IS THE OBJECTIVE OF THE SUPPLEMENTAL AGREEMENT?

A. The Supplemental Agreement, executed September 20, 2007, solves the implementation problem that has plagued the Settlement Agreement. The Supplemental Agreement outlines in greater detail which utility is going to serve the Service Area's customers and how operational elements for both utilities are to be implemented. Generally speaking, the Supplemental Agreement solves the duplicative service obligations in the Service Area by (1) providing that APS shall sell its portion of the electric distribution system located within or immediately adjacent to the ED3 Service area to ED3 for an amount that the parties have determined in good faith is the fair market value of the property; and (2) providing that APS will discontinue service to current and prospective APS customers residing within the ED3 Service Area. The Supplemental Agreement further provides that APS will continue to serve its customers in the areas immediately adjacent to the Service Area, and may wheel on the ED3 infrastructure as it has done in the past under the ED3 FERC Transmission Service Agreement.

Q. APS HAS REQUESTED AUTHORIZATION TO SELL THE "SPLIT ENDS" TO ED3. PLEASE EXPLAIN WHY THESE FACILITIES ARE BEING SOLD TO ED3?

A. As I explained above, from June 1961 until October 2001, APS exercised full operational control over ED3's electrical transmission, sub-transmission and distribution system under the ED3 Lease and the ED1 Lease. APS constructed and retained ownership of various distribution facilities (line extensions) – the "split ends" – to serve new, non-irrigation retail load. The split ends radiate from and are interconnected to the primary distribution facilities owned by ED3.

Except for the Sexton Substation, these limited distribution facilities are the only distribution facilities in the ED3 territory that are still owned by APS. Selling the distribution lines to ED3 clarifies responsibility for operation and maintenance, customer services, and improves the overall safe operation and planning of the system going forward.

Q. WILL THE SALE OF THE SPLIT ENDS FROM APS TO ED3 IMPACT ELECTRIC SERVICE TO ANY OF THE AREA'S CUSTOMERS?

A. No. As I described above, ED3 currently owns most of the electric distribution system used to serve the area's customers, and ED3 wheels energy for APS on that system. Thus, APS's ability to serve its customers currently depends on ED3's maintenance and operation of that system. By approving the sale to ED3 of the remaining APS-owned infrastructure (which is interwoven with ED3's system), the Commission would, in essence, be augmenting the sale of an electric system that was already sold to ED3 back in 1960 and approved by this Commission in Decision No. 32690. ACC approval will, among other things, clarify responsibility for operating and maintaining the system, will improve the safe operation of the system by defining these responsibilities to a single entity, and will eliminate customer confusion resulting from the combined ownership. Said another way, approval of APS's Application will prevent the promulgation of split ends and the problems they create on the prudent system planning and operation of the ED3 and APS systems.

Q. APS HAS REQUESTED AUTHORIZATION TO SELL THE SEXTON SUBSTATION AND AN INOPERATIVE 69KV LINE TO ED3. PLEASE EXPLAIN WHY THESE FACILITIES ARE BEING SOLD TO ED3?

The ED3 distribution load substations are radially situated around Maricopa and Santa Rosa substations. Many years ago, there was a 69kV system tie to APS' Casa Grande substation, before APS built its Santa Rosa substation. Upon completion of the Santa Rosa substation, the Casa Grande system tie was rarely used and, after an incident of storm damage, it was determined that it could be abandoned. The Sexton substation was used by APS to serve ED1 loads for many years, but such connections were replaced by ED3 over time to serve Maricopa Stanfield Irrigation and Drainage District ("MSIDD") pumps which are operated by MSIDD in conjunction with the Santa Rosa canals. MSIDD is the largest customer of ED3. Currently, the Sexton substation is only connected to the ED3 system, and the majority of loads being served by Sexton are non-APS loads. The sale of the Sexton Substation promotes efficient and reliable service to ED3's customers, including MSIDD. The substation is located at Highway 84 and Anderson Road, within the ED3 Service Area. ED3 owns a 69kV line from Maricopa Substation that enters the substation, while APS owns the fuses, transformers, and breakers comprising the substation. APS also owns an inoperative 69kV sub-transmission line that exits the substation and is located within the ED3 Service Area and extends east towards Casa Grande. The APS 69kV portion of the line is not in service (abandoned as described above), and is not used to serve any APS substations or customers. At present, the only remaining APS equipment associated with the line are roughly twenty one 60-65 foot poles (many of which have been topped to avoid additional storm outages). The remaining conductors comprise an ED3 12.5 kV underbuild, currently used

by ED3 to serve ED3 customers. ED3 has been maintaining and replacing equipment on the line to maintain and provide ED3 service.

Q. HOW WILL SUCH FACILITIES BE OPERATED AND MAINTAINED DURING THE PENDENCY OF THE ACC PROCEEDING?

A. The Supplemental Agreement provides for orderly, safe and reliable service to area customers through the mutual coordination, identification and allocation of responsibilities by and among APS and ED3. Pending approval from the ACC of the APS Application, the parties have undertaken in accordance with the Supplemental Agreement to cooperate in the following activities: (1) Jointly identify and list all APS Facilities located within the ED3 Service Area, and cooperate in good faith to mutually agree on the fair value of those facilities; (2) Within a reasonable period after the identification of additional specific facilities to be transferred, and agreement on the price to be paid for such facilities, ED3 shall make supplemental deposits to augment the Escrowed Funds under the Escrow Agreement for the purchase of the APS Facilities pursuant thereto; (3) ED3 shall construct, operate and maintain the ED3 electrical system in accordance with good utility practice and such construction, connection, operation and maintenance procedures and protocols as shall be mutually agreed between APS and ED3; (4) ED3 shall operate and maintain on behalf of APS all APS Facilities located within the ED3 Service Area in accordance with good utility practice and such construction, connection, operation and maintenance procedures and protocols as shall be mutually agreed between APS and ED3; and, finally, (5) In the event that a customer requests service from APS prior to the date on which the transfer is approved, ED3 shall construct and connect, where applicable, all

facilities required for new retail customers located within the ED3 Service Area in accordance with good utility practice and such construction, connection, operation and maintenance procedures and protocols as shall be mutually agreed between APS and ED3.

Q. PLEASE EXPLAIN WHY DELETION OF THE ED3 SERVICE AREA FROM APS'S CC&N IS NECESSARY.

A. Deletion of the ED3 Service Area from APS's CC&N is in the public interest and is consistent with the Commission's past practice. In Decision No. 58472, for example, the Commission authorized APS to delete a number of its certificated service areas in Coconino, Pinal, Yavapai, and other counties from its CC&N where other electric service entities could or already did provide service to the relevant areas' customers, thus eliminating the need for APS to provide such service. *See* Decision No. 58472, (Nov. 30, 1993).

Similarly, here, ED3 provides reliable energy service to all customer classes located within the ED3 Service Area, and the customers residing in that area do not need APS to also provide electric service. ED3 currently serves 17,031 of the total 21,024 customers receiving electric service in the ED3 Service Area. As of the date of APS's Application, APS served the other approximately 3993 customers in the ED3 Service Area, many of whom have contacted ED3 to question their ability to switch to ED3 service. Approximately 285 have already elected to switch to ED3 service after ED3 took control of its system in October 2001. Under the terms of the Settlement and Supplemental Agreements negotiated between ED3 and APS – if approved by the ACC – APS will transfer

its remaining customers to ED3, all of whom reside inside the proposed ED3 Service Area. APS will continue to serve customers that reside in areas that are adjacent to but outside of the designated ED3 Service Area by wheeling on the ED-3 system (as APS has done for the past several years, pursuant to a FERC-approved wheeling agreement). Clarifying that the exclusive responsibility for providing reliable service to all customers in that region rests with ED3 – by deleting the ED3 Service Area from APS's CC&N – will eliminate the duplicate responsibilities of APS for planning and constructing expensive transmission and distribution infrastructure required to reliably serve the customers; eliminate confusion for retail customers; promote safety to field personnel by consolidating the design, construction, access, and related operating efforts to one utility; and provide cost benefits to both the utilities and thereby the customers in the area.

V. ED3'S COOPERATIVE EFFORTS TOWARD RELIABLE PLANNING OF ELECTRIC SERVICE; PRELIMINARY STEPS TOWARD REALIGNMENT OF ED3'S SERVICE OBLIGATIONS

Q. PLEASE SUMMARIZE THE COOPERATIVE RELATIONSHIP ED3 HAS SHARED WITH APS OVER THE YEARS.

A. Over the years, ED3 and APS have worked both diligently and successfully to resolve issues concerning rates, terms, and conditions of transmission service to be provided by ED3 to APS for the delivery of power and energy to the APS loads connected to the ED3 system. Since 2001, ED3 has worked with APS to align the ownership of facilities and rights of use with respect to facilities more appropriately with each utility's interests and objectives, and the parties have succeeded in effective joint planning, operation, construction and maintenance of

existing and future transmission and distribution facilities that meet the current and future loads of both APS and ED3. ED3 and the ED3 transmission system are geographically situated to efficiently serve the area represented by the settlement.

Q. WOULD YOU PLEASE EXPAND, IN DETAIL, ON THE TYPES OF JOINT PLANNING ED3 HAS SHARED WITH APS.

A. Yes, most of the joint planning, operation, construction and maintenance of ED3's and APS's facilities is embodied in a 2002 Transmission Service Agreement between ED3 and Pinnacle West Capital Corporation ("PWCC") (the parent entity of APS), which provides for the following:

- ED3 provides network transmission service over its Transmission and Distribution System to PWCC for the delivery of capacity and energy to PWCC's points of delivery on a basis comparable to ED3's use of its Transmission and Distribution System to reliably serve its Native Load Customers;

- ED3 plans, constructs, operates and maintains its Transmission and Distribution System in accordance with Good Utility Practice in order to provide PWCC with Transmission Service; and

- ED3 and PWCC have established a comprehensive process for information exchange and system planning activities and jointly performed studies of the Casa Grande/Maricopa Area load serving capability in 2006.

- ED3 and APS personnel have established several protocols during the transition to coordinate crew dispatching, establish communications and coordination between service desks, and respond to customer service needs and inquiries.

Q. WHAT KIND OF PLANNING AND INFRASTRUCTURE EFFORTS HAS ED3 UNDERTAKEN TO ADDRESS THE GROWING NEEDS OF ITS SERVICE AREA?

A. ED3 actively participates in the Central Arizona Transmission System ("CATS") planning process. In fact, ED3's Director of Engineering & Operations currently serves as the Chairman for CATS. As the CATS process moves ahead, the long-term planning of the central Arizona transmission system will be closely monitored by ED3, with ED3 providing comments and input to that process to ensure its long-term load service needs are met. ED3 and APS are also in the process of formalizing their coordinated local transmission planning efforts by way of a Memorandum of Understanding ("Transmission MOU"). The Transmission MOU will provide for planning transparency by harmonizing the timing, development and exchange of data bases, load projections and modeling assumptions used in planning analysis; the identification of joint planning issues; and building upon joint planning activities already under way. Recent additions like the third 230kV/69kV transformer at the Santa Rosa Substation was a result of local transmission studies performed between APS and ED3.

ED3 has also sponsored saturated load studies and is working in cooperation with other Pinal County interested parties in attempting to efficiently plan long-term transmission lines and line routing with effective community notification and participation. As the local system is changed, ED3 is working with other similarly situated customers to plan WAPA's proposed 115 kV to 230 kV conversion with local improvements needed to the underlying Pinal County 230 kV facilities to create a reliable network for service to all of the Pinal County load serving entities. Specifically, as a member of the Santa Cruz Water and Power

Districts Association ("SCWPDA"), an association formed through a series of intergovernmental agreements among the boards of ED3, Electrical District No. 4 of Pinal County, Maricopa-Stanfield Irrigation & Drainage District, and Central Arizona Irrigation & Drainage District, ED3 recently filed a Ten-Year Transmission Plan with the Commission. The report, attached hereto as Exhibit ED3-10, was submitted to the Commission on January 31, 2008. The Ten-Year Transmission System Plan identifies all new transmission facilities, 69 kV and above, and all facility replacements/upgrades required over the next ten (10) years to reliably and economically serve the load. The report highlights projects in which SCWPDA and its participating districts anticipate participating either as owner(s) or via transmission service to meet the area's projected load growth for this ten-year period. All of the projects are expected to be included in the Ten-Year Plan of the sponsoring transmission providers operating in Pinal County. Historically, the districts of SCWPDA have been customers of WAPA and APS transmission systems for the delivery of their contracted power resources. ED3, through SCWPDA, is participating in the Palo Verde - Southeast Valley 500kV ("SEV") Project and is active in the sub-regional planning forums associated with the SEV Project.

Some of the other efforts undertaken by ED3 to address the growing needs of its service area include: (1) installing almost $125 million of new infrastructure for load growth; (2) backing the Central Arizona Transmission Study regional planning efforts for EHV facilities into Pinal County; (3) initiating the rebuild of the Maricopa Substation with WAPA and APS, including the rebuild of the Maricopa 69 kV substation, construction of WAPA's Test Track 230 kV

substation with a matching 167 MVA 230/69 kV transformer, and work with APS on adding the third 167 MVA 230/69 kV transformer between the APS Santa Rosa 230 kV and Maricopa 69 kV to serve the ED-3 system; (4) finishing its first 69 kV loop on the north half of its Service Area, where growth is now concentrated, and (5) planned all 69 kV substations to be looped in the future. Along the same lines, ED3 has continued to shore up its radial 69 kV and 12 kV transmission lines throughout the remainder of its Service Territory to lessen summer storm (micro-bursts, etc.) impacts; enlarged a transformer bay thus expanding load serving capacity to its existing Sonny Dunn distribution substation; and constructed four new 69/12 kV distribution substations – Talla, Maricopa West, Kelly, and the Peters and Nall stations.

Q. HAS ED3 FORMALIZED ANY TRANSMISSION INFRASTRUCTURE AND INTERCONNECTIONS WITH OTHER TRANSMISSION COMPANIES?

A. Yes. ED3 and WAPA have implemented several agreements relating to the transfer of Maricopa Substation from the Federal Government to ED3 and ED3 purchased and transferred land and easements to WAPA for the new WAPA Test Track substation. Additional agreements are in place for delivery of ED3's federal hydropower to Maricopa Substation from the WAPA system.

More recently, ED3 and APS finalized and executed an Interconnection Agreement on May 20, 2008, attached hereto as Exhibit ED3-11, which forms an important component of ED3's electrical infrastructure development. The Interconnection Agreement was filed by APS with the Federal Energy Regulatory

Commission on May 23, 2008, and was accepted for filing on July 9, 2008 FERC Docket No. ER08-1008-000. The Interconnection Agreement covers the points of interconnection between the APS and ED3 transmission systems, including a new 230 kV interconnection at APS's Santa Rosa 230 kV substation for the installation of the recently added ED3 230/69kV transformer that was needed for service by this summer. The Agreement includes the two 69kV interconnections from the APS Santa Rosa Substation to the ED3 Maricopa Substation. Specifically, under the Interconnection Agreement, ED3 has installed the second 230/69 kV transformer in the APS Santa Rosa 230 kV substation and is afforded long-term ownership-like rights for use of the Santa Rosa 230 kV substation to operate the three 230/69 kV transformers for reliable (N-1) service to the ED3 69 kV Maricopa substation. The rights that ED3 acquires under the Interconnection Agreement fulfill a number of vital functions for it, including providing a third source of EHV supply, matching ED3's 230 kV interconnection with WAPA's, at the latter's Test Track 230 kV substation and the APS 230kV/69 transformer in Santa Rosa. The combined capacity of the three transformers provides reliable load service capability for ED3 up to approximately 350MW and a reliable delivery point for ED3's five-year power supply arrangement with APS including providing a basis from which ED3 can participate in future transmission expansion planned for the Southeast Valley/Pinal County area and SEV 500 kV project.

Q. DOES ED3 HAVE AN INTERNAL TRANSMISSION PLANNING PROCESS?

A. Yes. ED3 has an internal transmission planning process, which consists of an on-going assessment of the following needs:

- Providing adequate transmission to access sufficient resources in order to serve loads reliably and economically.
- Supporting ED3 local transmission and sub-transmission systems.
- Providing technical data and participation in the Central Arizona Transmission Studies on the EHV and HV transmission system.

Consideration is given to load growth patterns, other system changes affected by rights-of-way, facilities siting constraints, routing of future transportation corridors, and joint planning with neighboring utilities and governmental entities.

The long term planning process takes into account the future land use plans that were developed by government agencies, aerial photo maps, master plans that were provided by private developers, and ED3's long-range forecasted load densities per square mile for residential, commercial, and industrial loads.

Additionally, each year ED3 uses its internal transmission planning process to update its Transmission Plan of Service (Exhibit ED3-9). ED3 examines yearly the near term three years in detail to be coincident with the ED3 capital budget, and an examination of the fifth and tenth years of the projected loads and resource requirements.

Q. IS ED3 INVOLVED IN ANY REGIONAL COORDINATION TRANSMISSION PLANNING?

A. ED3 is a member of the Western Electricity Coordinating Council. The focus of WECC is on promoting the reliability of the interconnected bulk 2007 Transmission Plan electric system.

Through WECC, ED3 assists in:

- Developing regional planning and operating criteria.
- Coordinating future plans.
- Compiling regional data banks for use by the member systems and the WECC in conducting technical studies.
- Assessing and coordinating operating procedures and solutions to regional problems.
- Establishing an open forum with interested non-project participants to review the plan of service for a project.

ED3 is also very active with the CATS HV planning group and is currently leading the facilitation and coordination for this region. It also provides a forum for specific projects to be exposed to potential partners and allows for joint studies and participation from interested parties. Additionally, ED3's involvement in the Southwest Area Transmission (SWAT) Planning Group allows ED3, and any other interested parties, to determine and study the needs of the region as a whole.

Q. WHAT ENHANCEMENTS HAS ED3 MADE TO ITS RETAIL (DISTRIBUTION) INFRASTRUCTURE?

A. ED3 has rapidly improved its distribution system and load serving substations to serve the growing retail customer base. This includes approximately 371 miles of new underground distribution lines and 3,050 distribution transformers, all constructed to serve new residential and commercial customers. In addition, ED3 has constructed four new 69/12 kV substations to reliably serve the new developments. ED3 uses both in-house and contracted services to design and construct the new facilities, while the ED3 crews focus mainly on the backbone 12 kV system and overhead lines. Initially, ED3 contracted with Central Arizona Irrigation and Drainage District to provide crews in 2001 and has since expanded its own crews, equipment, and facilities to serve the entire ED3 Service Area. ED3 tracks the infrastructure construction with its GIS system, and is using Automated Meter Reading to connect new customers to enable future integrated customer services, including customer service information systems, load management options, system operations, and improved system outage reporting as the ED3 information systems are expanded over time. Of the $125 million in infrastructure improvements, approximately $100 million has been expended on distribution facilities and equipment. As required by load growth and as a consequence of the area's transition from a rural to urban area, ED3 continues to examine the development of its system and conversion of overhead facilities to underground facilities – which are less vulnerable to outages caused by storms and other incidents, and thus provide improved reliability.

ED3 will also continue to plan its local facilities in coordination with APS, the Western Area Power Administration, and the AK-Chin Electric Utility Authority.

Q. WOULD YOU PLEASE BRIEFLY SUMMARIZE ED3'S APPROACH TO RELIABILITY.

A. ED3 has a staff of approximately 47 direct employees and 16 contract employees located at its offices in Maricopa and the surrounding area. It has 6 crews, a system dispatch center, a construction yard and service center, a general office, and two customer service centers. ED3's operating staff has annual preparedness meetings, constantly reviews system loading levels and prepares for inclement weather across the systems. ED3's operating staff also manages the construction of new facilities on the distribution, subtransmission, and Exta High Voltage facilities. ED3 constantly tracks system performance through its operations center with substation SCADA and TWACS distribution system operating systems. The ED3 staff coordinates dispatching and communications, coordinates with contractors, produces outage reports on any system event (which are then reported to the ED3 Board each month), and continually coordinates with APS and the Western Area Power Administration. Additionally, ED3 routinely updates its data and information programs to efficiently plan and construct its facilities and system. ED3 currently contracts with two design firms that are familiar with ED3's design and construction standards. The firms, together with additional outside contractors, assist ED3 in its system design, substation projects, and transmission projects.

As I have explained in this testimony, ED3 recently spearheaded a significant upgrade of its transmission and distribution backbone system. The majority of new 12 kV services are constructed in underground conduits, and ED3 is highly coordinated with other utilities in common trench arrangements.

In addition to the planning, construction, and maintenance of its facilities, ED3 operates its system in accordance with Good Utility Practice through the following activities:

- Observing the network – Monitoring present SCADA voltage, current, and power-flow conditions to determine if failure of an element or voltage collapse is imminent. ED3 will be performing underfrequency load shedding analysis with APS to assure the ED3 system is reliably connected and coordinated with the transmission network. Such studies are necessitated as a result of the new 230 kV transformer addition, and new ED3 substations and 69kV transmission lines.

- Analyzing and modeling its system – With the aid of computer models and data on current operating conditions such as current flows and voltages, anticipating conditions in elements (individual pieces of equipment such as lines and transformers) that are not directly observable; estimating what will happen if an element fails; determining whether a proposed transaction can be accommodated; and dealing with normal uncertainties.

- Communicating and coordinating – Coordinating with neighboring systems (APS and the AK-Chin Electric Utility Authority) and the Western Area Power Administration to ensure that activities do not threaten the integrity of the systems.

- Taking control actions – Maintaining distribution and subtransmission system operation within acceptable limits.

- Monitoring and enforcing compliance – Ensuring that it is consistently meeting reliability requirements.

- Securing necessary regulatory approvals – Ensuring that it obtains all FERC and other regulatory approvals as necessary for expanding its system and interconnecting with other utilities.

- Planning for future conditions – Making improvements and additions (such as new generation, transmission lines, transformers and load control) to maintain reliability and relieve constraints; improving communications and controls to enable engagement in reliability-enhancing activities; and improving ability to observe and model its system, thus allowing better utilization of existing resources.

Q. WOULD YOU PLEASE BRIEFLY SUMMARIZE ED3'S WORK WITH APS TO ENSURE A SMOOTH TRANSITION FOR THE CUSTOMERS CURRENTLY SERVED BY APS.

A. ED3 has worked cooperatively with APS through numerous meetings and discussions to identify the areas, facilities, customers, and processes and documentation necessary to facilitate the Settlement and Supplemental Agreements between the parties. There have been numerous meetings and

discussions on 12 kV planning and service issues between the ED3 offices and APS Casa Grande offices. There have been 69kV planning meetings with APS departments to examine the load serving capability of the Casa Grande system and service from the Santa Rosa/Maricopa substations. These meetings and the various local transmission studies which resulted from those meetings led to the timely addition of the third 230/69kV transformer owned by ED3 and installed by APS.

Additionally, there have been numerous meetings among APS and ED3 over the years pertaining to compliance with State and Federal law and following applicable regulations. As indicated in APS's filing, APS will continue to have a few connections to the ED3 system for service to APS loads outside the ED3 Service Area. ED3 recognizes it has an obligation under its FERC Transmission Service Agreement to plan and operate its system to provide reliable transmission service to APS. ED3 will continue to plan local facilities in coordination with APS to meet APS service needs and adjust those needs as APS' loads and system plans change over time.

Q. IS ED3 APPROPRIATELY POSITIONED TO ASSUME THE ROLE OF OWNER AND OPERATOR OF THE TRANSMISSION AND DISTRIBUTION FACILITIES WHICH ARE THE SUBJECT OF THE APS APPLICATION?

A. Yes. When the Lease Agreement terminated in October 2001, ED3 assumed possession and operational control of its electric system and has since invested significant capital in infrastructure that allows it to offer bundled retail electric service to all customer classes located within its Service Area (including those

that had primarily been served by APS). ED3, in its public utility role, has effectively operated, planned, and constructed its system to meet load growth inside its Service Area and provided wholesale service to APS and Ak-Chin Indian Community as requested.

Q. WHAT KIND OF GENERAL LONG TERM RESOURCE PLAN DOES ED3 HAVE?

A. ED3 has long-term federal hydro power contracts for Parker-Davis, Hoover, and Salt Lake City Area Integrated Project power. For decades, ED3 has openly purchased wholesale power to supplement its hydro power allocations and load needs. Through pooling agreements, ED3 has efficiently managed its purchases and resources with MSIDD pumps for economic operation of the ED3 system and irrigation pumping loads. ED3 has recently executed a five year wholesale power supply agreement with APS.

Future local generation is being explored by ED3 with other Arizona entities to be able to plan for local voltage support and regulation to ED3's loads, and provide additional generation capacity, as the region grows over time.

Q. WILL THE SALE OF THE SPLIT ENDS FROM APS TO ED3 IMPACT SERVICE TO ANY OF THE AREA'S CUSTOMERS?

A. No. As I described above, ED3 currently owns most of the electric distribution system used to serve the area's customers, and ED3 wheels energy for APS on that system. Thus, APS's ability to serve its customers currently depends on ED3's maintenance and operation of that system. By approving the sale to ED3

of the remaining APS-owned infrastructure (which is interwoven with ED3's system), the Commission would, in essence, be completing the sale of an electric system that was already sold to ED3 back in 1960 and approved by this Commission in Decision No. 32690; approving the sale and change in ownership of line extensions added in the past 47 years, and implementing a ruling that will discontinue the practices of overlapping service responsibility for an area of 147,000 acres. ACC approval will, among other things, clarify responsibility for operating and maintaining the system, will improve the safe operation of the system by defining these responsibilities, clarify financial responsibility, and will eliminate customer confusion resulting from the combined ownership.

VI. IMPACT OF THE TRANSFER OF FACILITIES ON CURRENT APS CUSTOMERS

Q. WHAT IMPACT, IF ANY, WILL THE TRANSFER OF FACILITIES HAVE ON CURRENT APS CUSTOMERS?

A. None. Initially, there were approximately 4278 APS customers served through the ED3 system. Approximately 285 services have already switched to ED3 from APS. For the remaining customers, both ED3 and APS are committed to a customer outreach and education plan, including the use of newspaper ads, direct mail, and a community open house(s). For its part, ED3 will duly and promptly notify its current customers of the transfer through a direct mail circulation.

VII. CONCLUSION

Q. PLEASE PROVIDE ANY CONLUDING REMARKS.

A. ED3 fully supports ACC approval of APS's application relating to the proposed sale of APS facilities to ED3, and the deletion of the ED3 Service Area from APS's CC&N. The grant of such authorization will effectuate reliable energy service to customers located in the ED3 Service Area.

APS and ED3 have cooperated to provide for the electric service needs of the area in which they concurrently serve in a safe, rational and economically efficient manner. The ongoing and anticipated future electrical infrastructure needs of Pinal County have grown to the point where it is time for the Commission to adjust the alignment of the two utilities' infrastructure investments and retail service arrangements to reflect the reality emerging on the ground. There is no need and, indeed, no justification for requiring APS to duplicate the investments that ED3 has already made in Pinal County, which are in turn the infrastructure investments from which future electrical infrastructure will grow. APS's system has real needs for the deployment of resources elsewhere, and ED3 is best positioned to meet the needs of electricity consumers within its proposed service area.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes

EXHIBIT
ED3-3
ADMITTED

BEFORE THE ARIZONA CORPORATION COMMISSION

MIKE GLEASON
Chairman
WILLIAM A. MUNDELL
Commissioner
JEFF HATCH-MILLER
Commissioner
KRISTIN K. MAYES
Commissioner
GARY PIERCE
Commissioner

IN THE MATTER OF THE SALE AND TRANSITION BY ARIZONA PUBLIC SERVICE TO ELECTRICAL DISTRICT NO. 3 OF CERTAIN ELECTRICAL FACILITIES IN PINAL COUNTY PURSUANT TO A.R.S. § 40-285(A) AND FOR DELETION FROM ITS CERTIFICATE OF CONVENIENCE AND NECESSITY CERTAIN AREAS OF PINAL COUNTY	**DOCKET NO. E-01345A-08-0426**

DIRECT TESTIMONY

OF

JERRY D. SMITH

On Behalf of
Electrical District No. 3

Filed on:
August 12, 2008

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I. CREDENTIALS

Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND PHONE NUMBER.

A. Jerry D. Smith, 160 N. Pasadena, Suite 101, Mesa, Arizona 85201-6764. My office number is (480) 610-8741.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed as an electric utility engineer in the firm of K.R. Saline & Associates, PLC. My responsibilities include managing the firm's transmission and distribution engineering function. In this capacity I oversee the performance of planning studies and interconnection studies for utilities, developers and serve as the Planning Manager for a subregional transmission planning organization called WestConnect.

Q. WHAT IS YOUR EDUCATIONAL AND PROFESSIONAL BACKGROUND?

A. I graduated from the University of New Mexico in 1968 with a Bachelor of Science degree in Electrical Engineering. I received a Masters of Science degree in Electrical Engineering from New Mexico State University in 1977 majoring in power systems and electric utility management. I am also licensed with the State of Arizona as a Professional Engineer - Electrical.

Prior to joining K.R. Saline and Associates, PLC, I was employed as a staff electric utility engineer with the Arizona Corporation Commission for nine years. My responsibilities with the Commission included participation in Arizona's regulatory rulemaking and rate processes regarding retail electric competition and direct access of transmission and distribution facilities. I actively participated in

the organizational development of an Arizona Independent Scheduling Administrator ("AzISA") and a Regional Transmission Organization ("RTO") called Desert STAR. Desert STAR has since been replaced by a different RTO organizational form and filed with FERC as WestConnect. I was also responsible for the Commission's investigation of distributed generation and interconnections for potential rulemaking consideration.

I joined the Commission Staff in February 1999, following a lengthy career with the Salt River Project ("SRP"). During my SRP career I: analyzed and planned transmission and distribution system improvements; managed design services required for retail customer projects; and served as primary contact for local municipalities regarding siting of facilities and utilizing funds for aesthetic treatment of water and power facilities.

While employed by SRP, I also performed ancillary functions such as development and management of capital improvement budgets; formation and modification of system planning, operational and maintenance policies, procedures and practices; and creation, modification and administration of new contribution in aid of construction charges and tariffs.

Q. IN WHAT CAPACITY ARE YOU PRESENTING YOUR TESTIMONY?

A. I am presenting this testimony on behalf of ED3 to support APS's application relating to the proposed sale of APS facilities to ED3 and the deletion of the ED3 Service Area from APS's Certificate of Convenience and Necessity ("CC&N") (the "APS Application").

Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE ARIZONA CORPORATION COMMISSION ("COMMISSION")?

Yes, I have testified before the Arizona Corporation Commission in matters related to quality of service issues, utility planning and siting requirements, system adequacy assessments and cost of service studies. I was also the Commission's primary staff witness for over 40 power plant and transmission line siting cases.

II. SUMMARY AND PURPOSE OF TESTIMONY

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. The purpose of my testimony is to describe, on behalf of ED3, the public benefits from the transfer of APS facilities to ED3.

III. DISCUSSION: THE PUBLIC BENEFITS OF THE TRANSFER OF FACILITIES FROM APS TO ED3

Q. WHAT EFFECT ON COSTS WILL THE TRANSFER OF FACILITIES HAVE?

Currently, both APS and ED3 plan and construct transmission and distribution infrastructure to serve the area. This overlapping of service obligations has historically resulted in some duplication of capital investment in utility infrastructure to serve the same geographic area. It also confuses retail customers and increases the costs of operations for both utilities. Consolidation of the service area under the obligations of a single utility will eliminate the duplication of operational and capital costs and translate into considerable operational and capital cost savings to the benefit of the area rate payers.

Q. PLEASE DESCRIBE THE FIELD SAFETY BENEFITS?

A. As previously explained, the transfer will provide operational benefits. These operational benefits include providing greater field safety and efficiency by

avoiding the confusion of duplication of infrastructure. More importantly, it avoids the situation where the two utilities are unknowingly simultaneously working on different, but interconnected, parts of the same contiguous 69 kV and 12 kV systems.

Q. PLEASE DESCRIBE THE PUBLIC SAFETY BENEFITS?

A. The interests of both ED3's and APS's respective customers is best served by ED3 assuming responsibility for the operation and maintenance of the electric distribution system within the overlapping service areas. Having a single utility control all designs, equipment, construction, crews, access, planning and coordination will result in superior reliability and efficient delivery of service for electricity.

Q. WILL THERE BE ANY DEGRADATION IN SERVICE TO CUSTOMERS AS A RESULT OF THE PROPOSED TRANSFER?

A. No, the proposed transfer will not result in a degradation in service to APS's existing customers. In fact, as explained above, it will result in greater reliability and less confusion for retail customers.

Q. WHAT SPECIFICALLY IS ACHIEVED BY COMMISSION APPROVAL OF APS'S APPLICATION?

A. Approval of APS's Application will allow for full implementation of the Federal Energy Regulatory Commission ("FERC") Order issued on February 15, 2002 in *Arizona Public Service Company,* 98 FERC ¶ 61,172, where FERC determined that "it is clear from the terms of the Lease Agreement that operational control over ED3's transmission system reverted to ED-3 upon termination of that agreement. ED3 is a transmitting utility and there is no evidence that it cannot properly operate and maintain its transmission system."

More specifically, the transfer will complete the realization of the March 1, 2002 Settlement Agreement, which provided (in relevant part) for the sale to ED3 of specified electrical facilities owned by APS that are located within the ED3 service area and interconnected with the ED3 electrical system. ED3 currently operates the electrical distribution and subtransmission system located within the ED3 Service Area (in accordance with the 2002 Settlement Agreement), and APS continues to own, maintain and operate its electric distribution facilities that it constructed within the ED3 Service Area.

APS also retains the obligation to provide retail electric service to residential, commercial and industrial customers therein located, other than service to loads served by ED3, under applicable Arizona law. Indeed, the utility assets are intermingled and the service obligations are duplicative. Thus, approving APS's Application will allow ED3 to assume all responsibility for the service and operation and maintenance of the complete and integrated electric distribution system within the overlapping service areas. Approval of the APS application will also achieve the following:

- Wholesale wheeling to APS and the Ak-Chin Community will occur as needed to serve all current and future loads dependent upon transmission service via the ED3 system.

- Public confusion regarding utility responsibilities for retail customers, developers, regional county planning, EHV planning, and power supply planning will be eliminated.

- Supporting the Commission's position of promoting voluntary resolutions of duplicate service obligations between regulated/non-regulated utilities will be publicly acknowledged.

IV. CONCLUSION

Q. PLEASE PROVIDE ANY CONLUDING REMARKS.

A. In my past role as a member of the Commission staff, I advocated the consolidation and elimination of overlapping services between APS and ED3. My professional opinion today remains the same: It is in the public interest to sell APS's distribution facilities and the transmission facilities described in APS's Application, and to delete the ED3 Service Area from APS's present CC&N. It will yield safer field conditions, eliminate public confusion about service obligations for the area, eliminate duplication of operating and capital cost and provide the opportunity for service reliability improvements.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes

EXHIBIT
ED3-4
ADMITTED

BEFORE THE ARIZONA CORPORATION COMMISSION

MIKE GLEASON
Chairman
WILLIAM A. MUNDELL
Commissioner
JEFF HATCH-MILLER
Commissioner
KRISTIN K. MAYES
Commissioner
GARY PIERCE
Commissioner

IN THE MATTER OF THE SALE AND TRANSITION BY ARIZONA PUBLIC SERVICE TO ELECTRICAL DISTRICT NO. 3 OF CERTAIN ELECTRICAL FACILITIES IN PINAL COUNTY PURSUANT TO A.R.S. § 40-285(A) AND FOR DELETION FROM ITS CERTIFICATE OF CONVENIENCE AND NECESSITY CERTAIN AREAS OF PINAL COUNTY	**DOCKET NO. E-01345A-08-0426**

DIRECT TESTIMONY

OF

JEFFREY J. WONER

On Behalf of
Electrical District No. 3

Filed on:
August 12, 2008

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I. CREDENTIALS

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. Jeffrey J. Woner, 160 N. Pasadena, Suite 101, Mesa, Arizona 85201.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am a Partner in the firm of K.R. Saline & Associates, PLC. My responsibilities include management of the Finance and Rates section of our Firm.

Q. PLEASE DESCRIBE YOUR EDUCATION AND PROFESSIONAL BACKGROUND.

A. I graduated from the University of Arizona in 1986 with a Bachelor of Science Degree in Biology with a minor in Chemistry. In 1990 I received a Master of Science Degree in Economics from Arizona State University. Following graduation from Arizona State University, I was employed by R.W. Beck in the Rate Department assisting in the development of cost of service studies and both wholesale and retail rate design. In 1994, I joined K.R. Saline & Associates where I continued developing cost of service rate studies for consumer-owned utilities in the southwest. I currently manage the Finance and Rates group for K.R. Saline & Associates.

Q. IN WHAT CAPACITY ARE YOU PRESENTING YOUR TESTIMONY?

A. I am presenting this testimony on behalf of Electrical District No. 3 ("ED3") to support APS's application relating to the proposed sale of APS facilities to ED3 and the deletion of the ED3 Service Area from APS's Certificate of Convenience and Necessity ("CC&N").

Q. HAVE YOU TESTIFIED PREVIOUSLY AS AN EXPERT WITNESS?

A. Yes. I have previously provided testimony in several rate processes specifically related to Federal hydro power and transmission projects operated by the Western Area Power Administration.

II. PURPOSE OF TESTIMONY

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. The purpose of this testimony is to present to the Commission a comparison of estimated monthly billing under ED3's current rates to those of APS, a forecast of ED3's future rate increases, a comparison of ED3's existing policies governing line extensions and renewable energy, and the implications on customers of the proposed transfer from APS to ED3.

III. DISCUSSION OF ED3'S RATES

Q. HOW DOES ED3 CALCULATE ITS RATES?

A. Unlike regulated for-profit utilities such as APS, ED3 is a pure cost of service utility and, as such, does not include a return on its rate base. When developing its retail rates, ED3 incorporates a cash flow methodology and the results of such cash flow to determine ED3's cost to serve (and ultimately the rates it charges) its own customers. Ariz. Rev. Stat. § 48.1774(C) specifically requires that service charges "shall at no time be more than enough to make the district self-sustaining taking into account reasonable needs for depreciation, new construction and like requirements". As a result, any excess revenues collected as a result of ED3's lender requirement (that ED3 maintain rate levels that will collect enough revenues to cover its annual operating expenses and 1.25 times the annual interest expenses) are re-invested into the system, offsetting future debt requirements. ED3 is also required by Arizona law to maintain uniform service charges to users within its territory. Ariz. Rev. Stat. § 48.1774(D). In addition, the coverage requirement of ED3's financing does not differentiate between wholesale transmission and distribution service and retail service.

Q. IS THERE AN OPPORTUNITY FOR PUBLIC PARTICIPATION WHEN ED3 PROPOSES RATE CHANGES?

A. Yes. All ED3 Board meetings are noticed prior to the meeting and are open to the public.

Q. HOW DO ED3'S ESTIMATED MONTHLY BILLINGS UNDER CURRENT RATES COMPARE TO THOSE OF APS?

A. Attached as Exhibit ED3-12 is a comparison of estimated seasonal and annual billings under ED3's residential rates based on an average energy profile of the APS customers to be transferred to ED3. As you can see from such spreadsheet, annual billing under ED3's rates compare favorably to APS' current and proposed rates.

Q. WHAT ARE ED3'S EXPECTATIONS OF RATE INCREASES FOR THE NEXT FIVE TO TEN YEARS.

A. As is the case for all utilities, costs to serve (especially power and construction costs) are increasing at a significant rate. All indications are that the market cost for power and construction materials will continue to increase into the short-term future. Over this short term, ED3 has insulated itself from these increases through long-term contracts for hydro power and a 5-year partial requirements power supply contract with APS. Over the long-term, ED3 continues to participate jointly with 40 other public power utilities through the Southwest Public Power Resources ("SPPR") Group to explore the construction and ownership of generation resources.

ED3, as an Arizona electrical district engaged in providing retail electric service, is not subject to Commission oversight of its rates. However, at ED3's request, my firm has evaluated the base rate increases necessary to cover projected costs

over the next 10 years. These estimates are attached as Exhibit ED3-13. In actual practice, ED3 plans to keep any rate increase to a minimum to the customer, seeking only those increases that cover the operating expenses of the utility, required replacements and reserves, plus any required monies to cover debt reserve costs.

IV. IMPACT OF APS TRANSFERRED CUSTOMERS

Q. WILL RETAIL CUSTOMERS BE TREATED ON THE SAME BASIS, REGARDLESS OF WHICH UTILITY SERVED THEM PRIOR TO THE TRANSFER, AND REGARDLESS OF WHETHER OR NOT THE CUSTOMERS HAVE THEIR PROPERTY INCLUDED IN ED3'S TAX BASE?

A. Yes. ED3 will treat all of the customers it serves equally, both in rate structure and other applicable terms of service, regardless of whether such customers reside inside or outside of the ED3 district boundaries, regardless of whether their property is included in ED3's tax base, and regardless of which utility served them previously. Additionally, ED3 will assume all remaining outstanding obligations of APS to its customers (including any applicable line extension refunds, etc.), if any.

Q. HOW WILL THE ADDITION OF THE APPROXIMATELY 3,993 APS CUSTOMERS AFFECT ED3'S FINANCES?

A. Because of the nature of the electric utility business, with significant capital expenses to serve future loads, the average fixed costs to serve existing customers

can be affected significantly by the addition of new customers. The immediate impact of the inclusion of an additional estimated 3,993 customers, even with the additional debt associated with those customers – the cost of the Split Ends – will be a reduction of the total average fixed costs to serve. As an example, the current ED3 average cost of debt per customer is approximately $500, per year. An additional estimated 3,993 customers, even with the additional debt incurred as a result of the facilities purchase from APS, will reduce this debt burden to approximately $420 per customer, per year. The continued infill of ED3's existing subdivisions will continue to decrease this average debt burden.

V. POLICIES GOVERNING LINE EXTENSIONS AND RENEWABLES

Q. HOW DOES ED3'S POLICY CONCERNING EXTENSION OF ELECTRIC FACILITIES COMPARE TO APS'?

A. ED3's current line extension policy provides for a $5,000 per customer allowance for extension to individual homes. For developers of commercial properties or residential subdivisions, ED3 requires that a refundable deposit of 75% of line extension costs be advanced prior to construction. The refund of these advances is based on a build-out requirement and economic feasibility analysis.

ED3 is aware that the regional policies for line extensions are under review by ACC jurisdictional and non-jurisdictional utilities. ED3's Board has continually monitored the rate and economic development impacts of new commercial and residential developments upon ED3's customers. ED3's Board will continue to

examine regional policy changes regarding line extension policies and consider implementing comparable policies as they are regionally modified and adopted by other utilities.

APS' line extension policy requires that 100% of line extension costs be paid prior to construction and are non refundable. In this regard, ED3's line extension policy is more favorable to new customers than APS'.

Q. HOW DOES ED3'S POLICY CONCERNING RENEWABLE ENERGY COMPARE TO APS'?

A. ED3's Board has recently approved the outline of a comprehensive Renewable Energy Policy which includes a REP surcharge which is expected to collect $100,000 per year and be used to provide capital assistance with renewable distributed generation installations, Energy Star certification, HVAC replacement rebates and investment in renewable generation resources. The ultimate purpose of the plan is to coordinate ED3's future purchased power needs with demand side and load management opportunities, district purchases of renewable power and potential development of low head hydro resources on the irrigation system canals. ED3 will continually examine its options on both the supply side and the demand side to incorporate renewable generation resources and demand side management options into its customer offerings.

Recent efforts to optimize ED3's energy efficiency include an agreement with the Maricopa-Stanfield Irrigation and Drainage District (ED3's largest customer) to implement a pump optimization program which enables the ED3 to select usage of the most efficient pumps and wells of least depth in order to maximize the cumulative productive capacity of all irrigation wells relative to their cumulative resource input. ED3 also has in place an aggressive well inspection program where the field service crews inspect and identify any defective components which could be repaired or replaced in order to increase the efficient operation of the ED3's pumps. The historical success of ED3's conservation program is evident in the significant increases in the load factor of the irrigation loads over time.

APS' Renewable Energy Standard rules provide similar assistance with the capital requirements of distributed generation as well as investment in large scale renewable generation. While the scope and capability of ED3's Renewable Energy Policy plan is less favorable than APS' RES plan due to the significant difference in annual energy sales, ED3's plan recognizes the importance of renewable generation and demand side management in its long term planning.

VII. CONCLUSION

Q. DOES THIS CONCLUDE YOUR TESTIMONY AT THIS TIME?

A. Yes.

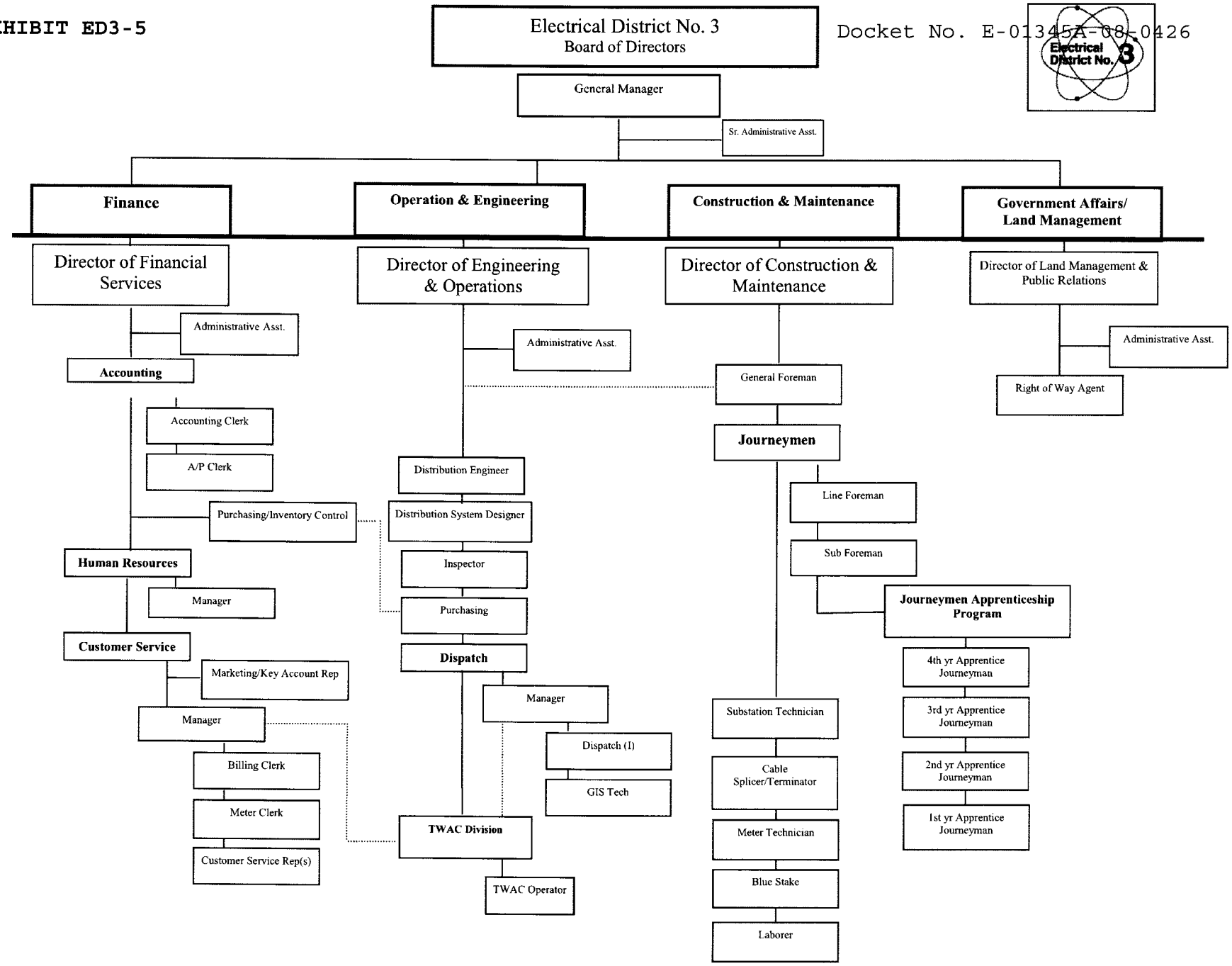
EXHIBIT
ED3-5
ADMITTED

Exhibit ED3-5

Organizational Chart of ED3

EXHIBIT ED3-5

Docket No. E-01345A-08-0426



Docket No. E-01345A-08-0426

EXHIBIT
ED3-6
ADMITTED

Exhibit ED3-6

ED3 Audited Financial Statements: Years Ended 12/31/07 and 12/31/06

EXHIBIT ED3-6

Docket No. E-01345A-08-0426

Electrical District No. 3

FINANCIAL STATEMENTS

Years Ended December 31, 2007 and 2006

EXHIBIT ED3-6

ELECTRICAL DISTRICT NUMBER THREE

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EXHIBIT ED3-6

Celebrating 50 Years Of Service

HENRY & HORNE, LLP
Certified Public Accountants

Independent Auditors' Report

Board of Directors
Electrical District Number Three
Maricopa, Arizona

We have audited the accompanying financial statements of Electrical District Number Three as of and for the years ended December 31, 2007 and 2006, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Electrical District Number Three as of December 31, 2007 and 2006, and the changes in its financial position and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis is not a required part of the financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Henry & Horne, LLP

March 7, 2008

Tempe
2055 E. Warner Road
Suite 101
Tempe, AZ 85284-3487
(480) 839-4900
Fax (480) 839-1749

Scottsdale
7098 E. Cochise Road
Suite 100
Scottsdale, AZ 85253-4517
(480) 483-1170
Fax (480) 483-7126

Casa Grande
711 E. Cottonwood Lane
Suite C
Casa Grande, AZ 85222-2725
(520) 836-8201
Fax (520) 426-9432

Pinetop
Post Office Box 527
Pinetop, AZ 85935-0527
(928) 367-2591
Fax (928) 367-3501

www.henryandhorne.com

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2007

The discussion and analysis is designed to provide an analysis of District's financial condition and operating results and to also inform the reader on the District's issues and activities.

Financial Highlights

Key financial highlights for year 2007 are as follows:

- Residential power usage increased 39% in 2007 and Commercial usage increased 37%. The total KWH usage was 483,673,000 for 2007, an increase of 118,387,000 over 2006.
- The residential growth within the District brought a 22% increase in meter count.
- This growth led to an increase in Capital Assets of over $29,000,000, an increase of 35%.
- Capital growth was financed primarily by the issuance of long term bonds.
- The district's Change in Net Assets improved by 32%, due in large part to successes in minimizing power costs.

Using this Financial Report

The financial report consists of a Statement of Net Assets, Statement of Revenues, Expenses and Changes in Net Assets, Statement of Cash Flows and Notes to the Financial Statements.

The *Statement of Net Assets* presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *Statement of Revenues, Expenses and Changes in Net Assets* presents current year's revenues and expenses and the related impact on net assets. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The *Statement of Cash Flows* reports the District's cash flows from operating, investing, capital and non capital activities.

The *Notes to the Financial Statements* provide additional information that is essential for a full understanding of the data provided in the statements.

Condensed Statement of Net Assets

	2007	2006
Current and other assets	$ 44,652,271	$ 32,932,684
Capital assets	111,323,447	82,281,918
Total assets	155,975,718	115,214,602
Other liabilities	7,068,220	8,586,074
Long-term liabilities	115,590,000	85,590,000
Total liabilities	122,658,220	94,176,074
Net assets:		
Invested in capital assets, net of related debt	8,724,522	10,904,137
Restricted	2,957,250	1,500,000
Unrestricted	21,635,726	8,634,391
Total net assets	$ 33,317,498	$ 21,038,528

The District's Net Assets increased by $12,278,000 or approximately 58%, due primarily to the increase in the Change in Net Assets. This increase is reflected in the increase in Current and Other Assets and the increase of Unrestricted, Net Assets.

Capital Assets grew by $29,041,000 from continued improvements to the electrical plant. These improvements are almost entirely financed by issuance of bonds, which can be seen in the increase of Long-term Liabilities.

Included in Other Liabilities is over $2,500,000 of Contributions In Aid of Construction that will be repaid as these customers begin using power or will revert to Contributions on the Statement of Revenues as the projects are completed.

Restricted Assets grew by $1,457,000 because of additional restrictions of the issuance of bonds through Banc of America Securities LLC.

Changes in Net Assets

	2007	2006
Operating revenues:		
Power sales	$ 37,075,340	$ 28,517,044
Other operating revenues	2,318,633	1,307,072
Nonoperating revenues	487,414	322,013
Total revenues	39,881,387	30,146,129
Operating expenses:		
Power costs	15,600,331	12,864,137
Other operating expenses	12,272,020	9,753,212
Nonoperating expenses	542,645	62,115
Total expenses	28,414,996	22,679,464
Income (loss) before contributions	11,466,391	7,466,665
Contributions	812,579	1,826,615
Change in net assets	12,278,970	9,293,280
Net assets - beginning	21,038,528	11,745,248
Net assets - ending	$ 33,317,498	$ 21,038,528

Power Sales increased 30% while Power costs increased by only 21%. There was a similar increase in Other Operating Revenues mostly due to an increase in wheeling revenue.

The increase in Other Operating Expenses is partially caused by the increase in meter count of 22%.

Interest earned on cash is the majority of the increase in Nonoperating Revenues.

Over $400,000 of the increase in Non-operating expense is due to a loss on sale of assets that is expected to be a one-time occurrence.

ED3 sales revenues are a result of actual sales based upon rate designs that include certain assumptions which include purchased power costs and recognizing the rising cost of natural gas which is the main source of energy replacement for hydropower as well as for new additional needed resources for customer growth. The success in minimizing actual power costs in 2007 is mainly due to the continuation of the APS energy contract in combination with access to short-term supplemental capacity through the District's Hoover contract. Discussions on new agreements with APS are reaching their conclusion and this power contract will be replaced. This will change the outcome of the difference between power costs and power sales in coming years.

The District continues to monitor and adjust its contribution requirements to ameliorate any effects of a construction slow down. The decrease in the

Contributions from 2006 is partially a reflection of slowing in industrial and infrastructure construction activities.

Budgetary Highlights

The District annually adopts a budget for its operation and maintenance, and projected capital growth needs.

The District budget adopted for 2007 had total revenues of $46,160,000, and an operating income of $8,033,000 before debt service and depreciation. After debt service and depreciation the budget projected a margin of $1,143,000. This budget anticipated the completion of negotiations of the aforementioned energy contract. Greater than expected residential and small commercial growth in the District's service area as well as efficient power purchases allowed the District to earn more than budgeted, and actual Change in Net Assets was $ 12,278,000.

Capital Assets and Debt Administration

Capital Assets:

Capital assets in 2007 grew by $29,041,000 or over 35%, due almost entirely to the new construction of underground and substation infrastructure in the Maricopa area and the completion of an initial loop system for the District's 69kv transmission lines.

Debt Administration:

The District's capital growth was accomplished by the continuing financing plan with the Bank of America, which included the issuance of 2007 Series A. This issuance provided funds to (i) finance and refinance the costs of the project, (ii) fund a Series Reserve Account of the Debt Service Reserve Fund for the 2007 Series A Bonds, and (iii) pay certain costs of the issuance of the 2007 Bonds. The total amount of Bonds issued in 2007 was $30,000,000. This debt has been incurred as a result of the necessary investment in new electrical infrastructure to provide services for the customer growth within the District and in particular in the Maricopa area (an increase in total accounts of 22% in 2007). Discussions are under way for another issuance of Revenue Bonds for the projected additional capital needs of over $9,000,000 for 2008 and $15,000,000 in 2009. At year end there was $14,000,000 remaining from the Series 2007A Bond issuance. All of these funds will be used for capital expenditures by June 2008.

Economic and Other Factors

The City of Maricopa is located approximately 16 miles south of the southern boundary of the Phoenix metropolitan area and is within the boundaries of the electrical district. During the past four years there has been a significant amount of growth in the Maricopa area due in large part to the significant increases in cost of housing in the Phoenix area and the cheaper land values in the Maricopa area. This growth has resulted in the rapid conversion of land from farming to housing development.

Currently there are twenty active subdivisions in the Maricopa area that will result in the addition of approximately 27,000 new homes at full build out. This housing boom resulted in the addition of an average of over 240 new connections per month during 2007.

While the District has witnessed a slowdown in housing starts, estimates have been made with new connections varying from 100 to 300 per month in the 2008 budget.

Financial Contact

The District's financial statements are designed to present users with a general overview of the finances and to demonstrate accountability. If you have any questions about the report or need additional financial information, please contact the accounting department, Electrical District No. Three, 41630 Louis Johnson Drive, Maricopa, AZ, 85239, or call (520) 424-9021.

ELECTRICAL DISTRICT NUMBER THREE
STATEMENTS OF NET ASSETS
December 31, 2007 and 2006

ASSETS	2007	2006
CURRENT ASSETS		
Cash and cash equivalents	$ 14,488,378	$ 5,584,411
Accounts receivable, net of uncollectibles	3,860,712	2,736,066
Other receivables, net of uncollectibles	3,150,753	440,713
Inventory	995,599	641,614
Deposit-APS Escrow	1,994,209	1,994,209
Prepaid expenses	329,973	71,462
TOTAL CURRENT ASSETS	24,819,624	11,468,475
NONCURRENT ASSETS		
Cash and cash equivalents - restricted	17,533,058	19,603,155
Deferred charges	2,299,589	1,861,054
Capital assets, nondepreciable	28,586,358	35,804,941
Capital assets, net of depreciation	82,737,089	46,476,977
TOTAL NONCURRENT ASSETS	131,156,094	103,746,127
TOTAL ASSETS	155,975,718	115,214,602
LIABILITIES		
CURRENT LIABILITIES		
Current portion - refundable advances	698	5,119
Accounts payable	1,455,497	1,682,502
TOTAL CURRENT LIABILITIES	1,456,195	1,687,621
NONCURRENT LIABILITIES		
Liabilities payable from restricted assets-deposits	1,584,733	3,904,307
Customer deposits	1,268,449	878,156
Refundable advances in aid of construction	2,758,843	2,115,990
Revenue bonds	115,590,000	85,590,000
TOTAL NONCURRENT LIABILITIES	121,202,025	92,488,453
TOTAL LIABILITIES	122,658,220	94,176,074
NET ASSETS		
Invested in capital assets, net of related debt	8,724,522	10,904,137
Restricted	2,957,250	1,500,000
Unrestricted	21,635,726	8,634,391
TOTAL NET ASSETS	$ 33,317,498	$ 21,038,528

ELECTRICAL DISTRICT NUMBER THREE
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
Years Ended December 31, 2007 and 2006

	2007	2006
OPERATING REVENUES		
Power sales	37,075,340	$ 28,517,044
Rent - utility plant	-	4,116
Wheeling power sales	1,978,098	1,302,956
Miscellaneous income	340,535	-
TOTAL OPERATING REVENUES	39,393,973	29,824,116
OPERATING EXPENSES		
Purchased power	15,600,331	12,864,137
SCWPDA expenses	151,245	153,045
Maintenance	1,805,136	1,141,666
Depreciation	2,451,158	1,736,556
Insurance and bonds	127,044	95,815
Professional fees	261,892	216,537
Engineering	452,608	528,569
Administrative fee to MSIDD	123,621	86,706
Directors fees and expenses	17,402	14,558
Administrative expenses	714,472	495,820
Lease and rent expense	46,610	57,781
Transportation	166,929	89,867
Operating supplies	112,654	81,863
Operation supervision	727,417	858,174
Transmission and line expense	273,799	213,926
Underground expense	4,769,390	3,746,606
Distribution expense	70,643	235,723
TOTAL OPERATING EXPENSES	27,872,351	22,617,349
OPERATING INCOME	11,521,622	7,206,767

	2007	2006
NONOPERATING REVENUES (EXPENSES)		
Interest earnings	378,465	177,176
Facility relocation/line extension	-	14,360
Gain (loss) on sale of equipment	(481,408)	4,756
Bond cost amortization	(61,237)	(62,115)
Property taxes	108,949	113,061
Reimbursements and sale of materials	-	12,660
TOTAL NONOPERATING REVENUES	(55,231)	259,898
NET INCOME BEFORE CONTRIBUTIONS	11,466,391	7,466,665
Contributions	812,579	1,826,615
CHANGE IN NET ASSETS	12,278,970	9,293,280
NET ASSETS, BEGINNING OF YEAR	21,038,528	11,745,248
NET ASSETS, END OF YEAR	$ 33,317,498	$ 21,038,528

ELECTRICAL DISTRICT NUMBER THREE
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2007 and 2006

	2007	2006
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	$ 38,258,177	$ 28,932,588
Payments for power	(15,963,811)	(12,874,230)
Payments to employees	(1,798,969)	(1,138,415)
Payments to vendors	(8,143,929)	(6,670,465)
NET CASH PROVIDED BY OPERATING ACTIVITIES	12,351,468	8,249,478
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Receipts from property taxes	103,155	54,760
Payments of line extension/relocations	(4,421)	(4,797)
Receipt of reimbursements and material sales	-	12,660
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	98,734	62,623
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets/inventory	(37,131,814)	(32,918,458)
Payment for APS escrow	-	(1,994,209)
Capital contributions	1,455,432	2,775,631
Receipts from sale of capital assets	83,859	4,756
Payment of interest and debt costs	(402,274)	(594,129)
Proceeds from line of credit	30,000,000	47,195,867
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(5,994,797)	14,469,458
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipts of interest	378,465	177,176
NET CASH PROVIDED BY INVESTING ACTIVITIES	378,465	177,176
NET CHANGE IN CASH AND CASH EQUIVALENTS	6,833,870	22,958,735
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	25,187,566	2,228,831
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 32,021,436	$ 25,187,566

	2007	2006
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	$ 11,521,622	$ 7,206,767
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	2,451,158	1,736,556
(Increase) decrease in:		
Accounts receivable	(1,512,718)	(1,297,414)
Prepaid expenses	(258,511)	29,992
Increase (decrease) in:		
Accounts payable	(251,165)	106,647
Accrued payroll	24,160	61,044
Customer deposits	376,922	405,886
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 12,351,468	$ 8,249,478
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Amortization of bond costs	$ 61,237	$ 62,115
Removal of electrical plant	637,380	-
CASH AND CASH EQUIVALENTS RECONCILIATION		
Cash and cash equivalents	$ 14,488,378	$ 5,584,411
Cash and cash equivalents - restricted	17,533,058	19,603,155
	$ 32,021,436	$ 25,187,566

ELECTRICAL DISTRICT NUMBER THREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2007 and 2006

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

The District was created as a political subdivision of the State of Arizona under State Statute and formed primarily to provide its members with the cost savings of purchasing hydroelectricity and purchasing wholesale electricity versus paying retail rates. The District generates the majority of its operating revenue by selling electricity within the District (rural Pinal County). The District's largest single customer is the Maricopa-Stanfield Irrigation & Drainage District (MSIDD), which is encompassed within its boundaries. The District also has authority to assess ad valorem taxes as well as special district secondary taxes levied upon non-exempt classification acreage (not upon assessed valuation) within the District's geographical boundaries.

Reporting Entity

The accompanying financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, The Financial Reporting Entity, in that the financial statements include all the organizations, activities, function and component units for which Electrical District Number Three (the District) is financially accountable. The District is comprised of a single enterprise fund and has no component units. Management of the District is the responsibility of the District's Board of Directors who is elected by the District's landowners.

Principles of Reporting

The District accounts for its operations using the Governmental Enterprise Fund Concept. The Enterprise Fund is used to account for operations that are financed and operated in a manner similar to private business enterprises where the costs (expenses, including depreciation) of providing electricity to the users is financed through user charges.

Basis of Accounting

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Contributions, grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Pursuant to GASB Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting, the District follows GASB guidance as applicable to proprietary funds, the Financial Accounting Standards Boards Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins issued on or before November 30, 1989 that do not conflict with or contradict GASB Pronouncements.

ELECTRICAL DISTRICT NUMBER THREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2007 and 2006

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The District distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the District's principal ongoing operations. The principal operating revenues of the District are energy sales. Operating expenses for the District include power and distribution costs, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Cash and Cash Equivalents

For the purpose of statements of cash flow, the District considers all highly liquid investments with original maturities of less than 90 days to be cash equivalents. Cash and cash equivalents are comprised of cash and short-term investments.

Restricted Assets

The District is required to maintain a cash reserve due to their debt covenants. The cash is invested and maintained in separate bank accounts and their use is limited by applicable debt covenants.

Investments

Pursuant to GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, the District reports all investments at fair value in the statement of net assets.

Inventories

The District maintains a materials and supplies inventory valued at the lower of cost or market, using the moving average method.

Capital Assets

Utility plant is carried at its original cost when first dedicated to public use. Original cost includes labor, materials, transportation and construction equipment cost, and other minor charges as designated by the R.U.S. and F.E.R.C. Uniform System of Accounts. The cost of utility plant retired, and the removal cost less salvage value, is charged to accumulated depreciation at the time property is removed from service. When property other than plant in service is retired, the gain or loss on disposition is reflected in revenue. The cost of renewals and improvements are capitalized; minor repairs are expensed as incurred. Provision for depreciation is made using straight-line composite rates based upon estimated useful lives.

ELECTRICAL DISTRICT NUMBER THREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2007 and 2006

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Other property and equipment are recorded at cost and are depreciated using the straight-line method and the estimated useful lives, in years, as follows:

Structures and improvements	10 – 20
Transportation equipment	3 – 10
Office equipment	3 – 10
Miscellaneous equipment	3 – 5

Unamortized Bond Costs

Bond costs will be amortized over the term of the bonds using the straight-line method.

Compensated Absences

Employees of the District are entitled to paid vacations, sick days and other time off depending upon length of service. The District's policy is to recognize the costs of compensated sick days and holidays when paid to employees. All regular full-time employees accrue vacation days depending on the length of their employment with the District. Vacation days per employee accrue between 10 and 20 days per year and may be paid upon termination of employment. A maximum of 40 hours can be carried to the following year if the employee has been with the District for 2 years.

Use of Estimates in Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 PROPERTY TAXES

Property taxes are levied by the District and collected by Pinal County Treasurer. Property taxes are levied no later than the third Monday in August and are payable in two installments due October 1 of the current year and April 1 of the subsequent year. Taxes become delinquent after the first business day of November and May, respectively. The District levied $1.00 per acre for a total of $108,949 and $113,061 for 2007 and 2006, respectively.

ELECTRICAL DISTRICT NUMBER THREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2007 and 2006

NOTE 3 CASH DEPOSITS AND INVESTMENTS

Cash and investments include restricted and unrestricted amounts and are included in the financial statements as follows:

	2007	2006
Cash and cash equivalents	$ 1,641,198	$ 5,584,411
Cash and cash equivalents - restricted	47,557	386,191
Investments	12,847,180	-
Investments - restricted	17,485,501	19,216,964
	$ 32,021,436	$ 25,187,566

At year end, the District had the following cash deposits and investments:

	2007	2006
Deposits	$ 1,688,755	$ 5,964,704
Investments	30,332,681	19,222,862
	$ 32,021,436	$ 25,187,566

Cash Deposits

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, an entity will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party.

The carrying amount of District's 2007 deposits totaled $1,688,755 and the bank balance was $1,746,175. Federal Depository Insurance covered the District's deposits at December 31, 2007, to the extent of $277,842. Deposits of $1,420,776 were collateralized with securities held by the pledging financial institution or by its trust department or agent but not in the depositor-government's name. Deposits of $47,557 were uncollateralized.

The carrying amount of District's 2006 deposits totaled $5,964,704 and the bank balance was $6,569,881. Federal Depository Insurance covered the District's deposits at December 31, 2006, to the extent of $138,268. Deposits of $6,064,691 were collateralized with securities held by the pledging financial institution or by its trust department or agent but not in the depositor-government's name. Deposits of $366,922 were uncollateralized.

Investments

The District adheres to the Arizona Revised Statutes, which govern the investment of District funds. Eligible investments include certificate of deposits in eligible depositories, interest bearing accounts in qualified banks, repurchase agreements, pooled investments by the State Treasurer, bonds of the U.S. Government that are guaranteed as to principal and interest, and bonds of the state, county, city, town or school district.

ELECTRICAL DISTRICT NUMBER THREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2007 and 2006

NOTE 3 CASH AND INVESTMENTS (Continued)

(A) Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District had $30,332,681 for December 31, 2007 invested in money markets with a remaining maturity of less than one year. For December 31, 2006, the District had $19,222,862 invested in a money market with a remaining maturity of less than one year.

B) Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. All of the District's investments are unrated.

C) Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer. Money market investments totaling $17,485,501 are held by The Bank of New York Trust and are in the Fidelity Treasury Money Market Fund. The remaining investments totaling $12,847,180 are held by Bank of America and invested in the Columbia Government Reserves money market fund.

NOTE 4 RECEIVABLES

Accounts receivable as of the year-end are as follows:

	2007	2006
Accounts receivable-trade	$ 3,869,192	$ 2,634,270
Accounts receivable-wheeling	316,520	266,796
	4,185,712	2,901,066
Allowance for uncollectibles	(325,000)	(165,000)
Total	$ 3,860,712	$ 2,736,066

Electrical District Number Three reports revenues net of uncollectible amounts. Total uncollectible amounts related to revenues for 2007 and 2006 are $186,180 and $120,576, respectively.

ELECTRICAL DISTRICT NUMBER THREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2007 and 2006

NOTE 4 RECEIVABLES (Continued)

Other receivables as of the year-end are as follows:

	2007	2006
Property taxes	$ 64,095	$ 58,301
Power refunds/rebates	629,939	228,583
Ak-Chin electric plant sale	2,316,174	-
Miscellaneous	155,545	168,829
	3,165,753	455,713
Allowance for uncollectibles	(15,000)	(15,000)
Total	$ 3,150,753	$ 440,713

NOTE 5 CAPITAL ASSETS

A summary of the changes in capital assets follows:

	Beginning 1/1/2007*	Additions	Deletions	Ending 12/31/07
Capital assets not being depreciated:				
Land	$ 588,859	$ -	$ -	$ 588,859
Construction/work in progress	35,216,082	31,706,364	(38,924,947)	27,997,499
Total capital assets not being depreciated	35,804,941	31,706,364	(38,924,947)	28,586,358
Depreciable capital assets - Distribution system				
Plant in service	55,902,024	41,081,047	(2,968,439)	94,014,632
Structures/improvements	167,120	20,585	-	187,705
Vehicles	1,018,171	459,614	(16,496)	1,461,289
Tools and equipment	288,509	31,467	-	319,976
Total capital assets being depreciated:	57,375,824	41,592,713	(2,984,935)	95,983,602
Accumulated depreciation: Distribution system				
Plant in service	(10,293,225)	(2,172,791)	92,119	(12,373,897)
Structures/improvements	(25,144)	(29,500)	-	(54,644)
Vehicles	(429,629)	(210,179)	11,375	(628,433)
Tools and equipment	(150,849)	(38,690)	-	(189,539)
Total accumulated depreciation	(10,898,847)	(2,451,160)	103,494	(13,246,513)
Net depreciable capital assets	46,476,977	39,141,553	(2,881,441)	82,737,089
Total capital assets, net	$ 82,281,918	$ 70,847,917	$ (41,806,388)	$ 111,323,447

* The District reclassified some of the capital assets in the 1/1/2007 balances.

Interest of $4,910,173 was capitalized in 2007.

ELECTRICAL DISTRICT NUMBER THREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2007 and 2006

NOTE 6 LONG-TERM DEBT - REFUNDABLE ADVANCES IN AID OF CONSTRUCTION

District customers are required to advance funds to the District for a portion of the cost of new installations. These advances are refundable over a five-year period, based upon a predetermined level of usage. The District retains any funds not refunded during the five-year period.

NOTE 7 REVENUE BONDS

In March 2006, the District issued Variable Rate Credit Agreement Revenue Bonds, Series 2006A in the amount of $67,750,000. The purpose of the bonds was to partially refinance the line of credit. These bonds were refunded with the 2006 Series A Refunding and Capital Improvement Electric System Revenue Bonds issued in October 2006.

In October 2006, the District issued Refunding and Capital Improvement Electric System Revenue Bonds, 2006 Series A and Series B for $60,000,000 and $25,590,000, respectively. The purpose of the bonds was to refund the District's Variable Rate Credit Agreement Revenue Bonds, Series 2006A and the Electric System Revenue Bonds, 2005 Series A for $39,579,719 and $25,590,000, respectively. The remaining funds were used to provide for capital improvements to the District's electric system.

The 2006 Series A Bond's rate of interest is 5 percent until October 2011 at which time the bonds may bear interest at a Daily Interest Rate, an Index Floating Rate, a Weekly Interest Rate or any other variable rate as stated in the Private Placement Memorandum. The 2006 Series B rate of interest will be at the BMA Index for the applicable calculation date plus 1.25 percent until October 2011 at which time the bonds are subject to mandatory tender for purchase. On or after October 2011, the 2006 Series B bonds may bear interest at a Daily Interest Rate, and Index Floating Rate, a Weekly Interest Rate or any other variable rate as stated in the Private Placement Memorandum. Principal will be repaid from the remarketing of the 2006 Series A and B bonds, but interest is due monthly.

In August 2007, the District issued Electric System Revenue Bonds, 2007 Series A for $30,000,000. The purpose of the bonds was to provide funding for the costs of acquisition and construction of transmission and distribution lines for the District's Electric System.

The 2007 Series A Bond's rate of interest is 5.2 percent until August 2012 at which time the bonds may bear interest at a Daily Interest Rate, an Index Floating Rate, a Weekly Interest Rate, a Commercial Paper Rate, another Long-Term Interest Rate or an ARB Interest Rate. Principal will be repaid from the remarketing of the 2007 Series A bonds and has an initial mandatory tender date of August 1, 2012. Interest on the bonds is payable monthly.

ELECTRICAL DISTRICT NUMBER THREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2007 and 2006

NOTE 8 PLANT LEASE AND POWER AGREEMENTS

The District previously entered into the following agreements with Arizona Public Service Company. On June 23, 1999, the District notified Arizona Public Service of the District's intention to terminate all of the following agreements.

Original Agreement

On September 25, 1961, electric facilities owned by Arizona Public Service were transferred to the District. At this time, a thirty-year lease agreement between Electrical District Number Three and Arizona Public Service became effective which provided for the leasing of all such electric facilities within the District to Arizona Public Service. This agreement terminated in October 2001. From October 2001 to March 2006, the District's system was operated by Central Arizona Irrigation and Drainage District (CAIDD) pursuant to an intergovernmental agreement entered into in 2001.

A Power Agreement with Arizona Public Service was executed and became effective March 1, 1961, and terminated in 1991, but provided for automatic extensions for an additional five years. This Agreement provided for the assignment by Arizona Public Service to the District of low cost hydropower under contract from the Arizona Power Authority. Arizona Public Service is also to provide steam electric power and energy as required by the District in excess of that made available from the Authority or which might be obtained by the District from sources other than Arizona Public Service. It further provides that Arizona Public Service will distribute and deliver all power and will read the meters and do the billing for the District's irrigation customers. Power obtained by the District from sources other than Arizona Public Service is delivered over the system leased by Arizona Public Service and maintained and operated by them for a wheeling charge of 2.25 mills per kilowatt-hour of such power delivered to the pumps.

There were existing disputes with APS arising out of the differing termination dates of these agreements. These disputes were reflected in several proceedings before FERC and include amounts, which are now being billed to APS, for wheeling electricity over the District's system. In February 2002, APS and ED3 reached a settlement agreement whereby the Power Agreements were deemed terminated as of March 31, 2002. ACC approval of the transfer of certain assets from APS to ED3 is pending.

Additional Agreements for Another Service Area

(A) Power Agreement

This agreement was entered into on July 2, 1975, and became effective March 22, 1976, when APS began furnishing wholesale service to then Electrical District No. 1. This agreement provided that APS would deliver power, obtained from sources other than APS, to the irrigation pumps of the District for an operating charge of 2.25 mills per kilowatt-hour. Also, the agreement provided that to the extent the District's irrigation load exceeded power from other sources, APS would furnish the needed power, at the APS standard irrigation rate applicable to retail services in the area, without the addition

ELECTRICAL DISTRICT NUMBER THREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2007 and 2006

NOTE 8 PLANT LEASE AND POWER AGREEMENTS (Continued)

of the 2.25 mills operating charge. This agreement terminated in August 2002.

(B) Purchase Agreement

In March 1977, the District exercised its option under the purchase agreement to purchase the facilities of Arizona Public Service located within the boundaries of the District. As a condition precedent to the purchase, the District and APS entered into a lease agreement and a lease power agreement.

The Lease Agreement provided for the District to lease to APS all of the electrical facilities acquired under the Purchase Agreement, plus all additions and less all retirements, at an annual rental rate of 10.6% of the net cost of the facilities. The Lease Agreement with Electrical District Number Three terminated in October, 2001. The Agreement with Electrical District Number One ("ED 1"), which merged into Electrical District Number Three, terminated under the above referenced settlement agreement with APS.

Both the Lease Agreement and the Lease-Power Agreement provide that, in the event these agreements are terminated, the property shall be sold to APS at original sales price, adjusted for additions and retirements, or the District shall enter into a Wheeling Agreement with APS for 15 years providing for power delivery to APS and to its residential, commercial and industrial customers.

The termination of the leases resulted in a variety of disputes over the operation of the system. These disputes are reflected in several proceedings before the Federal Energy Regulatory Commission ("FERC") brought by APS and Pinnacle West Capital Company ("PWCC"). In February, 2002, a settlement was reached between the District, APS and PWCC. This settlement is awaiting final approval by the Arizona Corporation Commission.

NOTE 9 SANTA CRUZ WATER & POWER DISTRICTS ASSOCIATION

Effective November 1, 1997, Electrical District Number Three, in association with other electrical and irrigation districts, formed the Santa Cruz Water and Power Districts Association (SCWPDA). This association was formed for the purpose of facilitating a broad based and unified approach to shared issues including electrical deregulation, future water pricing and availability, and Indian water rights. The General Manager of the District is currently serving as Manager of SCWPDA. As such, his salary and benefits are shared by the other Association Member Districts. Electrical District Number Three's annual participation percentage in this Association amounts to 52.1 and 39.6% of the shared costs for 2007 and 2006, respectively (based upon a rolling five-year historical kilowatt hour load). These expenses are identified on the Statement of Revenues, Expenses and Changes in Net Assets. An operational budget was adopted, in the preceding calendar year. The District's pro-rata share of the

ELECTRICAL DISTRICT NUMBER THREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2007 and 2006

NOTE 9 SANTA CRUZ WATER & POWER DISTRICTS ASSOCIATION (Continued)

expenses was $151,245 and $153,045 for 2007 and 2006, respectively. Currently, Santa Cruz Water and Power Districts Association prepares no separate audited financial statements.

NOTE 10 RETIREMENT PLANS

401(k) Profit Sharing Plan

On May 1, 2006, the Board of Directors executed the Electrical District Number Three Retirement Plan. The Plan is a salary reduction plan for the exclusive benefit of eligible employees and their beneficiaries, which allows each employee who was active on the execution date of the Plan to choose to defer up to $15,500 and $15,000 of salary for calendar year 2007 and 2006, respectively. The District, at the discretion of the Board of Directors, may contribute matching and discretionary profit sharing contributions, equal to a uniform percentage of salary deferrals. Amounts deferred by each employee are 100% vested immediately. Distributions before age 59½ are not generally permitted except in the event of death, disability, termination of employment, or reasons of financial hardship. Loans are available to participants on a reasonably equivalent basis. Each employee's share of the discretionary employer contribution for each Plan Year is determined as a ratio of employee salary to total compensation of all participants eligible to share. The District contributed $80,303 and $53,461 to the Plan for 2007 and 2006, respectively. Participation in the Plan was 36 of 43 employees for 2007.

NOTE 11 INTERGOVERNMENTAL AGREEMENTS

Electrical District Number Three (ED3) operates under an Intergovernmental Management Agreement with Maricopa Stanfield Irrigation & Drainage District (MSIDD). Under the terms of this agreement, which renews automatically each January, MSIDD provides shared administrative offices and staff, utilities, office supplies, and vehicle maintenance. Electrical District Number Three is billed monthly for these services. The management fees paid for calendar years ended December 31, 2007 and 2006 amounted to 123,621 and $86,706, respectively.

NOTE 12 CONSTRUCTION COMMITMENTS

The District has active construction projects as of December 31, 2007. The projects include the construction of electrical infrastructure within the District. At December 31, 2007, the District's commitments totaled $3,215,789.

ELECTRICAL DISTRICT NUMBER THREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2007 and 2006

NOTE 13 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft, destruction of assets, error and omissions, injuries to employees, and other losses. The District carries commercial insurance for risks of loss, including workers' compensation, and employee health insurance. The District has had no claims resulting from these risks in any of the past three years.

NOTE 14 CONCENTRATIONS

The District provides services (i.e. electrical power) to customers in a limited geographic area. Consequently, the ability of the District's funds to cover operating costs is at risk due to this geographic concentration of customers in the area. As with the majority of municipalities and other political subdivisions that operate similar proprietary funds, a downturn in the local economy or other unforeseen circumstances could adversely affect the District's ability to collect amounts due from customers or to continue to generate the revenue needed to cover the costs of providing services.

NOTE 15 DESIGNATION OF UNRESTRICTED NET ASSETS

The Board has designated $1,000,000 of the unrestricted net assets to offset the cost of future power cost increases.

NOTE 16 AGREEMENTS

To meet its long-term power requirements, Electrical District Number Three continues to be actively involved in the Southwest Public Power Resources Group (SPPR Group). The SPPR Group is a group of approximately 40 public power utilities, tribal utilities and electric cooperatives from Arizona and Nevada who have joined together to pursue the economical development and ownership of future power generating resources and short-term purchased power contracts.

Electrical District Number Three also entered into an agreement with Salt River Project (SRP) and is a participant in the SRP 500 kV transmission line from Palo Verde to Pinal South and in the Pinal South substation. SRP plans for the Palo Verde to Pinal West line to be in service in 2008 and the Pinal West to Pinal South line to be in service in 2011. Electrical District Number Three has committed to Salt River Project to pay its proportionate share of the 500 kv transmission line from the Palo Verde to the Pinal West Substation. Electrical District Number Three is participating in but is not committed to the portion of this project extending from the Pinal West Substation to the Pinal South Substation.

Docket No. E-01345A-08-0426

EXHIBIT
ED3-7
ADMITTED

Exhibit ED3-7

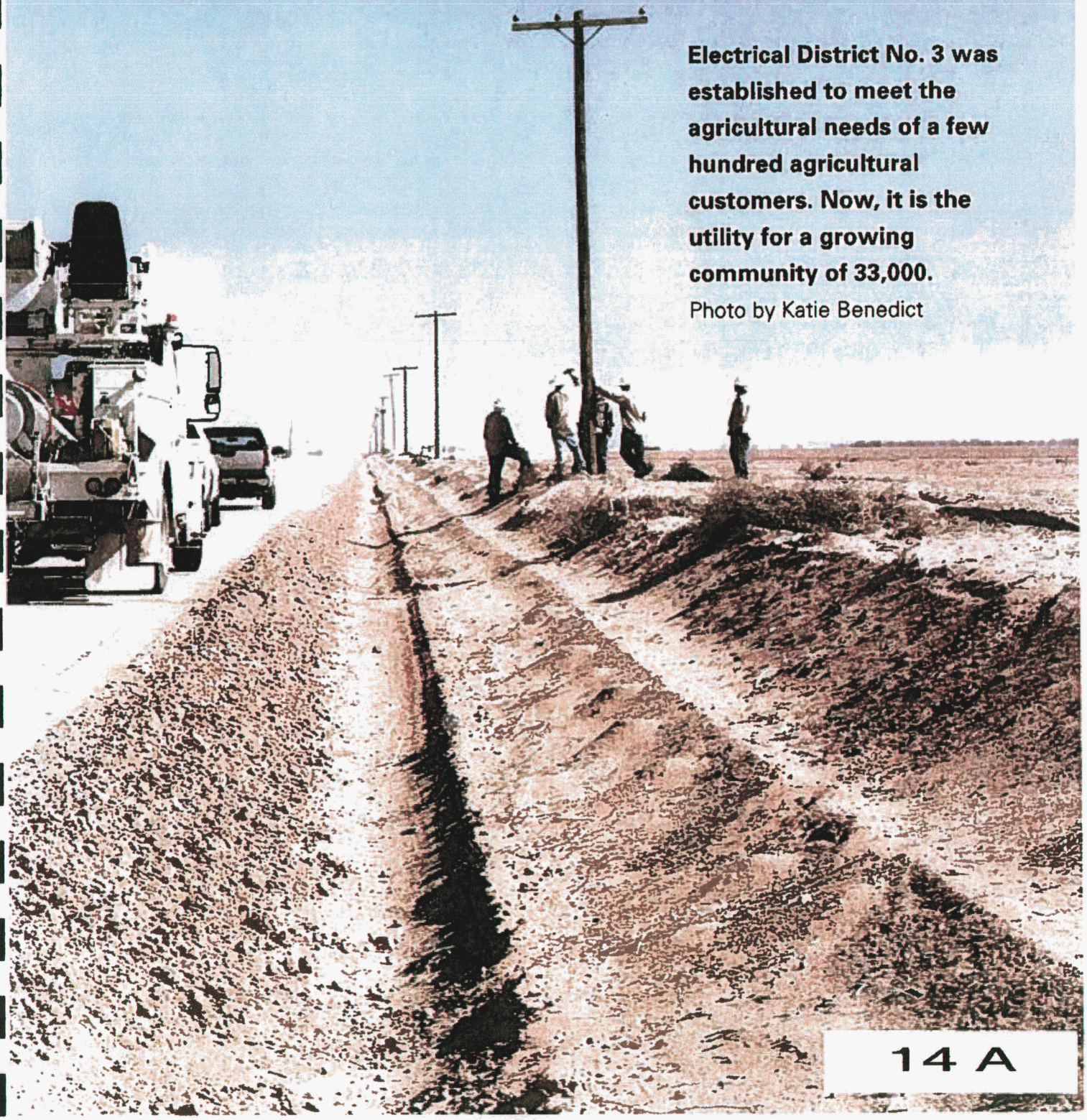
Article on ED3, as published in the June 2008 Public Power Magazine

EXHIBIT ED3-7

Docket No. E-01345A-08-0426

The Little Utility THAT COULD

BY WILLIAM ATKINSON



Electrical District No. 3 was established to meet the agricultural needs of a few hundred agricultural customers. Now, it is the utility for a growing community of 33,000.

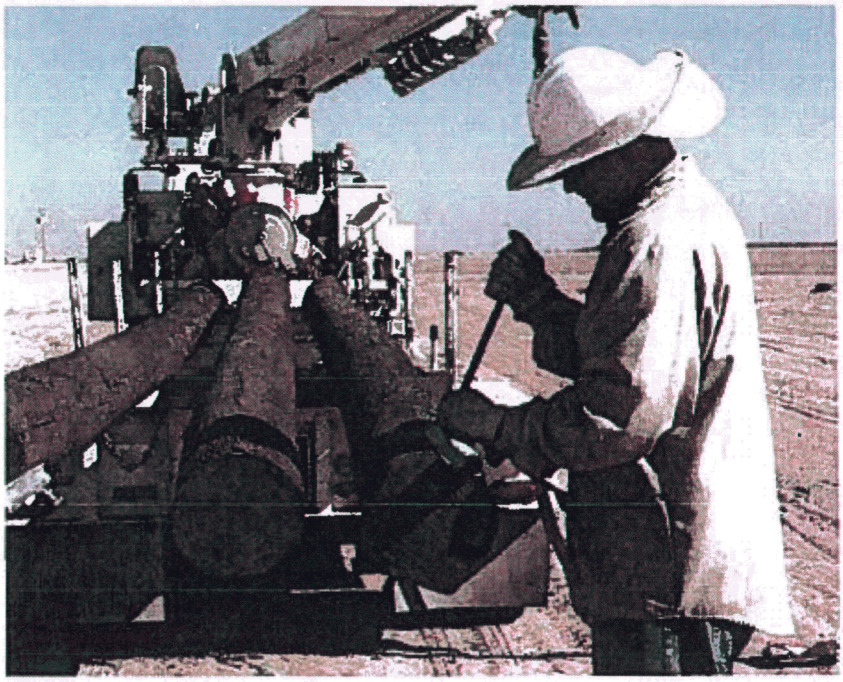
Photo by Katie Benedict

14 A

"Until recently, Maricopa was a sleepy little community with a couple of bars and a couple of churches," said Jim Hartdegen, director of land management and public relations for Electrical District No.3, the Arizona city's public power utility. "A few years ago, more and more people began coming around to purchase a few acres and build homes, but there was still not a lot of growth."

However, things have been changing, according to recent U.S. Census data. Reporting 30,500 residents in 2006 and 33,000 in 2007, Maricopa—known as "Copa Town" by its young residents—is expected to burgeon to 125,000 people by 2010; that's up from just 1,040 residents in 2000.

Until 2002, non-agricultural power to the Maricopa area was provided by Arizona Public Service. But that has changed.



ED-3 had one employee in 2002. Today it has 49 full-time employees. Photo by Katie Benedict

"In 2002, ED-3 decided that it wanted to serve all customers within our boundary," said Brett Benedict, ED-3's interim general manager. The utility is working on an agreement to make ED-3 the main electricity provider in the area. "All new customers coming into the Maricopa area are customers of ED-3."

According to Benedict, the utility's board of directors had a vision for serving the growing community. "We (ED-3 and APS) had been running into each other so many times over the years that the board felt it would be better for the community to have a single service provider," he said.

For Maricopa, about 20 miles south of Phoenix, population growth is largely a result of urban sprawl, spurred by the construction of a two-lane expressway to Maricopa from Phoenix, which began in the 1980s.

"As a result, land speculators started to buy up land around Maricopa, and developers also started looking at opportunities for building," said Hartdegen. With the urban influx, the locals decided it was time to incorporate. Maricopa was officially incorporated as a city Oct. 15, 2003. The first City Council took office June 1, 2004.

For a small public power utility with a history of serving only the agricultural needs of its customers of a few hundred people, such a large influx meant, essentially, building from the ground up.

"The biggest challenge in recent years has been working to become a totally self-sufficient power company," said Dan Thelander, chairman of ED-3's board. "We really started from scratch. Prior to that, most of the maintenance and operations work was done by APS."

As an electrical district formed in the 1920s, Electrical District No. 3 was set up solely to deliver hydro power from the dams on the Colorado River to the communities of Maricopa and Stanfield, Ariz., as well as the surrounding agricultural communities. In fact, according to Benedict, ED-3 still consisted of just one employee in 2002—the general manager. "We subcontracted a lot of the other work to a sister electrical district close by."

As a result of growth, ED-3 now has 49 full-time employees, an ongoing journey lineworker training program and an array of in-house, on-the-job training to get administrative employees up to speed. "We have used a lot of American Public Power Association training materials, and many of us attend APPA training programs every year," said Benedict.

Growth, of course, means more than just more people. It means adding infrastructure, said Benedict. Since the sprawl began, ED-3 has grown from about $30 million in assets to $150 million today, has added several loops of 69-kV transmission lines and has doubled the number of substations.

"It has been a challenge to establish easements and rights-of-way so we can build the new lines," said Hartdegen. "Years ago, the utility used to be able to do this on a handshake. Now, there is a lot of documentation to go through."

Generating enough electricity, service outages and garnering community support have also not been easy. The utility still has access to hydro power from the Colorado River dams and from APS through contracts, but has plans for new generation. The majority of new residents migrate from nearby Phoenix, but some come from California and the Midwest.

"A lot of these people decide that they want to build great rooms with 15-foot ceilings, and then are surprised when they receive their utility bills," he said. "We have to explain to them that this is the desert, and it does get hot.

"In the past, if someone ran into a pole, people seemed to accept the fact that they would be without power for awhile until we got it back on. Now, a lot of people expect power restored almost immediately. We do a good job of getting the power back on, but we have to explain to people that, five years ago, we

had no redundancy in our system."

One of the most important keys to success, according to Benedict, is good personnel. "The general manager was able to attract a lot of good people," he said.

Second, he said, has been establishing an excellent board. "The board is composed of people who are, on the one hand, forward-thinking, but on the other hand, appropriately conservative," said Benedict. "The board has also always been very stable." Most of those who sit on the seven-member board have done so for over five years. In fact, the former chairman, who recently passed away, had been on the board since the 1940s, said Benedict.

According to Benedict, building on an excellent community relations presence is paramount. For instance, ED-3 runs a safety program in local schools and works with local hardware stores to provide customers with rebates for the purchase of compact fluorescent bulbs.

ED-3's biggest challenge has been to become a self-sufficient utility, said Dan Thelander, chairman of the utility's board. Photo by Katie Benedict

"We are also succeeding in keeping our rates reasonable, if not low," he said. Nevertheless, Benedict admits he spends a lot of time thinking about the next important project.

A recent slowdown in homebuilding has given ED-3 some time to look at a couple of major projects: one, to continue to get the rights-of-way and easements for new 69-kV lines and some new substations; the other, a new power plant.

"We continue to look for ways to improve reliability," said Benedict. "In our old system, most of the lines were radial—one line out to where the customer is. If there was a problem with the line, everyone was out." ED-3 continues to add loops to the system, so it can feed back from other sources.

ED-3 also works with Salt River Project in Phoenix for access to a large transmission line SRP is building through the Maricopa area. For generation, ED-3 is working with a group of 30 public power utilities and other entities in Arizona that is exploring the possibility of building a natural gas-powered generation plant. "We hope to have this started in the next year or so," he said.

While ED-3 could have immediately hired a slew of high-experienced technical professionals, the board instead chose to work with consultants to transition. "We were able to find some

excellent consultants in the area who have helped us tremendously," said Thelander. "In a small utility, you can't afford to hire high-priced technical people right away. In the future, as we become larger, we hope to be able to hire more engineers and other technical people, so we can eventually have all of our functions performed in-house."

Balance is important in other areas, too. At one time, ED-3's customer-base was growing at a rate of 5 percent a month, making the utility wonder if it could realistically keep up with demand, Thelander said. "However, over the last year, growth has started to slow. As a result, our strategy is to be careful. We don't want to get the system built ahead of people who will be using our power." Getting ahead of the population growth would leave the utility with too much debt, he said. ▮

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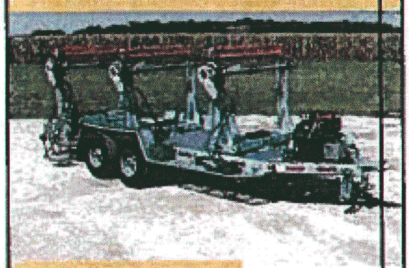

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ED3-8
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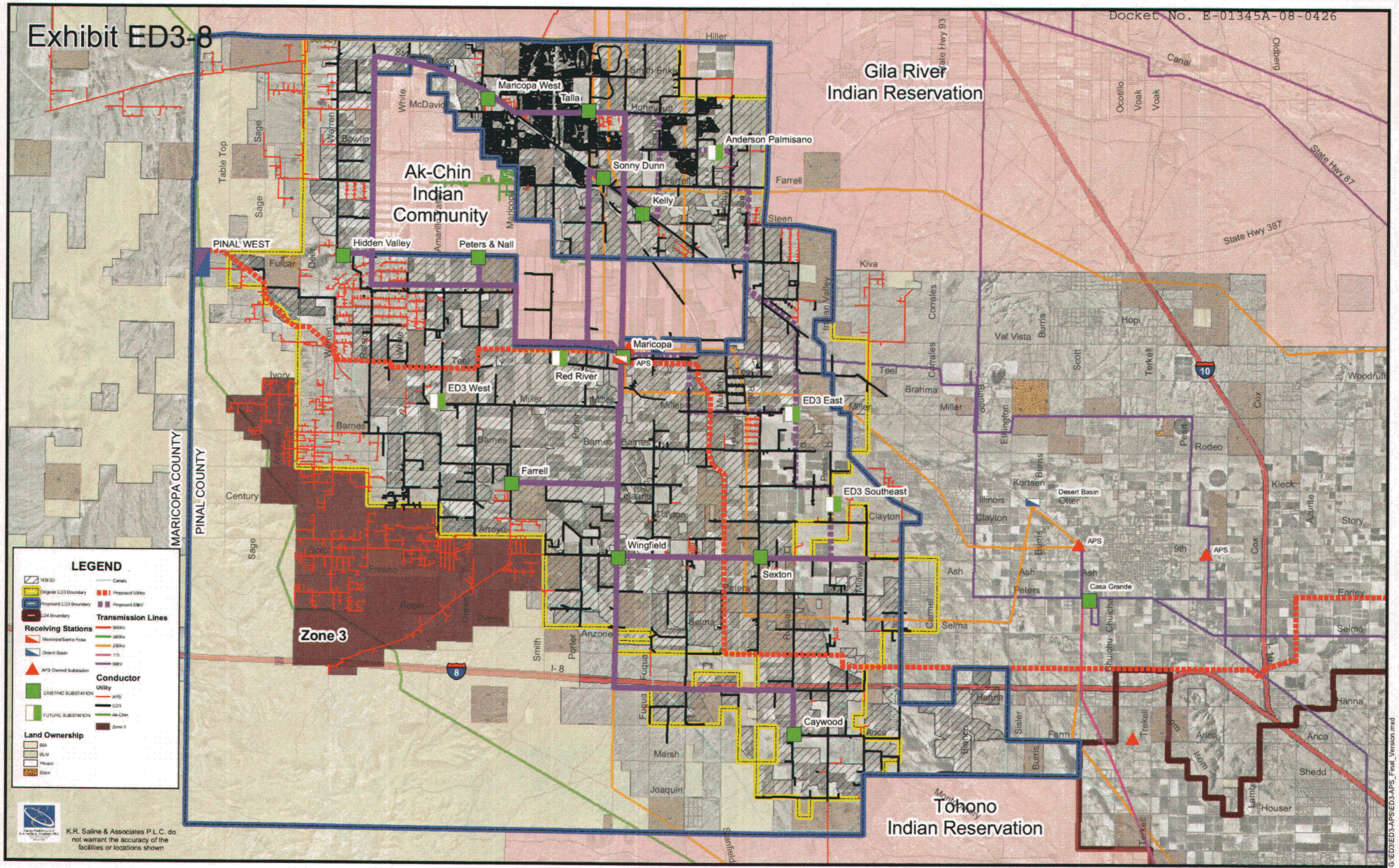
Exhibit ED3-8

Map Showing ED3 Boundaries after the Proposed Sale and Transfer

Docket No. E-01345A-08-0426

Exhibit ED3-8



Original ED3 Boundary with ED3 and APS Wires Before Implementation

ED3 - APS SETTLEMENT

Docket No. E-01345A-08-0426

EXHIBIT
ED3-9
ADMITTED

Exhibit ED3-9

2007 ED3 Transmission Plan of Service Report

(December 2007)

EXHIBIT ED3-9

Docket No. E-01345A-08-0426

ELECTRICAL DISTRICT NO. 3
PINAL COUNTY, ARIZONA

2007 TRANSMISSION PLAN
2008 through 2017

December 2007

1. Executive Summary

Electrical District No. 3 of Pinal County, Arizona (ED3) is an electrical district serving the greater City of Maricopa and the area immediately. ED3 is public power utility that provides energy service to approximately 15,000 customers in Maricopa and western Pinal County. The utility's area encompasses approximately 800 square miles.

The primary objective of this report is to present the 2007 ED3 Transmission Plan of Service to meet the load serving requirements of the district and to communicate the projects required to reliably serve the rapid growth the district is experiencing. ED3 continually looks for ways to maintain a reliable transmission system while providing the best value to our customers as illustrated by several key projects. Specifically, this report documents ED3's electric transmission plan for the budget years 2008, 2009, and 2010; with a screening analysis for the years 2012 and 2017.

The ED3 transmission system is primarily comprised of a 69kV system emanating from the Maricopa and Santa Rosa 69kV bulk receiving station (the Maricopa and Santa Rosa 69kV buses are connected through a bus tie arrangement). The interconnection with the HV system is made through two primary sources; one via a 230/69kV transformer owned by Arizona Public Service (APS) and one via a 230/69kV transformer owned by Western Area Power Administration (Western). A new ED3 Santa Rosa 69kV bus was completed in 2007 with a tie to each of the 230/69kV transformer sources. While the Maricopa bus is primarily fed via an underground 69kV bus tie to the existing APS Santa Rosa 69kV bus. In 2007, ED3 had approximately 80 miles of 69kV transmission system serving eleven (11) electrical distribution substations.

Of significance for this 2007 Transmission Plan include completion of the first segment of the Palo Verde – Pinal West – Southeast Valley 500kV (SEV) line project. ED3 is a participant in this project (less than 10%) Completion of the first segment of the 500kV line is scheduled to be completed by 2008; however for ED3 to fully take advantage of their scheduling capacity on the line, an "off-ramp" will need to be completed to interconnect to the ED3 transmission system. The Pinal West substation provides ED3 with the opportunity to interconnect to the SEV project to deliver generation resources from the Palo Verde area hub, and to provide an alternate bulk receiving station (in addition to the Maricopa/Santa Rosa substation) to serve the ED3 transmission system.

Another significant addition for ED3 is the addition of the third 230/69kV transformer to serve the ED3 Santa Rosa/Maricopa 69kV system. The two existing (Santa Rosa and Test Track) transformers have a rating of approximately 167MVA each, and the loss of either of these would limit the load serving capability of ED3 and APS to approximately 180MVA (emergency rating of the transformers). The combined ED3 and APS loads are expected to exceed this limit by 2008.

Other projects that reviewed and included in the 2007 Transmission Plan are summarized in Table 1-1:

Table 1.1: ED3 2007 Transmission Plan Projects (2008 through 2010)

Project ID	Project Description	In Service Date	Approval
-	-	-	-
WIP-	SEV 500kV line (Palo Verde to Pinal West segment)	May-08	Approved
WIP-	Santa Rosa 230/69kV transformer (with APS)	May-08	Approved
-	Kelly - Sonny Dunn 69kV line (approx. 2.0 miles)	Jan-08	Approved
-	Kelly Substation, 69kV breaker addition	Jan-08	Approved
-	Maricopa - Sonny Dunn 69kV line rebuild	May-08	Approved
-	New Palmisano 69/12kV substation and feeders	Jun-08	Pending
-	Kelly - Palmisano 69kV line (approx. 1.5 mi new)	Jun-08	Pending
-	Talla 69/12kV #3 transformer and feeders addition	Jun-08	Pending
-		-	-
	Hidden Valley 69/12kV station rebuild and feeders	Jun-09	Pending
-	New Avalea 69/12kV substation and feeders	Jun-09	Pending
-	Palmisano to ED3 East substation (approx. 8.5 mi)	Jun-09	Pending
-	ED3 East Substation (69kV bus only)	Jun-09	Pending
-	ED3 East to Maricopa (approx 7.5 miles)	Jun-09	Pending
-	-	-	-
-	ED3 East 69/12kV transformer and feeders	Jun-10	Pending
-	Rebuild Maricopa 69kV bus	Jun-10	Pending
-	New Santa Rosa - Maricopa 69kV Bus Tie	Jun-10	Pending
-	New Maricopa 69/12kV transformer and feeders	Jun-10	Pending

Projects beyond the 2010 time frame have been evaluated for the 2012 and 2017 time periods. However, these projects should be reevaluated as the load growth continues to be forecasted and re-visited with the next annual Transmission Plan. The Pinal West substation interconnection however may prove to be an important project for ED3 as early as 2012 for an interconnection to the SEV line and to provide an alternate source to the Santa Rosa/Maricopa substation. The evaluation of this project is included in this analysis primarily as an alternative for the risk assessment in the extreme contingency event and as the need for an additional 230/69kV transformer approaches in the 2017 time frame. Other projects that reviewed for the 2012 through 2017 included in the 2007 Transmission Plan are summarized in Table 1-2:

Table 1.2: ED3 2007 Transmission Plan Projects (2012 through 2017)

Project Description	In Service Date
ED3 Southeast 69/12kV substation and feeders	Jun-12
ED3 East - ED3 SE 69kV line (approx. 3.5 mi.)	Jun-12
Rebuild Wingfield - Sexton 69kV line (approx 4 mi.)	Jun-12
New Red River 69/12kV substation and feeders	Jun-12
PROJECTS IN PLANNING	
Pinal West to Santa Rosa and Pinal South 500kV	tbd
New Pinal West 69kV Substation	tbd
New Pinal West 500/69kV transformer interconnection	tbd
Pinal West - Hidden Valley 69kV line	tbd
Pinal West - Peters/Nall 69kV line	tbd
Pinal West - ED3 West - Farrell 69kV line	tbd
Palmisano 69/12kV #2 transformer and feeders	tbd
Kelly 69/12kV #2 transformer and feeders	tbd
Peters/Nall 69/12kV #2 transformer and feeders	tbd
New Sonny Dunn 69/12kV substation and feeders	tbd

2. Introduction

The ED3 transmission system is primarily comprised of a 69kV system emanating from the Maricopa and Santa Rosa 69kV bulk receiving station (the Maricopa and Santa Rosa 69kV buses are connected through a bus tie arrangement). The interconnection with the HV system is made through two primary sources; one via a 230/69kV transformer owned by Arizona Public Service (APS) and one via a 230/69kV transformer owned by Western Area Power Administration (Western). A new ED3 Santa Rosa 69kV bus was completed in 2007 with a tie to each of the 230/69kV transformer sources. While the Maricopa bus is primarily fed via an underground 69kV bus tie to the existing APS Santa Rosa 69kV bus. In 2007, ED3 had approximately 80 miles of 69kV transmission system serving eleven (11) electrical distribution substations.

The bulk of the transmission activity for ED3 is primarily focused on providing reliable transmission service to meet the substation loading requirements for the next ten years. Additional activity has also been to rebuild older facilities that are being integrated from a radial system to a "looped" system as the opportunities occur. Specifically, this report documents ED3's electric transmission plan for the budget years 2008, 2009, and 2010; with a screening analysis for the years 2012 and 2017.

The load forecast for the ED3 Planning Study starts out from a load of 190MW for 2008 through a load of 332MW for 2017; additional details regarding the load forecast are included in the Assumptions section of the report. These load levels were based on a load forecast generated in late 2006 and have been recently revised (although not approved) based on recent residential and commercial activity. The revised load forecast may have an impact on delaying the projects beyond the 3 year time frame and will be re-evaluated in subsequent plans. The revised medium load forecast for 2008 is approximately 167MW through a load of 270MW for 2017.

3. Study Methodology and Guidelines

3.1 GENERAL

ED3 uses a deterministic approach for Transmission System Planning. Under this approach, system performance should meet certain specific criteria under normal conditions (all lines in-service) and for any single contingency condition (any one element out-of-service). In general, an adequately planned transmission system will:

- Provide an acceptable level of service that is cost effective for normal and single contingency operating conditions.
- Maintain service to loads for any single contingency outage; except for radial loads.
- Not result in overloaded equipment or unacceptable voltage conditions for single contingency outages.

- Not result in cascading for single or double contingency outages.

These planning methodologies, assumptions, and Guidelines are used as the basis for the development of future transmission facilities. Additionally, consideration of potential alternatives to transmission facilities (such as distributed generation or new technologies) may be evaluated on a case-specific basis.

As new planning tools and / or information become available revisions or additions to these Guidelines will be made as appropriate.

3.2 TRANSMISSION PLANNING PROCESS

ED3's Transmission Planning Process consists of an assessment of the following needs:

- Provide adequate transmission to access sufficient resources in order to serve loads reliably and economically.
- Support ED3 local transmission and sub-transmission systems.

During this process, consideration is given to load growth patterns, other system changes affected by rights-of-way, facilities siting constraints, routing of future transportation corridors, and joint planning with neighboring utilities and governmental entities.

The long term planning process takes into account the future land use plans that were developed by government agencies, aerial photo maps, master plans that were provided by private developers, and ED3's long-range forecasted load densities per square mile for residential, commercial, and industrial loads.

3.3 TEN YEAR TRANSMISSION SYSTEM PLANS

Each year ED3 uses a planning process to update the Ten-Year Transmission System Plan. The ED3 Ten-Year Transmission System Plan identifies all new transmission facilities, 69 kV and above, and all facility replacements / upgrades required over the next ten (10) years to reliably and economically serve the load. ED3 specifically examines the near term three years in detail to be coincident with the ED3 capital budget, and an examination of the fifth and tenth years of the projected loads and resource requirements.

3.4 REGIONAL COORDINATION PLANNING

3.4.1 WESTERN ELECTRICITY COORDINATING COUNCIL

ED3 is a member of the Western Electricity Coordinating Council. The focus of WECC is on promoting the reliability of the interconnected bulk

electric system.

The WECC provides the means for:

- Developing regional planning and operating criteria.
- Coordinating future plans.
- Compiling regional data banks for use by the member systems and the WECC in conducting technical studies.
- Assessing and coordinating operating procedures and solutions to regional problems.
- Establishing an open forum with interested non-project participants to review the plan of service for a project.

3.4.2 SUB-REGIONAL PLANNING GROUPS

Southwest Area Transmission (SWAT) Planning Group provides a forum for entities within a region, and any other interested parties, to determine and study the needs of the region as a whole. Specifically, ED3 is active with the CATS HV planning group and is currently leading the facilitation and coordination for this region. It also provides a forum for specific projects to be exposed to potential partners and allows for joint studies and participation from interested parties.

4. Modeling Assumptions

4.1 Base Cases

Three different base cases were utilized as the starting bulk system representation for the ED3 Transmission Plan. For the 2008-2010 study years, the 2008 WECC Operating base case 08HSO1A.sav system representation for the bulk high voltage system. The ED3 detailed system was updated to reflect the proposed projects and configuration for each of the specific years. For the 2012 study year, the SWAT coordinated case 11HS1b_are14detail_8c.sav system representation for the bulk high voltage system with the ED3 detailed representation and proposed additions were represented. The 2017 study year utilized the 2016_swat_detail_final_v2.sav as the bulk representation case with the ED3 detailed representation added for the analysis.

4.2 Loads and Resources

The following Table 4.2.1 represents the loads and power factor at each of the substations projected for the specific time frame. The corresponding resources were all scheduled from the Palo Verde area hub (if available, if not the swing bus was allowed to supply the incremental load if required).

Table 4.2.1 ED3 2007 Planning Study Loads

		Load	2008		2009		2010		2012		2017	
Substation	Bus Number	P.F.	MW	MVAR	MW	MVAR	MW	MVAR	MW	MVAR	MW	MVAR
Maricopa Dist 1	14028	0.95	13.0	4.3	13.0	4.3	12.0	2.4	12.0	2.4	14.0	2.8
Maricopa Dist 2												
Talla Bay 1	14029	0.98	16.0	3.2	15.0	3.0	15.0	3.0	16.0	3.2	18.0	3.6
Talla Bay 2	14045	0.98	16.0	3.2	15.0	3.0	15.0	3.0	16.0	3.2	18.0	3.6
Talla Bay 3	14046	0.98	16.0	3.2	15.0	3.0	15.0	3.0	16.0	3.2	18.0	3.6
Sonny Dunn 1	14030	0.98	16.0	3.2	14.0	2.8	13.0	2.6	16.0	3.2	16.0	5.3
Sonny Dunn 2	14031		6.0	2.0	6.0	2.0	5.0	1.6	6.0	2.0	6.0	2.0
Sonny Dunn 3	14032		5.0	1.6	5.0	1.6	5.0	1.6	6.0	2.0	6.0	2.0
Maricopa West 1	14038	0.98	18.0	3.6	18.0	3.6	14.0	2.8	15.0	3.0	16.0	3.2
Maricopa West 2	14047	0.98					14.0	2.8	15.0	3.0	16.0	3.2
Maricopa West 3	14048	0.98										
Hidden Valley 1	14034	0.95	8.0	2.6	15.0	3.0	14.0	3.2	16.0	3.2	16.0	3.2
Peters/Nall 1	14060	0.98	11.0	2.2	14.0	2.8	14.0	2.8	16.0	3.2	12.0	2.4
Peters/Nall 2		0.98									12.0	2.4
Peters/Nall 3		0.98										
Red River 1	14070	0.98							8.0	1.6	16.0	3.2
Red River 2	14075	0.98										
Red River 3		0.98										
Kelly Bay 1	14055	0.98	13.0	2.6	15.0	3.0	16.0	3.2	16.0	3.2	12.0	2.4
Kelly Bay 2		0.98									12.0	2.4
Kelly Bay 3		0.98										
Palmisano 1	14040	0.98	12.0	2.4	14.0	2.8	16.0	3.2	16.0	3.2	12.0	2.4
Palmisano 2		0.98									12.0	2.4
Palmisano 3		0.98										
Avalea 1	14076	0.98			8.0	1.6	10.0	2.0	12.0	2.8	16.0	3.2
ED3 South East 1	14078	0.98							6.0	1.2	12.0	2.4
ED3 East 1	14079	0.98					6.0	1.2	8.0	1.6	16.0	3.2
ED3 West 1		0.98									12.0	2.4
Farrell Bay 1	14035	0.95	10.0	3.3	11.0	3.6	12.0	3.9	12.0	3.9	12.0	3.9
Farrell Bay 2		0.95										
Wingfield 1	14033	0.95	12.0	3.9	12.0	3.9	10.0	3.3	10.0	3.3	10.0	3.3
Wingfield 2	14049	0.95										
Sexton 1	14037	0.95	11.0	3.6	12.0	3.9	12.0	3.9	12.0	3.9	12.0	3.9
Caywood 1	14036	0.95	7.0	2.3	8.0	2.6	10.0	3.3	10.0	3.3	10.0	3.3
TOTAL			190.0	47.6	210.0	51.0	228.0	53.4	260.0	60.0	332.0	76.3

Generation Resource scenarios were also examined specifically for the 2012 time frame to determine the potential impacts or benefits to the ED3 and interconnected impact system. Table 4.2.2 summarizes the generation scenarios examined for this analysis.

Table 4.2.2 ED3 2012 Generation Scenarios

Location	A	B	C	D	E	F	G	H	I	J	K
Pinal West	100MW	100MW	100MW			100MW		100MW			
Maricopa	100MW		50MW	50MW							
Wingfield			50MW	50MW							
Caywood		100MW									
Palo Verde				100MW	100MW				200MW		
Pinal South					100MW		100MW	100MW			100MW
Desert Basin											100MW
Empire						100MW	100MW			200MW	

4.3 System Models

The specific system representation for each of the study years examined for the 2007 Planning Study are included in the respective appendix for that year. For most of the new 69kV transmission lines, it was assumed that 795 ACSS would be utilized to provide a continuous rating of 178MVA and an emergency rating of 195MVA.

5.0 Summary of Findings

5.1 Findings for Planning Year 2008

The critical loadings for the ED3 area for the 2008 time frame are primarily based on the magnitude of the ED3 area load. The ED3 loads were modeled at approximately 190MW for the 2008 time frame. In order to meet the new loads that are projected for this time frame, the new 69/12kV transformers were added to the ED3 system; specifically at Talla and a new proposed Palmisano substation.

The proposed 69kV transmission facilities that were included in the analysis include a new 69kV tap to the Palmisano substation from the Talla-Kelly 69kV line, a new Kelly-Sonny Dunn 69kV line, and the rebuild of the Maricopa/Santa Rosa-Sonny Dunn 69kV line.

The outage of the Santa Rosa – Maricopa 69kV line (underground tie line between two adjacent substations), results in the loss of approximately 53MW of load (specifically the load served at the Maricopa, Farrell, Wingfield, Sexton and Caywood substations). Until an additional tie between the Maricopa substation and new Santa Rosa substation is completed in 2010, this condition will exist for this radial part of the ED3 system. The risk of a loss of the underground 69kV line is minimal, and in the event the outage does occur, a temporary tie (shoo-fly) can be constructed to energize the Maricopa 69kV bus in a relatively short time frame.

With the above proposed additions, only one single contingency was found to cause an overload on the system. The outage of either the Santa Rosa 230/69kV or the Test Track 230/69kV transformer causes a loading of approximately 122.5% of the 167MVA continuous rating on the remaining transformer (both transformers are rated at approximately 167MVA continuous and 187MVA emergency). With the addition of the third 230/69kV transformer connected to the ED3 69kV system, the loading for either of these outages is reduced to approximately 63% of the 167MVA rating. The addition of the third transformer will also provide a significant improvement for performing maintenance on the existing transformers.

While no other ED3 facility overloads or voltage violations under the system conditions modeled for the 2008 time frame, there were overloads noted on the APS Casa Grande area system for loss of either the Casa Grande 230/69kV transformer and for loss of the Desert Basin – Santa Rosa 230kV line. There was also a minor voltage deviation noted at the APS Vista substation for the loss of the Santa Rosa – Vista 69kV line. APS is aware of these conditions and has mitigation plans in place in the event of the particular conditions noted in this analysis.

Please refer to Appendix A for a more detailed summary of the outages taken, voltage summary, and overload report for the 2008 time frame.

5.2 Findings for Planning Year 2009

The critical loadings for the ED3 area for the 2009 time frame are primarily based on the magnitude of the ED3 area load. The ED3 loads were modeled at approximately 210MW for the 2009 time frame. In order to meet the new loads that are projected for this time frame, one new 69/12kV substation is proposed, specifically known as the Avalea substation; as well as a rebuild of the existing Hidden Valley 69/12kV substation. The new Avalea substation is proposed to be looped into the Maricopa/Santa Rosa to Sonny Dunn 69kV line, primarily to serve the proposed Shea development and provide back up for the Sonny Dunn substation.

Additional proposed 69kV transmission facilities that were included in the analysis include a new 69kV loop to feed the Palmisano substation, specifically a new Palmisano – ED3 East – Maricopa substation. This new line may provide some potential back-up to the southern Maricopa are loads, however, some of the loads may still need to be tripped on under voltage under certain contingency conditions.

The outage of the Santa Rosa – Maricopa 69kV line (underground tie line between two adjacent substations), resulted in the loss of approximately 56MW of load (specifically the load served at the Maricopa, Farrell, Wingfield, Sexton and Caywood substations) without the additional 69kV loop from the Palimisano substation. With the addition of the Palmisano 69kV loop, only about 32MW of load (Wingfield, Sexton, and Caywood) would need to be tripped to maintain an acceptable voltage at both Maricopa and Farrell substations. Until an additional tie between the Maricopa substation and new Santa Rosa substation is completed in 2010, this condition will exist for this radial part of the ED3 system. The risk of a loss of the underground 69kV line is minimal, and in the event the outage does occur, a temporary tie (shoo-fly) can be constructed to energize the Maricopa 69kV bus in a relatively short time frame.

No other ED3 facility overloads or voltage violations under the system conditions modeled for the 2009 time frame. Similar voltage and overload conditions were noted for the 2009 analysis as the 2008 analysis on the APS Casa Grande area system. Again, APS is aware of these conditions and has mitigation plans in place in the event of the particular conditions noted in this analysis.

Please refer to Appendix B for a more detailed summary of the outages taken, voltage summary, and overload report for the 2009 time frame.

5.3 Findings for Planning Year 2010

The critical loadings for the ED3 area for the 2010 time frame are primarily based on the magnitude of the ED3 area load. The ED3 loads were modeled at approximately 228MW for the 2010 time frame. In order to meet the new loads that are projected for this time frame, one new 69/12kV substation is proposed at the ED3 East substation and an additional 69/12kV bay at the existing Maricopa West substation. The new ED3 East

substation is proposed to be looped into the Palmisano – Maricopa 69kV line, near the intersection of Russell and Miller. ED3 also proposes to rebuild the existing Maricopa 69kV substation to accommodate a new 69/12kV substation and one additional 69kV line termination (as a bus tie to the ED3 Santa Rosa substation). The rebuild of the Maricopa 69kV substation may also be required to accommodate the additional terminations from the ED3 East substation and the bus-tie to the ED3 Santa Rosa 69kV bus.

With the addition of the new Santa Rosa – Maricopa 69kV tie line the outage of the underground Santa Rosa – Maricopa 69kV line is mitigated. No other ED3 facility overloads or voltage violations under the system conditions modeled for the 2010 time frame. Similar voltage and overload conditions were noted for the 2010 analysis as the earlier years analysis on the APS Casa Grande area system. Again, APS is aware of these conditions and has mitigation plans in place in the event of the particular conditions noted in this analysis.

Please refer to Appendix C for a more detailed summary of the outages taken, voltage summary, and overload report for the 2010 time frame.

5.4 Findings for Planning Year 2012

The 2012 analysis was conducted as a screening analysis of the predicted loads for the ED3 five year time frames. It is not expected that budgetary items be included at this time, however the exposure of capital requirements for the increase in ED3 area load for this timeframe is important and the expected generation resource requirements to meet the expected load is unknown at this time. The critical loadings for the ED3 area for the 2012 time frame are primarily based on the magnitude of the ED3 area load. The ED3 loads were modeled at approximately 260MW for 2012. In order to meet the new loads that are projected for this time frame, at least two additional 69/12kV substations is proposed; specifically at the proposed Red River and ED3 Southeast substations. It is also important to note that the revised "medium" load forecast for the 2012 time frame is only approximately 210MW (identical to the analysis completed in this analysis for the 2010 time).

The 69kV transmission facilities required to meet the load serving needs for 2012 include approximately 5.5 miles of new 69kV line and approximately 4 miles of rebuild. A new 69kV line (approximately 3.5 miles) from the ED3 East substation to the proposed ED3 Southeast substation, and reliability purposes to provide loop service to the new substation, a new 2 mile 69kV line from the ED3 Southeast substation to the existing Sexton substation would be required. However, the existing 4 mile 69kV line between Sexton and Wingfield substations is constructed with #3 Copper and would need to be replaced to provide a reliable loop to serve the southern loads in the event of an outage of the Maricopa to Wingfield 69kV line.

No other ED3 facility overloads or voltage violations under the system conditions modeled for the 2012 time frame. Similar voltage and overload conditions were noted for the 2012 analysis as the earlier year's analysis on the APS Casa Grande area system.

Please refer to Appendix D for a more detailed summary of the outages taken, voltage summary, and overload report for the 2012 time frame.

5.4.1 Resource Sensitivity Findings

As a sensitivity for the generation resource opportunities to meet the load serving obligations of ED3, a number of generation scenarios were conducted to determine if there were significant issues related to the existing or planned transmission system for 2012. The generation scenarios presented in Table 5.4.1 are for representative purposes only and are sectioned between ED3 internal generation and external to ED3 generation. These scenarios may be reviewed more in the future for potential opportunities.

Table 5.4.1 ED3 Generation Resource Sensitivity Matrix

Location	A	B	C	D	E	F	G	H	I	J	K
Pinal West	100MW	100MW	100MW			100MW		100MW			
Maricopa	100MW		50MW	50MW							
Wingfield			50MW	50MW							
Caywood		100MW									
Palo Verde				100MW	100MW				200MW		
Pinal South					100MW		100MW	100MW			100MW
Desert Basin											100MW
Empire						100MW	100MW			200MW	

Internal resources would require advancement of 69kV facilities and would need to be evaluated in the cost of the generation resource. Pinal West and Maricopa were found to provide the best overall system performance (losses, lower HV loadings, etc.). Both the Wingfield and Caywood facilities helped to improve voltage support under N-0 conditions, but cold provide larger voltage deviations in the event of an outage of the generator step-up transformer under full load conditions.

External resources were found to provide similar system conditions to the base case scenarios. For the Desert Basin resource, a couple of alternatives (69kV or 230kV at Thorton Road) to deliver to ED3 loads may be provide different advantages; for review purposes

5.5 Findings for Planning Year 2017

The 2017 analysis was conducted as a screening analysis of the predicted loads for the ED3 ten-year time frame. It is not expected that budgetary items be included at this time, however the exposure of capital requirements for the increase in ED3 area load for this timeframe is important and the expected generation resource requirements to meet the

expected load is unknown at this time. The critical loadings for the ED3 area for the 2017 time frame are primarily based on the magnitude of the ED3 area load. The ED3 loads were modeled at approximately 332MW for 2017. In order to meet the new loads that are projected for this time frame, at least four additional 69/12kV transformers are proposed; specifically additions at the Peters-Nall, Kelly, Palmasano, and the proposed ED3 West substations. Also, due to the magnitude of the loads and reliability of being served from a single location (i.e. Santa Rosa/Maricopa), it is proposed that the Pinal West 500/69kV addition be completed by the 2017 timeframe. This will require a minimum of three 69kV lines (Pinal West to Hidden Valley, Pinal West to Peters-Nall, and Pinal West to ED3 West and Farrell).

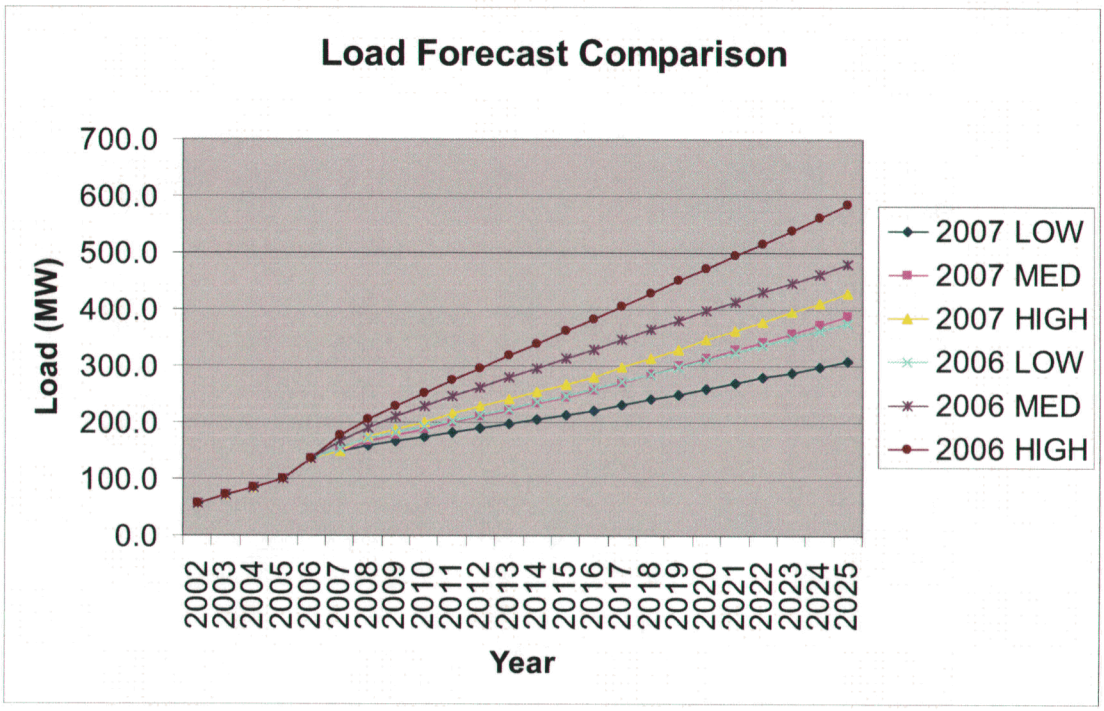
It is also important to note that the revised "medium" load forecast for the 2017 time frame is only approximately 270MW and could have an impact of delaying projects beyond the ten-year planning time frame.

Please refer to Appendix E for a more detailed summary of the outages taken, voltage summary, and overload report for the 2017 time frame.

6.0 Revised Load Forecast

Following the completion of the 2007 Transmission Plan analysis, a revised load forecast was completed. The revisions to the load forecast tend to show a decrease in projected loads over the Ten-Year planning time frame, and beyond. Figure 6.1 graphically shows the comparison between the 2006 and 2007 load forecast, for a low, medium and high range of loads.

Figure 6.1 Load Forecast Comparison (2006 to 2007 forecast)



7.0 Conclusions

For the near term, specifically 2008-2010, there are a number of projects that should continue regardless of the changes in the load forecast. With the combination of loads, reliability improvements and need for generation resources, the planned system upgrades will meet the expected load serving requirements of ED3 through at least 2012. ED3 should continue to pursue local and distributed generation resources to offset the significant requirements over the planning horizon for generation resources delivered through the Santa Rosa/Maricopa substation.

With the addition of the Palo Verde-Pinal West-Santa Rosa-Pinal South 500kV line, ED3 should continue to review the best interconnection opportunity to deliver generation resources to ED3 loads. The buildout of the Pinal West 500/69kV substation and associated 69kV facilities will provide for an additional bulk transmission source for the ED3 69kV subtransmission system.

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EXHIBIT ED3-9

ELECTRICAL DISTRICT NO. 3
PINAL COUNTY, ARIZONA

Electrical District No. 3

2007 TRANSMISSION PLAN

APPENDIX A
2008

ED3 Line Impedances
2007 Configuration

2009 Cases

Study Alt	Notes	Ckts	Conductor	From Bus #	From Bus	To Bus #	To Bus	Length in Miles	R	X	B	R	X
2009	dbl ckt	1	795 ACSS Tern Double Ckt		Santa Rosa		Avalea (sec 1)	1	0.002791	0.013378	0.000328	0.008295	0.034475
2009		1	795 ACSS Tern		Santa Rosa		Avalea (sec 2)	5	0.01385	0.06637	0.00162	0.07966	0.24756
									0.016641	0.079748	0.001948		
2009		1	795 ACSS Tern		Avalea		Sonny Dunn	1.5	0.004155	0.019911	0.000486	0.023898	0.074268
2009		1	795 ACSS Tern		Kelly		Sonny Dunn	2	0.00554	0.026548	0.000648	0.031864	0.099024
2009	sngl ckt	1	Underbuild on		Santa Rosa	14020	Talla (Section 1)	4.7	0.0129485	0.0616969	0.0015369	0.0748146	0.2317288
2009		1	795 ACSS Tern		Santa Rosa	14020	Talla (Section 2)	2.2	0.006094	0.0292028	0.0007128	0.0350504	0.1089264
2009	dbl ckt	1	795 ACSS Tern Double Ckt		Santa Rosa	14020	Talla (Section 3)	1.03	0.00287473	0.01377934	0.00033784	0.01640996	0.05099736
									0.02191723	0.10467904	0.00258754		
2009		1	795 ACSS Tern	14020	Talla	14019	Maricopa West	3.16	0.0087532	0.04194584	0.00102384	0.05034512	0.15645792
2009		1	795 ACSS Tern		Hidden Valley Tap	14019	Maricopa West	8.84	0.0244868	0.11734216	0.00286416	0.14083888	0.43768608
2009	EXISTING	1	3/0 ACSR		Hidden Valley Tap	14017	Hidden Valley	1	0.015199	0.019076	0.00025871	0.02435	0.045626
2009		1	795 ACSS Tern		Hidden Valley Tap	14016	Peters & Nall (sec 1)	3.94	0.0109138	0.05229956	0.00127656	0.06277208	0.19507728
2009	dbl ckt	1	795 ACSS Tern Double Ckt		Hidden Valley Tap	14016	Peters & Nall (sec 2)	1.07	0.00298637	0.01431446	0.00035096	0.00887565	0.03688825
									0.01390017	0.06661402	0.00162752		
2009	dbl w SD	1	795 ACSS Tern Double Ckt		Santa Rosa	14016	Peters & Nall (sec 1)	1	0.002791	0.013378	0.000328	0.008295	0.034475
2009		1	795 ACSS Tern		Santa Rosa	14016	Peters & Nall (sec 2)	4.5	0.012465	0.059733	0.001458	0.071694	0.222804
2009	dbl ckt	1	795 ACSS Tern Double Ckt		Santa Rosa	14016	Peters & Nall (sec 3)	1.07	0.00298637	0.01431446	0.00035096	0.00887565	0.03688825
									0.01824237	0.08742546	0.00213696		
2009	EXISTING	1	795 ACSR	14042	Maricopa	14012	Wingfield	5.3	0.014681	0.0703522	0.0017172	0.0844396	0.2624136
2009	EXISTING	1	795 ACSR	14012	Wingfield	14014	Caywood	9.9	0.027423	0.1314126	0.0032076	0.1577268	0.4901688
2009	EXISTING	1	3/0)	14042	Wingfield	14013	Sexton	4	0.060796	0.076304	0.00103484	0.0974	0.182504
2009	EXISTING	1	477 Aluminum	14010	Maricopa	14025	MarTap2	0.3	0.0013704	0.0041334	0.0000933	0.005319	0.0149865
2009	EXISTING	1	3/0 ACSR	14025	MarTap2	14011	Farrell	6.2	0.0942338	0.1182712	0.001604002	0.15097	0.2828812
2009	dbl with SAR	1	795 ACSS Tern Double Ckt	14020	Talla		Palmasano Tap (sec 1)	1.02	0.00284682	0.01364556	0.00033456	0.0084609	0.0351645
2009		1	795 ACSS Tern	14020	Talla		Palmasano Tap (sec 2)	2.04	0.0056508	0.02707896	0.00066096	0.03250128	0.10100448
2009		1	795 ACSS Tern	14020	Palmasano Tap		Kelly (sec 3)	2.5	0.0069775	0.033445	0.00082	0.0207375	0.0861875
									0.01547512	0.07416952	0.00181552		
2009		1	795 ACSS Tern Double Ckt	14020	Kelly		Palmasano Tap (sec 1)	2.5	0.0069775	0.033445	0.00082	0.0207375	0.0861875
2009		1	795 ACSS Tern	14020	Palmasano Tap		Palmasano (sec 2)	1.25	0.0034625	0.0165925	0.000405	0.019915	0.06189
									0.01044	0.0500375	0.001225		
2010	NEW	1	795 ACSS Tern		Palmasano		ED3 E	9	0.02493	0.119466	0.002916	0.143388	0.445608
2010	NEW	1	795 ACSS Tern		ED3 E		Maricopa	7.3	0.020221	0.0969002	0.0023652	0.1163036	0.3614376

EXHIBIT ED3-9

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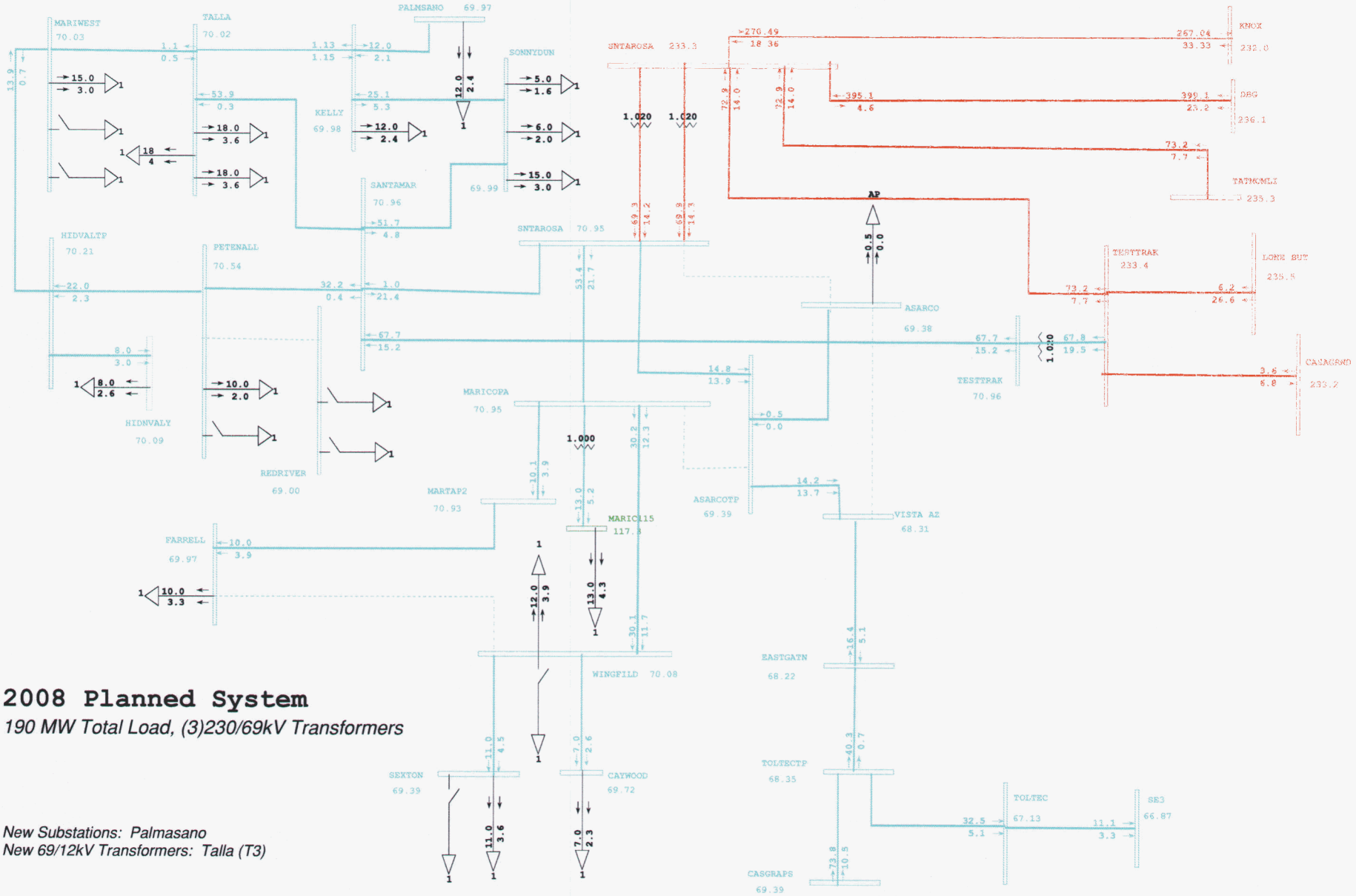

2008 Planned System

190 MW Total Load, (3)230/69kV Transformers

New Substations: Palmasano
New 69/12kV Transformers: Talla (T3)

General Electric International, Inc. PSLF Program Mon Jan 07 10:57:14 2008 c:\data\docs07\ed3\2007 planning study\2008\ed3base08.sav

PDS Consulting	ed3base08.sav from 08HS01A.SAV 07/09/07 MLE 2008 BASE CASE WITH ED3 DETAILED REPRESENTATION	190MW ED3 LOAD	MW/MVAR 08ed3.drw Rating = 1

EXHIBIT ED3-9

INPUT FILE	BASECASE	NO	SCALE1	SCALE2	COMMENT	CHG BUS MVA	CHG BRN MVA	BUS NAME	BASE KV
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ed3_08.pfp	ed3base08.sav	57	99999	99999	Open Line SNTAROSA 69.00-ASARCOTP 69.00 #1	0	-20.6	EASTGATE	12.5
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ed3_08.pfp	ed3base08.sav	58	99999	99999	Open Line TOLTECTP 69.00-EASTGATN 69.00 #1	0	-40.29	VISTA 3	12.5
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ed3_08.pfp	ed3base08.sav	68	99999	99999	Open Xfmr CASGRAPS 230.00/CASGRAPS 69.00 #1	0	-76.19	VISTA 3	12.5
ed3_08.pfp	ed3base08.sav	68	99999	99999	Open Xfmr CASGRAPS 230.00/CASGRAPS 69.00 #1	0	-76.19	VISTA AZ	69

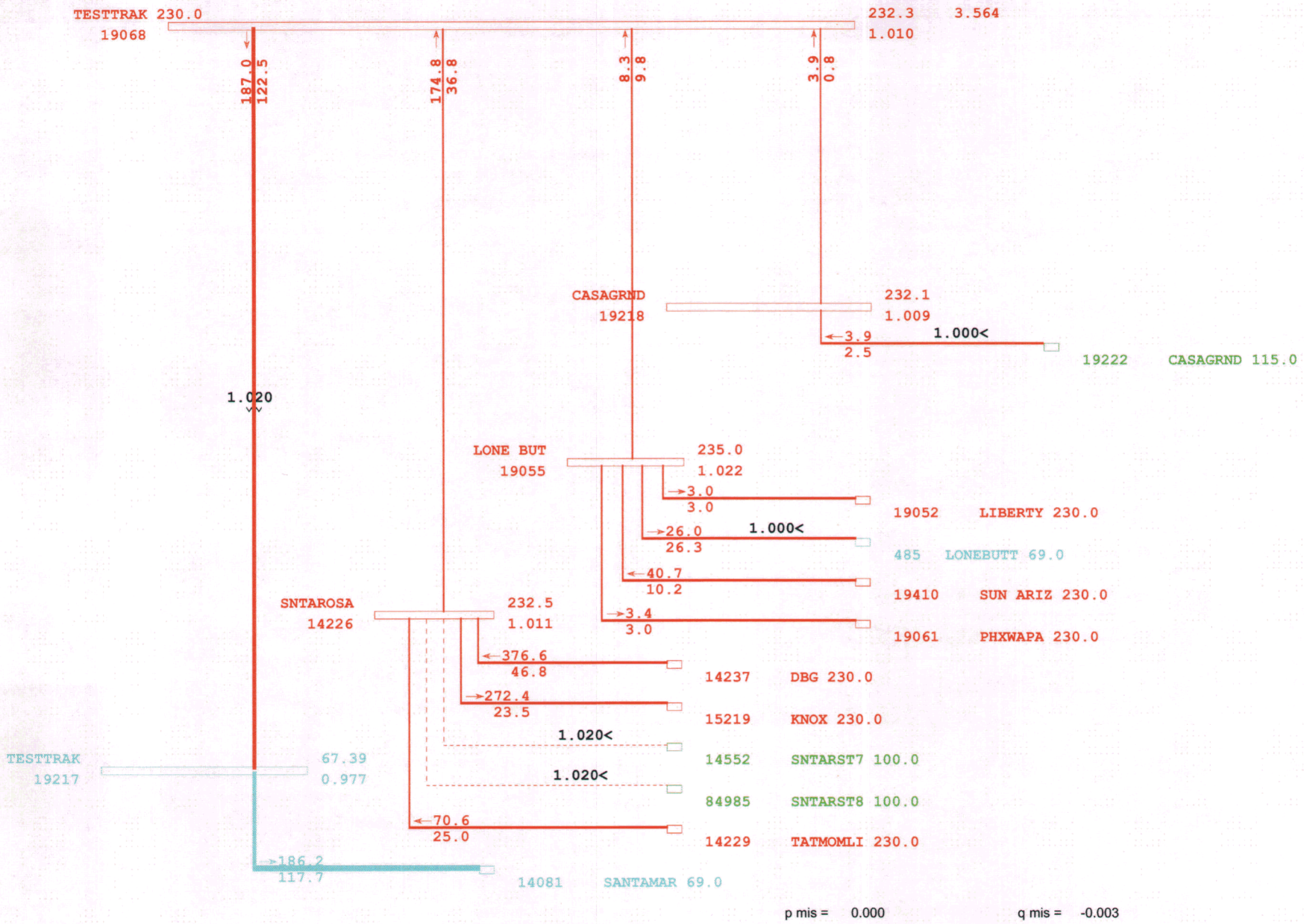
EXHIBIT ED3-9

TYPE	AREA	ZONE	OWNR	VSCHED	VMAX	VMIN	PU VOLT	VOLTAGE	ANGLE	CHG VPU	DEVIATN	NOTES
1	14	845	2	1	0	0	1.05	36.23	-5.3	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
1	14	845	2	1	0	0	1.09362	13.67	-1.2	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
1	14	845	2	1	0	0	1.05194	525.97	8.8	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
1	14	845	2	1	0	0	1.07421	13.43	4.8	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
1	14	845	2	1	0	0	1.07421	13.43	4.8	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
1	14	845	2	1	0	0	1.10495	13.81	1.3	0.01134	1.04	HIGH EMERGENCY VOLTAGE GT 1.1000 PU
1	14	845	2	1	0	0	0.99102	12.39	-9.2	-0.1026	-9.38	DEVIATION LT -4 PCT
1	14	845	2	1	0	0	0.91135	62.88	-8.5	-0.09418	-9.37	DEVIATION LT -4 PCT
1	14	845	2	1	0	0	0.91136	62.88	-8.5	-0.09418	-9.37	DEVIATION LT -4 PCT
1	14	845	2	1	0	0	0.81525	10.19	-23	-0.15944	-16.36	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
1	14	845	2	1	0	0	0.83434	57.57	-17.2	-0.1544	-15.62	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
1	14	845	2	1	0	0	0.80246	55.37	-21.9	-0.16659	-17.19	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
1	14	845	2	1	0	0	0.78923	9.87	-24.8	-0.16935	-17.67	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
1	14	845	2	1	0	0	0.80721	55.7	-21.3	-0.16561	-17.02	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
1	14	845	2	1	0	0	0.79881	9.99	-26.9	-0.16822	-17.4	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
1	14	845	2	1	0	0	0.83071	57.32	-17.7	-0.1598	-16.13	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
1	14	845	2	1	0	0	0.85125	10.64	-21	-0.14161	-14.26	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
1	14	845	2	1	0	0	0.85767	59.18	-14.2	-0.13225	-13.36	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
1	14	845	2	1	0	0	1.01157	12.64	-4.9	-0.08205	-7.5	DEVIATION LT -4 PCT
1	14	845	2	1	0	0	0.93021	64.18	-4.2	-0.07532	-7.49	DEVIATION LT -4 PCT
1	14	845	2	1	0	0	0.93022	64.19	-4.2	-0.07532	-7.49	DEVIATION LT -4 PCT
1	14	845	2	1	0	0	0.92653	11.58	-7.4	-0.04815	-4.94	DEVIATION LT -4 PCT
1	14	845	2	1	0	0	0.94188	64.99	-2.8	-0.04686	-4.74	DEVIATION LT -4 PCT
1	14	845	2	1	0	0	0.9246	63.8	-5.4	-0.04445	-4.59	DEVIATION LT -4 PCT
1	14	845	2	1	0	0	0.91352	11.42	-7.6	-0.04507	-4.7	DEVIATION LT -4 PCT
1	14	845	2	1	0	0	0.92859	64.07	-4.9	-0.04423	-4.55	DEVIATION LT -4 PCT
1	14	845	2	1	0	0	0.92224	11.53	-9.1	-0.04478	-4.63	DEVIATION LT -4 PCT
1	14	845	2	1	0	0	0.94754	65.38	-2.2	-0.04297	-4.34	DEVIATION LT -4 PCT
1	14	845	2	1	0	0	0.9293	11.62	-9.9	-0.06357	-6.4	DEVIATION LT -4 PCT
1	14	845	2	1	0	0	0.93027	64.19	-4.1	-0.05965	-6.03	DEVIATION LT -4 PCT
1	14	845	2	1	0	0	0.92933	11.62	-13	-0.04536	-4.65	DEVIATION LT -4 PCT
1	14	845	2	1	0	0	0.9446	65.18	-8.5	-0.04414	-4.46	DEVIATION LT -4 PCT
1	14	845	2	1	0	0	0.95306	11.91	-13	-0.0398	-4.01	DEVIATION LT -4 PCT
1	14	845	2	1	0	0	1.10392	13.8	1	0.01031	0.94	HIGH EMERGENCY VOLTAGE GT 1.1000 PU
1	14	845	2	1	0	0	0.92956	11.62	-9.8	-0.06331	-6.38	DEVIATION LT -4 PCT
1	14	845	2	1	0	0	0.93051	64.21	-4	-0.05941	-6	DEVIATION LT -4 PCT
1	14	845	2	1	0	0	0.92676	11.58	-7.3	-0.04792	-4.92	DEVIATION LT -4 PCT
1	14	845	2	1	0	0	0.9421	65.01	-2.7	-0.04663	-4.72	DEVIATION LT -4 PCT
1	14	845	2	1	0	0	0.91374	11.42	-7.5	-0.04485	-4.68	DEVIATION LT -4 PCT
1	14	845	2	1	0	0	0.92246	11.53	-9.1	-0.04456	-4.61	DEVIATION LT -4 PCT
1	14	845	2	1	0	0	0.92482	63.81	-5.3	-0.04423	-4.56	DEVIATION LT -4 PCT
1	14	845	2	1	0	0	0.92881	64.09	-4.9	-0.04401	-4.52	DEVIATION LT -4 PCT
1	14	845	2	1	0	0	0.94775	65.39	-2.1	-0.04276	-4.32	DEVIATION LT -4 PCT
1	14	845	2	1	0	0	1.125	14.06	-0.1	0.03138	2.87	HIGH EMERGENCY VOLTAGE GT 1.1000 PU
1	14	845	2	1	0	0	0.99129	12.39	-9.2	-0.10233	-9.36	DEVIATION LT -4 PCT
1	14	845	2	1	0	0	0.9116	62.9	-8.5	-0.09393	-9.34	DEVIATION LT -4 PCT
1	14	845	2	1	0	0	0.91161	62.9	-8.5	-0.09393	-9.34	DEVIATION LT -4 PCT
1	14	845	2	1	0	0	0.83119	57.35	-17.7	-0.17445	-17.35	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
1	14	845	2	1	0	0	0.8157	10.2	-23	-0.15898	-16.31	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
1	14	845	2	1	0	0	0.83477	57.6	-17.1	-0.15396	-15.57	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
1	14	845	2	1	0	0	0.80294	55.4	-21.9	-0.16611	-17.14	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
1	14	845	2	1	0	0	0.78972	9.87	-24.8	-0.16886	-17.62	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
1	14	845	2	1	0	0	0.80768	55.73	-21.3	-0.16514	-16.97	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
1	14	845	2	1	0	0	0.79929	9.99	-26.9	-0.16773	-17.34	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
1	14	845	2	1	0	0	0.83116	57.35	-17.7	-0.15935	-16.09	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
1	14	845	2	1	0	0	0.85165	10.65	-21	-0.14122	-14.22	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
1	14	845	2	1	0	0	0.85804	59.2	-14.2	-0.13188	-13.32	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU

BASECASE	NO	COMMENT	FROM NAME	FROM I	TO NAME	TO KV	CKT	ST	AREA	ZONE	AMPS	MVA	N RATE	N PCT	E RATE	E PCT	UNIT	NOTES
ed3base08.sav	0	BASE CASE	BASELIN	69	BASELN 2	12	#1	1	14	840	74.81	9.05	9.4	96.28	0	0	MVA	FLOW GT 95 PCT OF NORMAL RATING
ed3base08.sav	0	BASE CASE	BLK MESA	230	BMA.3WP3	100	#1	1	14	163	98.68	39.85	40	99.64	44.8	88.96	MVA	FLOW GT 95 PCT OF NORMAL RATING
ed3base08.sav	0	BASE CASE	BLK MESA	230	BMA.3WP4	100	#2	1	14	163	94.24	38.06	40	95.15	44.8	84.96	MVA	FLOW GT 95 PCT OF NORMAL RATING
ed3base08.sav	0	BASE CASE	COTNWOOD	69	COTNWD11	12.5	#1	1	14	842	131.02	15.89	16	99.31	0	0	MVA	FLOW GT 95 PCT OF NORMAL RATING
ed3base08.sav	0	BASE CASE	DAVISG5	13.8	DAVIS	69	#1	1	14	191	1165.19	28.5	30	95	30	95	MVA	FLOW GT 95 PCT OF NORMAL RATING
ed3base08.sav	0	BASE CASE	DMP6	13.8	DMP	138	#1	1	14	160	1915.68	47.88	50	95.75	65	73.66	MVA	FLOW GT 95 PCT OF NORMAL RATING
ed3base08.sav	0	BASE CASE	DON LUIS	69	DON LUIS	12.5	#1	1	14	845	72.97	8.87	9	98.58	0	0	MVA	FLOW GT 95 PCT OF NORMAL RATING
ed3base08.sav	0	BASE CASE	EMPIRE	115	EMPIRE	12.47	#1	1	14	191	72.59	14.69	15	97.95	18.7	78.57	MVA	FLOW GT 95 PCT OF NORMAL RATING
ed3base08.sav	0	BASE CASE	HGC1	100	HARQUAHA	500	#1	1	14	910	2198.13	388.64	287	135.42	0	0	MVA	NORMAL RATING VIOLATION
ed3base08.sav	0	BASE CASE	HGC2	100	HARQUAHA	500	#1	1	14	910	2198.13	388.64	287	135.42	0	0	MVA	NORMAL RATING VIOLATION
ed3base08.sav	0	BASE CASE	HRSMS4	13.8	HORSMESA	115	#1	1	14	890	5091.77	121.7	125	97.36	125	97.36	MVA	FLOW GT 95 PCT OF NORMAL RATING
ed3base08.sav	0	BASE CASE	HUNT	69	42.E12.S	69	#1	1	14	811	224.03	26.3	124.67	179.69	124.67	179.69	Amps	NORMAL RATING VIOLATION
ed3base08.sav	0	BASE CASE	IVALON	69	IVALON 3	12.5	#1	1	14	847	169.19	20.29	20	101.43	0	0	MVA	NORMAL RATING VIOLATION
ed3base08.sav	0	BASE CASE	POLLOCK	69	POLLOCK	12	#1	1	14	843	21.38	2.58	1.5	172.22	0	0	MVA	NORMAL RATING VIOLATION
ed3base08.sav	0	BASE CASE	438E9.0S	69	QUEENCRE	69	#1	1	14	811	225.95	26.7	124.67	181.23	124.67	181.23	Amps	NORMAL RATING VIOLATION
ed3base08.sav	0	BASE CASE	ROUNDVLY	230	ROUNDVLY	69	#1	1	14	843	36.68	15.01	13	115.42	13	115.42	MVA	NORMAL RATING VIOLATION
ed3base08.sav	0	BASE CASE	SARIVALS	69	SARVAL11	12.5	#1	1	14	147	158.71	19.5	20	97.5	0	0	MVA	FLOW GT 95 PCT OF NORMAL RATING
ed3base08.sav	0	BASE CASE	SHIPROCK	230	KAYENTA	230	#1	1	14	191	955.05	388.14	1000.07	95.5	1350	70.74	Amps	FLOW GT 95 PCT OF NORMAL RATING
ed3base08.sav	0	BASE CASE	SNMANUEL	100	SNMANULT	12.5	#1	1	14	845	41.88	7.61	7	108.74	0	0	MVA	NORMAL RATING VIOLATION
ed3base08.sav	0	BASE CASE	VALNCIA	69	VALNCA 3	12	#1	1	14	840	153.25	18.46	16	115.34	0	0	MVA	NORMAL RATING VIOLATION
ed3base08.sav	0	BASE CASE	VALENCIA	115	VALNCIA1	13.2	#1	1	14	161	107.38	19.03	20	95.17	22.4	84.97	MVA	FLOW GT 95 PCT OF NORMAL RATING
ed3base08.sav	0	BASE CASE	VALENCIA	115	VALNCIA2	13.2	#1	1	14	161	107.37	19.03	20	95.16	22.4	84.96	MVA	FLOW GT 95 PCT OF NORMAL RATING
ed3base08.sav	0	BASE CASE	BLKMSA34	69	BMA.3WP3	100	#1	1	14	163	328.92	38.57	40	96.42	44.8	86.08	MVA	FLOW GT 95 PCT OF NORMAL RATING
ed3base08.sav	0	BASE CASE	APACH-SW	69	APACHCT1	13.8	#1	1	14	170	86.11	10.7	10	107.04	14	76.46	MVA	NORMAL RATING VIOLATION
ed3base08.sav	19	Open Line CHOLLA 500.00-SAGUARO 500.00 #1	CHLCONST	69	WINSLOW	69	#1	1	14	844	331.76	40.55	326.33	101.66	326.33	101.66	Amps	EMERGENCY RATING VIOLATION
ed3base08.sav	27	Open Line SNTAROSA 230.00-DBG 230.00 #1	CASGRA 2	100	CASGRAPS	69	#1	1	14	845	816.02	138.41	100	138.41	100	138.41	MVA	EMERGENCY RATING VIOLATION
ed3base08.sav	27	Open Line SNTAROSA 230.00-DBG 230.00 #1	CASGRAPS	230	CASGRA 2	100	#1	1	14	845	354.93	143.83	100	143.83	100	143.83	MVA	EMERGENCY RATING VIOLATION
ed3base08.sav	27	Open Line SNTAROSA 230.00-DBG 230.00 #1	TOLTECTP	69	CASGRAPS	69	#1	1	14	845	1182.49	135.08	900.33	131.34	900.33	131.34	Amps	EMERGENCY RATING VIOLATION
ed3base08.sav	27	Open Line SNTAROSA 230.00-DBG 230.00 #1	TOLTECTP	69	EASTGATN	69	#1	1	14	845	896.03	102.36	900.33	99.52	900.33	99.52	Amps	FLOW GT 95 PCT OF EMERGENCY RATING
ed3base08.sav	32	Open Line CORONADO 500.00-SILVERKG 500.00 #1	CHLCONST	69	WINSLOW	69	#1	1	14	844	337.08	41.04	326.33	103.29	326.33	103.29	Amps	EMERGENCY RATING VIOLATION
ed3base08.sav	48	Open Line SNTAROSA 230.00-DBG 230.00 #1	CASGRA 2	100	CASGRAPS	69	#1	1	14	845	816.02	138.41	100	138.41	100	138.41	MVA	EMERGENCY RATING VIOLATION
ed3base08.sav	48	Open Line SNTAROSA 230.00-DBG 230.00 #1	CASGRAPS	230	CASGRA 2	100	#1	1	14	845	354.93	143.83	100	143.83	100	143.83	MVA	EMERGENCY RATING VIOLATION
ed3base08.sav	48	Open Line SNTAROSA 230.00-DBG 230.00 #1	TOLTECTP	69	CASGRAPS	69	#1	1	14	845	1182.49	135.08	900.33	131.34	900.33	131.34	Amps	EMERGENCY RATING VIOLATION
ed3base08.sav	48	Open Line SNTAROSA 230.00-DBG 230.00 #1	TOLTECTP	69	EASTGATN	69	#1	1	14	845	896.03	102.36	900.33	99.52	900.33	99.52	Amps	FLOW GT 95 PCT OF EMERGENCY RATING
ed3base08.sav	55	Open Line CASGRAPS 69.00-TOLTECTP 69.00 #1	ASARCOTP	69	SNTAROSA	69	#1	1	14	845	906.06	98.69	900.33	100.64	900.33	100.64	Amps	EMERGENCY RATING VIOLATION
ed3base08.sav	55	Open Line CASGRAPS 69.00-TOLTECTP 69.00 #1	VISTA AZ	69	ASARCOTP	69	#1	1	14	845	902.09	92.47	900.33	100.19	900.33	100.19	Amps	EMERGENCY RATING VIOLATION
ed3base08.sav	57	Open Line SNTAROSA 69.00-ASARCOTP 69.00 #1	CASGRAPS	230	CASGRA 2	100	#1	1	14	845	241.26	98.37	100	98.37	100	98.37	MVA	FLOW GT 95 PCT OF EMERGENCY RATING
ed3base08.sav	62	Open Line ASARCOTP 69.00-VISTA AZ 69.00 #1	CASGRAPS	230	CASGRA 2	100	#1	1	14	845	239.93	97.83	100	97.83	100	97.83	MVA	FLOW GT 95 PCT OF EMERGENCY RATING
ed3base08.sav	68	Open Xfmr CASGRAPS 230.00/CASGRAPS 69.00 #1	ASARCOTP	69	SNTAROSA	69	#1	1	14	845	905.42	98.64	900.33	100.57	900.33	100.57	Amps	EMERGENCY RATING VIOLATION
ed3base08.sav	68	Open Xfmr CASGRAPS 230.00/CASGRAPS 69.00 #1	VISTA AZ	69	ASARCOTP	69	#1	1	14	845	901.45	92.44	900.33	100.12	900.33	100.12	Amps	EMERGENCY RATING VIOLATION

EXHIBIT ED3-9

Docket No. E-01345A-08-0426

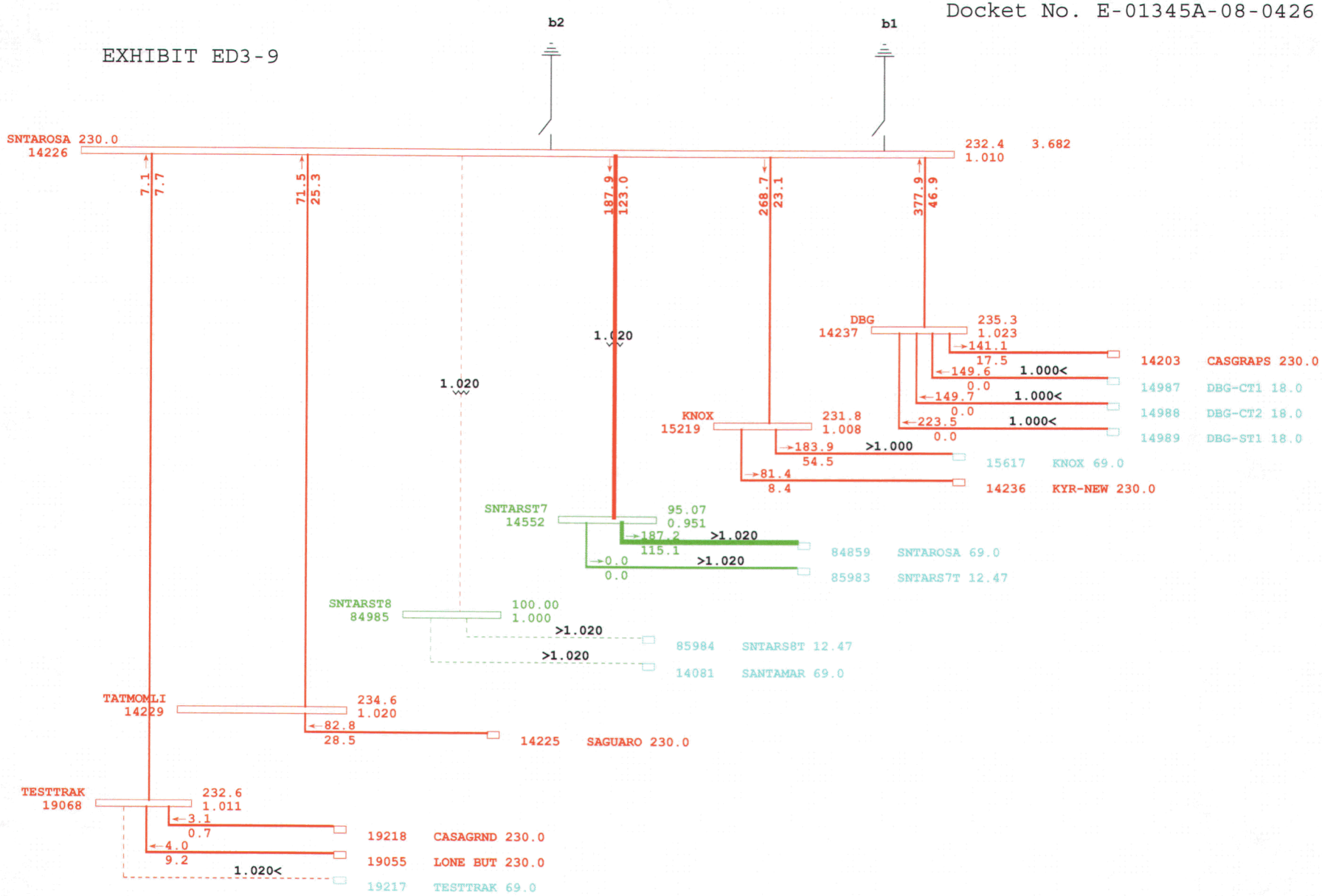


General Electric International, Inc. PSLF Program Mon Nov 19 11:15:49 2007 c:\data\docs07\ed3\2007 planning study\2008\ed3base08_nosar.sav

PDS Consulting	ed3base08.sav from 08HS01A.SAV 07/09/07 MLE 2008 BASE CASE WITH ED3 DETAILED REPRESENTATION	190MW ED3 LOAD	MW/% rate Rating = 2

Docket No. E-01345A-08-0426

EXHIBIT ED3-9



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PDS Consulting	ed3base08.sav from 08HS01A.SAV 07/09/07 MLE 2008 BASE CASE WITH ED3 DETAILED REPRESENTATION	190MW ED3 LOAD	MW/% rate Rating = 2

Docket No. E-01345A-08-0426

EXHIBIT ED3-9

ELECTRICAL DISTRICT NO. 3
PINAL COUNTY, ARIZONA

Electrical District No. 3

2007 TRANSMISSION PLAN

APPENDIX B
2009

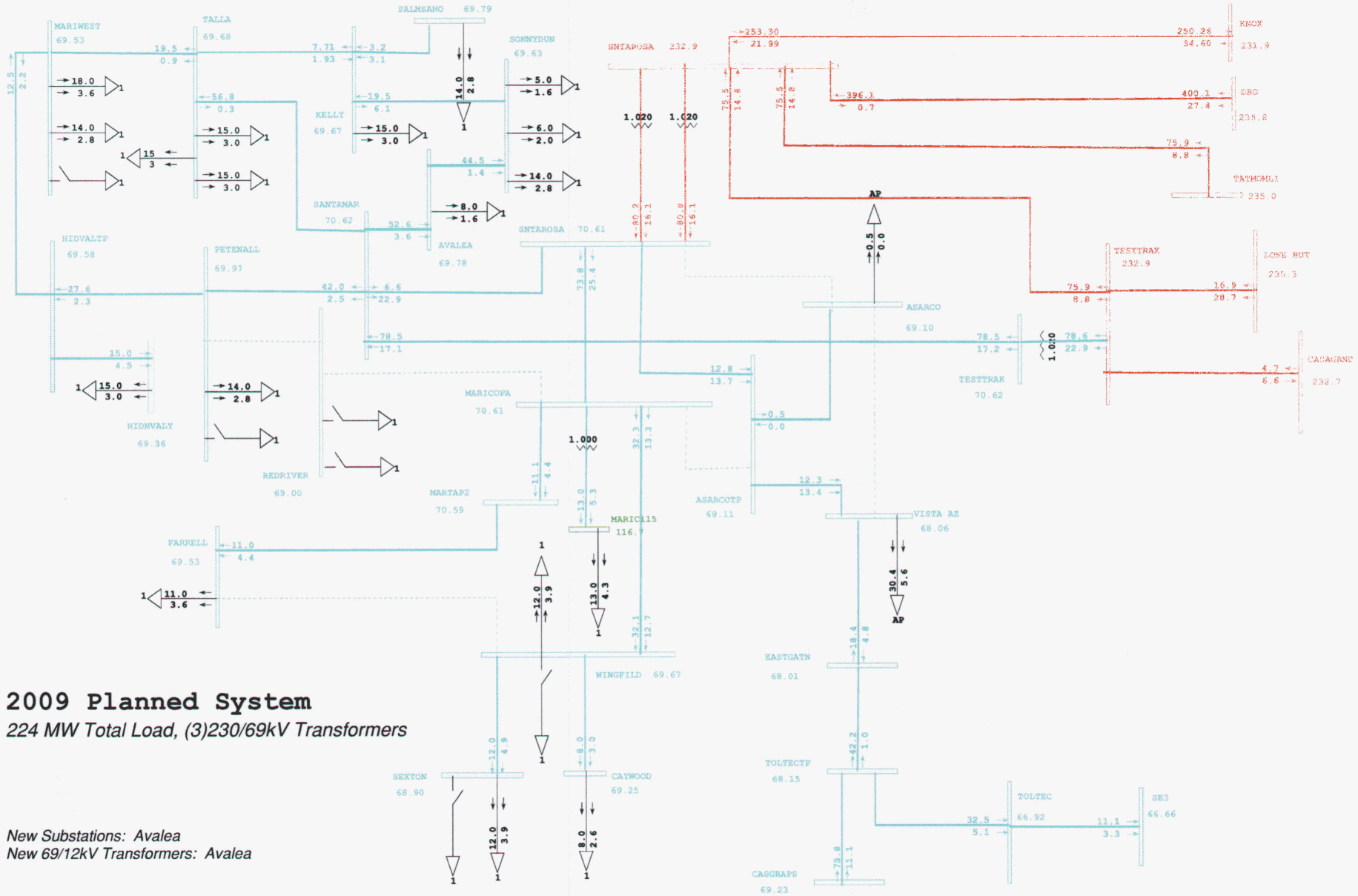
ED3 Line Impedances
2007 Configuration

2009 Cases

Study Alt	Notes	Ckts	Conductor	From Bus #	From Bus	To Bus #	To Bus	Length in Miles	R	X	B	R	X
2009	dbl ckt	1	795 ACSS Tern Double Ckt		Santa Rosa		Avalea (sec 1)	1	0.002791	0.013378	0.000328	0.008295	0.034475
2009		1	795 ACSS Tern		Santa Rosa		Avalea (sec 2)	5	0.01385	0.06637	0.00162	0.07966	0.24756
									0.016641	0.079748	0.001948		
2009		1	795 ACSS Tern		Avalea		Sonny Dunn	1.5	0.004155	0.019911	0.000486	0.023898	0.074268
2009		1	795 ACSS Tern		Kelly		Sonny Dunn	2	0.00554	0.026548	0.000648	0.031864	0.099024
2009	sngl ckt	1	Underbuild on		Santa Rosa	14020	Talla (Section 1)	4.7	0.0129485	0.0616969	0.0015369	0.0748146	0.2317288
2009		1	795 ACSS Tern		Santa Rosa	14020	Talla (Section 2)	2.2	0.006094	0.0292028	0.0007128	0.0350504	0.1089264
2009	dbl ckt	1	795 ACSS Tern Double Ckt		Santa Rosa	14020	Talla (Section 3)	1.03	0.00287473	0.01377934	0.00033784	0.01640996	0.05099736
									0.02191723	0.10467904	0.00258754		
2009		1	795 ACSS Tern	14020	Talla	14019	Maricopa West	3.16	0.0087532	0.04194584	0.00102384	0.05034512	0.15645792
2009		1	795 ACSS Tern		Hidden Valley Tap	14019	Maricopa West	8.84	0.0244868	0.11734216	0.00286416	0.14083888	0.43768608
2009	EXISTING	1	3/0 ACSR		Hidden Valley Tap	14017	Hidden Valley	1	0.015199	0.019076	0.00025871	0.02435	0.045626
2009		1	795 ACSS Tern		Hidden Valley Tap	14016	Peters & Nall (sec 1)	3.94	0.0109138	0.05229956	0.00127656	0.06277208	0.19507728
2009	dbl ckt	1	795 ACSS Tern Double Ckt		Hidden Valley Tap	14016	Peters & Nall (sec 2)	1.07	0.00298637	0.01431446	0.00035096	0.00887565	0.03688825
									0.01390017	0.06661402	0.00162752		
2009	dbl w SD	1	795 ACSS Tern Double Ckt		Santa Rosa	14016	Peters & Nall (sec 1)	1	0.002791	0.013378	0.000328	0.008295	0.034475
2009		1	795 ACSS Tern		Santa Rosa	14016	Peters & Nall (sec 2)	4.5	0.012465	0.059733	0.001458	0.071694	0.222804
2009	dbl ckt	1	795 ACSS Tern Double Ckt		Santa Rosa	14016	Peters & Nall (sec 3)	1.07	0.00298637	0.01431446	0.00035096	0.00887565	0.03688825
									0.01824237	0.08742546	0.00213696		
2009	EXISTING	1	795 ACSR	14042	Maricopa	14012	Wingfield	5.3	0.014681	0.0703522	0.0017172	0.0844396	0.2624136
2009	EXISTING	1	795 ACSR	14012	Wingfield	14014	Caywood	9.9	0.027423	0.1314126	0.0032076	0.1577268	0.4901688
2009	EXISTING	1	3/0)	14042	Wingfield	14013	Sexton	4	0.060796	0.076304	0.00103484	0.0974	0.182504
2009	EXISTING	1	477 Aluminum	14010	Maricopa	14025	MarTap2	0.3	0.0013704	0.0041334	0.0000933	0.005319	0.0149865
2009	EXISTING	1	3/0 ACSR	14025	MarTap2	14011	Farrell	6.2	0.0942338	0.1182712	0.001604002	0.15097	0.2828812
2009	dbl with SAR	1	795 ACSS Tern Double Ckt	14020	Talla		Palmasano Tap (sec 1)	1.02	0.00284682	0.01364556	0.00033456	0.0084609	0.0351645
2009		1	795 ACSS Tern	14020	Talla		Palmasano Tap (sec 2)	2.04	0.0056508	0.02707896	0.00066096	0.03250128	0.10100448
2009		1	795 ACSS Tern	14020	Palmasano Tap		Kelly (sec 3)	2.5	0.0069775	0.033445	0.00082	0.0207375	0.0861875
									0.01547512	0.07416952	0.00181552		
2009		1	795 ACSS Tern Double Ckt	14020	Kelly		Palmasano Tap (sec 1)	2.5	0.0069775	0.033445	0.00082	0.0207375	0.0861875
2009		1	795 ACSS Tern	14020	Palmasano Tap		Palmasano (sec 2)	1.25	0.0034625	0.0165925	0.000405	0.019915	0.06189
									0.01044	0.0500375	0.001225		
2010	NEW	1	795 ACSS Tern		Palmasano		ED3 E	9	0.02493	0.119466	0.002916	0.143388	0.445608
2010	NEW	1	795 ACSS Tern		ED3 E		Maricopa	7.3	0.020221	0.0969002	0.0023652	0.1163036	0.3614376

EXHIBIT ED3-9

Docket No. E-01345A-08-0426



2009 Planned System

224 MW Total Load, (3)230/69kV Transformers

New Substations: Avalea
New 69/12kV Transformers: Avalea

General Electric International, Inc. PSLF Program Mon Jan 07 11:01:23 2008 c:\data\docs07\ed3\2007 planning study\2009\ed3base09_r1.sav

PDS Consulting	ed3base09.sav from ed3base08.SAV 07/16/07 MLE 2009 BASE CASE WITH ED3 DETAILED REPRESENTATION	210MW ED3 LOAD	MW/MVAR 09ed3.drw Rating = 1

EXHIBIT ED3-9

NO	COMMENT	BUS NAME	BASE KV	AREA	ZONE	VSCHED	VMAX	VMIN	PU VOLT	VOLTAGE	ANGLE	CHG VPL	DEVIATN	NOTES
0	BASE CASE	$CORONAD	69	14	848	1	0	0	1.06479	73.47	20.5	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	AGUILA	12	14	841	1	0	0	1.09213	13.11	-1.1	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	ARABY 11	12.5	14	847	1	0	0	1.08519	13.56	-8.3	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	ARLINTON	500	14	892	1.07	0	0	1.07037	535.19	13.8	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	ASARCO	12.5	14	845	1	0	0	1.08918	13.61	-2.2	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	CAPBUT11	12.5	14	842	1	0	0	1.05551	13.19	-5.6	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	CAPBUT 3	12.5	14	842	1	0	0	1.05695	13.21	-6.1	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	CHINOWLS	2.4	14	842	1	0	0	1.07978	2.59	-2.5	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	CHOLLA	500	14	844	1	0	0	1.06438	532.19	19.9	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	COCNIN15	12.5	14	843	1	0	0	1.05186	13.15	-1.3	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	COCON 4T	12.47	14	843	1	0	0	1.10856	13.82	1	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	CONCHO	69	14	848	1	0	0	1.0524	72.62	18.5	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	CORONADO	500	14	892	1	0	0	1.06546	532.73	21.2	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	GIL-CT1	18	14	141	1.05	0	0	1.05	18.9	20.2	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	GIL-CT2	18	14	141	1.05	0	0	1.05	18.9	20.2	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	GIL-CT3	18	14	141	1.05	0	0	1.05	18.9	20.2	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	GIL-CT4	18	14	141	1.05	0	0	1.05	18.9	20.2	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	GIL-CT5	18	14	141	1.05	0	0	1.05	18.9	19	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	GIL-CT6	18	14	141	1.05	0	0	1.05	18.9	19	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	GIL-ST1	18	14	141	1.05	0	0	1.05	18.9	18.5	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	GIL-ST2	18	14	141	1.05	0	0	1.05	18.9	18.5	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	GILARIVR	500	14	840	1.07	0	0	1.07713	538.57	13.7	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	HARQUAHA	500	14	910	1.07	0	0	1.07093	535.47	15.7	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	HASSYAMP	500	14	892	1.07	0	0	1.07033	535.16	13.6	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	JOJOBA	500	14	840	1.07	0	0	1.07127	535.64	12.6	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	LAGUNA11	12.5	14	847	1	0	0	1.05493	13.19	-14.7	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	LIN41MVA	12.5	14	142	1	0	0	1.05244	13.16	-6.7	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	LINSOUTH	12.5	14	142	1	0	0	1.05307	13.16	-6.6	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	LINXMR R	12.5	14	142	1	0	0	1.05307	13.16	-6.6	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	LONEPK 7	100	14	144	1	0	0	1.05498	105.5	2.5	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	LONEPK7T	12.47	14	144	1	0	0	1.05493	13.16	2.5	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	MEADOW9T	12.47	14	142	1	0	0	1.05306	13.13	3.1	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	MEADOWB9	100	14	142	1	0	0	1.05313	105.31	3.1	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	MESQUITE	500	14	910	1.07	0	0	1.07027	535.14	13.7	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	N. LOOP2	47.2	14	160	1	0	0	1.05322	49.71	-3.9	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	NL.3WP2	100	14	160	1	0	0	1.0507	105.07	-4.1	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	OAKCRK 3	12.5	14	842	1	0	0	1.06672	13.33	-8.4	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	OAKCRK11	12.5	14	842	1	0	0	1.06962	13.37	-6.9	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	PALOMA	12	14	840	1	0	0	1.07781	12.93	2.5	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	PALOVRDE	500	14	910	1.07	0	0	1.07	535	13.5	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	PERK PS1	500	14	892	1	0	0	1.0517	525.85	8.4	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	PERK PS2	500	14	892	1	0	0	1.0517	525.85	8.4	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	PERKINPS	500	14	892	1	0	0	1.0517	525.85	8.4	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	PERKINS	500	14	892	1	0	0	1.05165	525.83	8.4	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	CEMENT 1	4.2	14	842	1	0	0	1.06475	4.47	-3.4	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	CEMENT 2	4.2	14	842	1	0	0	1.06475	4.47	-3.4	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	PINAL_W	500	14	892	1	0	0	1.07144	535.72	11.8	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	PNPK 3T	12.47	14	143	1	0	0	1.07688	13.43	5.5	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	PNPK 6T	12.47	14	143	1	0	0	1.07765	13.44	5.6	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	PNPK T3	100	14	143	1	0	0	1.07695	107.7	5.5	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	PNPK T6	100	14	143	1	0	0	1.07773	107.77	5.6	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	REDHAWK	500	14	840	1.07	0	0	1.07043	535.21	13.7	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	RUDD	500	14	892	1	0	0	1.06253	531.26	7.4	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	SAGUARO	500	14	845	1	0	0	1.05155	525.78	8.6	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	SALOME 2	12	14	846	1	0	0	1.06918	12.83	-5	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	SNMANUL3	12.5	14	845	1	0	0	1.07377	13.42	4.5	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	SNMANUL4	12.5	14	845	1	0	0	1.07377	13.42	4.5	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	ST.JOHNS	69	14	848	1	0	0	1.05765	72.98	19.4	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	SUNYSL1T	12.47	14	144	1	0	0	1.09055	13.6	2.4	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU

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0	BASE CASE	SUNYSLP1	100	14	144	1	0	0	1.09061	109.06	2.4	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	SURPR12T	12.47	14	146	1	0	0	1.08159	13.49	8.7	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	SURPRI12	100	14	146	1	0	0	1.08167	108.17	8.7	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	TORTLIT2	500	14	160	1	0	0	1.05148	525.74	8.6	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	TORTOLIT	500	14	160	1	0	0	1.05148	525.74	8.6	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	UTTING	12	14	846	1	0	0	1.06248	12.75	-1.1	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	VICKSBRG	12	14	846	1	0	0	1.06272	12.75	-6.2	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	WESTWING	500	14	146	1	0	0	1.05174	525.87	8.4	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	WHTNK 5T	12.47	14	147	1	0	0	1.05613	13.17	6	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	WHTNK 8T	12.47	14	147	1	0	0	1.05611	13.17	6	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	WHTNK T5	100	14	147	1	0	0	1.05621	105.62	6	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	WHTNK T8	100	14	147	1	0	0	1.05618	105.62	6	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	WNSLOW 3	12.5	14	844	1	0	0	1.07671	13.46	8.6	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	WNSLOW11	12.5	14	844	1	0	0	1.06998	13.37	8.1	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	WPCC5CT1	15	14	141	1.05	0	0	1.05	15.75	7.9	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	WPCC5CT2	15	14	141	1.05	0	0	1.05	15.75	6.9	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	WPCC5ST1	16.5	14	141	1.05	0	0	1.05	17.32	8.3	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
4	Open Line SANTAMAR 69.00-PETENALL 69.00 #1	PETRSNL1	12.5	14	800	1	0	0	0.97925	12.24	-13.4	-0.04205	-4.12	DEVIATION LT -4 PCT
19	Open Line CHOLLA 500.00-SAGUARO 500.00 #1	AZTEC	69	14	840	1	0	0	0.88425	61.01	-2	-0.00196	-0.22	LOW EMERGENCY VOLTAGE LT 0.9000 PU
19	Open Line CHOLLA 500.00-SAGUARO 500.00 #1	AZTECTAP	69	14	840	1	0	0	0.89223	61.56	-1.4	-0.00195	-0.22	LOW EMERGENCY VOLTAGE LT 0.9000 PU
19	Open Line CHOLLA 500.00-SAGUARO 500.00 #1	GRANDCAN	12.5	14	843	1	0	0	0.89664	11.21	-10.2	-0.01336	-1.47	LOW EMERGENCY VOLTAGE LT 0.9000 PU
19	Open Line CHOLLA 500.00-SAGUARO 500.00 #1	GRANDCAN	69	14	843	1	0	0	0.89515	61.77	-7.3	-0.01258	-1.39	LOW EMERGENCY VOLTAGE LT 0.9000 PU
19	Open Line CHOLLA 500.00-SAGUARO 500.00 #1	HORN	69	14	840	1	0	0	0.88763	61.25	-1.4	-0.00196	-0.22	LOW EMERGENCY VOLTAGE LT 0.9000 PU
19	Open Line CHOLLA 500.00-SAGUARO 500.00 #1	CANEZ	115	14	161	1	0	0	0.89677	103.13	-16.7	-0.01272	-1.4	LOW EMERGENCY VOLTAGE LT 0.9000 PU
19	Open Line CHOLLA 500.00-SAGUARO 500.00 #1	SONOITA	115	14	161	1	0	0	0.89167	102.54	-17.4	-0.01285	-1.42	LOW EMERGENCY VOLTAGE LT 0.9000 PU
19	Open Line CHOLLA 500.00-SAGUARO 500.00 #1	VALENCIA	115	14	161	1	0	0	0.87628	100.77	-18.8	-0.01319	-1.48	LOW EMERGENCY VOLTAGE LT 0.9000 PU
23	Open Line JOJOBA 500.00-KYRENE 500.00 #1	AZTEC	69	14	840	1	0	0	0.87491	60.37	-1.3	-0.0113	-1.27	LOW EMERGENCY VOLTAGE LT 0.9000 PU
23	Open Line JOJOBA 500.00-KYRENE 500.00 #1	AZTECTAP	69	14	840	1	0	0	0.88299	60.93	-0.6	-0.01118	-1.25	LOW EMERGENCY VOLTAGE LT 0.9000 PU
23	Open Line JOJOBA 500.00-KYRENE 500.00 #1	GRANDCAN	12.5	14	843	1	0	0	0.89313	11.16	-13.8	-0.01687	-1.85	LOW EMERGENCY VOLTAGE LT 0.9000 PU
23	Open Line JOJOBA 500.00-KYRENE 500.00 #1	GRANDCAN	69	14	843	1	0	0	0.89185	61.54	-10.9	-0.01589	-1.75	LOW EMERGENCY VOLTAGE LT 0.9000 PU
23	Open Line JOJOBA 500.00-KYRENE 500.00 #1	HORN	69	14	840	1	0	0	0.87834	60.61	-0.7	-0.01125	-1.26	LOW EMERGENCY VOLTAGE LT 0.9000 PU
23	Open Line JOJOBA 500.00-KYRENE 500.00 #1	SONOITA	115	14	161	1	0	0	0.89799	103.27	-14.5	-0.00653	-0.72	LOW EMERGENCY VOLTAGE LT 0.9000 PU
23	Open Line JOJOBA 500.00-KYRENE 500.00 #1	VALENCIA	115	14	161	1	0	0	0.88277	101.52	-15.8	-0.0067	-0.75	LOW EMERGENCY VOLTAGE LT 0.9000 PU
27	Open Line SNTAROSA 230.00-DBG 230.00 #1	AZTEC	69	14	840	1	0	0	0.88405	61	-1.2	-0.00216	-0.24	LOW EMERGENCY VOLTAGE LT 0.9000 PU
27	Open Line SNTAROSA 230.00-DBG 230.00 #1	AZTECTAP	69	14	840	1	0	0	0.89204	61.55	-0.6	-0.00214	-0.24	LOW EMERGENCY VOLTAGE LT 0.9000 PU
27	Open Line SNTAROSA 230.00-DBG 230.00 #1	HORN	69	14	840	1	0	0	0.88744	61.23	-0.6	-0.00215	-0.24	LOW EMERGENCY VOLTAGE LT 0.9000 PU
27	Open Line SNTAROSA 230.00-DBG 230.00 #1	VISTA 3	12.5	14	845	1	0	0	0.94741	11.84	-0.8	-0.04168	-4.21	DEVIATION LT -4 PCT
27	Open Line SNTAROSA 230.00-DBG 230.00 #1	SONOITA	115	14	161	1	0	0	0.89769	103.23	-7.3	-0.00683	-0.75	LOW EMERGENCY VOLTAGE LT 0.9000 PU
27	Open Line SNTAROSA 230.00-DBG 230.00 #1	VALENCIA	115	14	161	1	0	0	0.88246	101.48	-8.6	-0.00701	-0.79	LOW EMERGENCY VOLTAGE LT 0.9000 PU
30	Open Line DBG 230.00-CASGRAPS 230.00 #1	VALENCIA	115	14	161	1	0	0	0.88658	101.96	-10.9	-0.00289	-0.33	LOW EMERGENCY VOLTAGE LT 0.9000 PU
32	Open Line CORONADO 500.00-SILVERKG 500.00 #1	AZTEC	69	14	840	1	0	0	0.8829	60.92	-2.9	-0.00331	-0.37	LOW EMERGENCY VOLTAGE LT 0.9000 PU
32	Open Line CORONADO 500.00-SILVERKG 500.00 #1	AZTECTAP	69	14	840	1	0	0	0.8909	61.47	-2.2	-0.00328	-0.37	LOW EMERGENCY VOLTAGE LT 0.9000 PU
32	Open Line CORONADO 500.00-SILVERKG 500.00 #1	GRANDCAN	12.5	14	843	1	0	0	0.891	11.14	-10.8	-0.019	-2.09	LOW EMERGENCY VOLTAGE LT 0.9000 PU
32	Open Line CORONADO 500.00-SILVERKG 500.00 #1	GRANDCAN	69	14	843	1	0	0	0.88984	61.4	-7.9	-0.01789	-1.97	LOW EMERGENCY VOLTAGE LT 0.9000 PU
32	Open Line CORONADO 500.00-SILVERKG 500.00 #1	HORN	69	14	840	1	0	0	0.88629	61.15	-2.3	-0.0033	-0.37	LOW EMERGENCY VOLTAGE LT 0.9000 PU
32	Open Line CORONADO 500.00-SILVERKG 500.00 #1	TUSAYAN	69	14	843	1	0	0	0.89984	62.09	-7.7	-0.01768	-1.93	LOW EMERGENCY VOLTAGE LT 0.9000 PU
32	Open Line CORONADO 500.00-SILVERKG 500.00 #1	SONOITA	115	14	161	1	0	0	0.89758	103.22	-7.9	-0.00693	-0.77	LOW EMERGENCY VOLTAGE LT 0.9000 PU
32	Open Line CORONADO 500.00-SILVERKG 500.00 #1	VALENCIA	115	14	161	1	0	0	0.88235	101.47	-9.3	-0.00712	-0.8	LOW EMERGENCY VOLTAGE LT 0.9000 PU
34	Open Line BROWNING 500.00-SILVERKG 500.00 #1	AZTEC	69	14	840	1	0	0	0.88503	61.07	-1.1	-0.00118	-0.13	LOW EMERGENCY VOLTAGE LT 0.9000 PU
34	Open Line BROWNING 500.00-SILVERKG 500.00 #1	AZTECTAP	69	14	840	1	0	0	0.893	61.62	-0.5	-0.00117	-0.13	LOW EMERGENCY VOLTAGE LT 0.9000 PU
34	Open Line BROWNING 500.00-SILVERKG 500.00 #1	HORN	69	14	840	1	0	0	0.88841	61.3	-0.6	-0.00118	-0.13	LOW EMERGENCY VOLTAGE LT 0.9000 PU
34	Open Line BROWNING 500.00-SILVERKG 500.00 #1	VALENCIA	115	14	161	1	0	0	0.88788	102.11	-9.5	-0.00159	-0.18	LOW EMERGENCY VOLTAGE LT 0.9000 PU
36	Open Line COOLIDGE 230.00-SUN ARIZ 230.00 #1	VALENCIA	115	14	161	1	0	0	0.88811	102.13	-10.2	-0.00136	-0.15	LOW EMERGENCY VOLTAGE LT 0.9000 PU
39	Open Line PINALWES 345.00-SOUTH 345.00 #1	COCON 4T	12.47	14	843	1	0	0	1.1105	13.85	0.6	0.00195	0.18	HIGH EMERGENCY VOLTAGE GT 1.1000 PU
39	Open Line PINALWES 345.00-SOUTH 345.00 #1	VALENCIA	115	14	161	1	0	0	0.88716	102.02	-13	-0.00231	-0.26	LOW EMERGENCY VOLTAGE LT 0.9000 PU
48	Open Line SNTAROSA 230.00-DBG 230.00 #1	AZTEC	69	14	840	1	0	0	0.88405	61	-1.2	-0.00216	-0.24	LOW EMERGENCY VOLTAGE LT 0.9000 PU
48	Open Line SNTAROSA 230.00-DBG 230.00 #1	AZTECTAP	69	14	840	1	0	0	0.89204	61.55	-0.6	-0.00214	-0.24	LOW EMERGENCY VOLTAGE LT 0.9000 PU
48	Open Line SNTAROSA 230.00-DBG 230.00 #1	HORN	69	14	840	1	0	0	0.88744	61.23	-0.6	-0.00215	-0.24	LOW EMERGENCY VOLTAGE LT 0.9000 PU
48	Open Line SNTAROSA 230.00-DBG 230.00 #1	VISTA 3	12.5	14	845	1	0	0	0.94741	11.84	-0.8	-0.04168	-4.21	DEVIATION LT -4 PCT
48	Open Line SNTAROSA 230.00-DBG 230.00 #1	SONOITA	115	14	161	1	0	0	0.89769	103.23	-7.3	-0.00683	-0.75	LOW EMERGENCY VOLTAGE LT 0.9000 PU

48	Open Line SNTAROSA 230.00-DBG 230.00 #1	VALENCIA	115	14	161	1	0	0	0.88246	101.48	-8.6	-0.00701	-0.79	LOW EMERGENCY VOLTAGE LT 0.9000 PU
50	Open Line DBG 230.00-CASGRAPS 230.00 #1	VALENCIA	115	14	161	1	0	0	0.88658	101.96	-10.9	-0.00289	-0.33	LOW EMERGENCY VOLTAGE LT 0.9000 PU
55	Open Line CASGRAPS 69.00-TOLTECTP 69.00 #1	ASARCO	12.5	14	845	1	0	0	0.98078	12.26	-10.5	-0.10841	-9.95	DEVIATION LT -4 PCT
55	Open Line CASGRAPS 69.00-TOLTECTP 69.00 #1	ASARCO	69	14	845	1	0	0	0.90195	62.23	-9.7	-0.09951	-9.94	DEVIATION LT -4 PCT
55	Open Line CASGRAPS 69.00-TOLTECTP 69.00 #1	ASARCOTP	69	14	845	1	0	0	0.90196	62.24	-9.7	-0.09951	-9.94	DEVIATION LT -4 PCT
55	Open Line CASGRAPS 69.00-TOLTECTP 69.00 #1	EASTGATE	12.5	14	845	1	0	0	0.80349	10.04	-24.6	-0.16803	-17.3	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
55	Open Line CASGRAPS 69.00-TOLTECTP 69.00 #1	EASTGATN	69	14	845	1	0	0	0.82305	56.79	-18.6	-0.1626	-16.5	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
55	Open Line CASGRAPS 69.00-TOLTECTP 69.00 #1	SE3	69	14	845	1	0	0	0.79043	54.54	-23.5	-0.1756	-18.18	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
55	Open Line CASGRAPS 69.00-TOLTECTP 69.00 #1	SE3	12.5	14	845	1	0	0	0.77694	9.71	-26.5	-0.17857	-18.69	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
55	Open Line CASGRAPS 69.00-TOLTECTP 69.00 #1	TOLTEC	69	14	845	1	0	0	0.79526	54.87	-22.9	-0.17454	-18	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
55	Open Line CASGRAPS 69.00-TOLTECTP 69.00 #1	TOLTEC 3	12.5	14	845	1	0	0	0.7866	9.83	-28.6	-0.17737	-18.4	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
55	Open Line CASGRAPS 69.00-TOLTECTP 69.00 #1	TOLTECTP	69	14	845	1	0	0	0.81933	56.53	-19.2	-0.16825	-17.04	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
55	Open Line CASGRAPS 69.00-TOLTECTP 69.00 #1	VISTA 3	12.5	14	845	1	0	0	0.83965	10.5	-22.6	-0.14944	-15.11	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
55	Open Line CASGRAPS 69.00-TOLTECTP 69.00 #1	VISTA AZ	69	14	845	1	0	0	0.84696	58.44	-15.6	-0.13942	-14.13	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
55	Open Line CASGRAPS 69.00-TOLTECTP 69.00 #1	VALENCIA	115	14	161	1	0	0	0.88826	102.15	-10.2	-0.00121	-0.14	LOW EMERGENCY VOLTAGE LT 0.9000 PU
57	Open Line SNTAROSA 69.00-ASARCOTP 69.00 #1	ASARCO	12.5	14	845	1	0	0	1.01008	12.63	-5.4	-0.07911	-7.26	DEVIATION LT -4 PCT
57	Open Line SNTAROSA 69.00-ASARCOTP 69.00 #1	ASARCO	69	14	845	1	0	0	0.92884	64.09	-4.6	-0.07262	-7.25	DEVIATION LT -4 PCT
57	Open Line SNTAROSA 69.00-ASARCOTP 69.00 #1	ASARCOTP	69	14	845	1	0	0	0.92885	64.09	-4.6	-0.07262	-7.25	DEVIATION LT -4 PCT
57	Open Line SNTAROSA 69.00-ASARCOTP 69.00 #1	EASTGATE	12.5	14	845	1	0	0	0.92515	11.56	-7.8	-0.04637	-4.77	DEVIATION LT -4 PCT
57	Open Line SNTAROSA 69.00-ASARCOTP 69.00 #1	EASTGATN	69	14	845	1	0	0	0.94054	64.9	-3.3	-0.04512	-4.58	DEVIATION LT -4 PCT
57	Open Line SNTAROSA 69.00-ASARCOTP 69.00 #1	SE3	69	14	845	1	0	0	0.92322	63.7	-5.9	-0.0428	-4.43	DEVIATION LT -4 PCT
57	Open Line SNTAROSA 69.00-ASARCOTP 69.00 #1	SE3	12.5	14	845	1	0	0	0.91211	11.4	-8.1	-0.0434	-4.54	DEVIATION LT -4 PCT
57	Open Line SNTAROSA 69.00-ASARCOTP 69.00 #1	TOLTEC	69	14	845	1	0	0	0.92722	63.98	-5.4	-0.04259	-4.39	DEVIATION LT -4 PCT
57	Open Line SNTAROSA 69.00-ASARCOTP 69.00 #1	TOLTEC 3	12.5	14	845	1	0	0	0.92085	11.51	-9.6	-0.04312	-4.47	DEVIATION LT -4 PCT
57	Open Line SNTAROSA 69.00-ASARCOTP 69.00 #1	TOLTECTP	69	14	845	1	0	0	0.94621	65.29	-2.6	-0.04137	-4.19	DEVIATION LT -4 PCT
57	Open Line SNTAROSA 69.00-ASARCOTP 69.00 #1	VISTA 3	12.5	14	845	1	0	0	0.92783	11.6	-10.4	-0.06126	-6.19	DEVIATION LT -4 PCT
57	Open Line SNTAROSA 69.00-ASARCOTP 69.00 #1	VISTA AZ	69	14	845	1	0	0	0.9289	64.09	-4.6	-0.05747	-5.83	DEVIATION LT -4 PCT
58	Open Line TOLTECTP 69.00-EASTGATN 69.00 #1	EASTGATE	12.5	14	845	1	0	0	0.92256	11.53	-14.3	-0.04896	-5.04	DEVIATION LT -4 PCT
58	Open Line TOLTECTP 69.00-EASTGATN 69.00 #1	EASTGATN	69	14	845	1	0	0	0.93802	64.72	-9.7	-0.04763	-4.83	DEVIATION LT -4 PCT
58	Open Line TOLTECTP 69.00-EASTGATN 69.00 #1	VISTA 3	12.5	14	845	1	0	0	0.94613	11.83	-14.3	-0.04297	-4.34	DEVIATION LT -4 PCT
58	Open Line TOLTECTP 69.00-EASTGATN 69.00 #1	VISTA AZ	69	14	845	1	0	0	0.94603	65.28	-8.7	-0.04035	-4.09	DEVIATION LT -4 PCT
62	Open Line ASARCOTP 69.00-VISTA AZ 69.00 #1	ASARCO	12.5	14	845	1	0	0	1.11964	14	-1.2	0.03045	2.8	HIGH EMERGENCY VOLTAGE GT 1.1000 PU
62	Open Line ASARCOTP 69.00-VISTA AZ 69.00 #1	EASTGATE	12.5	14	845	1	0	0	0.92538	11.57	-7.8	-0.04615	-4.75	DEVIATION LT -4 PCT
62	Open Line ASARCOTP 69.00-VISTA AZ 69.00 #1	EASTGATN	69	14	845	1	0	0	0.94076	64.91	-3.2	-0.0449	-4.55	DEVIATION LT -4 PCT
62	Open Line ASARCOTP 69.00-VISTA AZ 69.00 #1	SE3	69	14	845	1	0	0	0.92344	63.72	-5.8	-0.04258	-4.41	DEVIATION LT -4 PCT
62	Open Line ASARCOTP 69.00-VISTA AZ 69.00 #1	SE3	12.5	14	845	1	0	0	0.91234	11.4	-8	-0.04318	-4.52	DEVIATION LT -4 PCT
62	Open Line ASARCOTP 69.00-VISTA AZ 69.00 #1	TOLTEC	69	14	845	1	0	0	0.92744	63.99	-5.3	-0.04237	-4.37	DEVIATION LT -4 PCT
62	Open Line ASARCOTP 69.00-VISTA AZ 69.00 #1	TOLTEC 3	12.5	14	845	1	0	0	0.92107	11.51	-9.5	-0.0429	-4.45	DEVIATION LT -4 PCT
62	Open Line ASARCOTP 69.00-VISTA AZ 69.00 #1	TOLTECTP	69	14	845	1	0	0	0.94642	65.3	-2.6	-0.04116	-4.17	DEVIATION LT -4 PCT
62	Open Line ASARCOTP 69.00-VISTA AZ 69.00 #1	VISTA 3	12.5	14	845	1	0	0	0.92809	11.6	-10.3	-0.061	-6.17	DEVIATION LT -4 PCT
62	Open Line ASARCOTP 69.00-VISTA AZ 69.00 #1	VISTA AZ	69	14	845	1	0	0	0.92915	64.11	-4.5	-0.05723	-5.8	DEVIATION LT -4 PCT
68	Open Xfmr CASGRAPS 230.00/CASGRAPS 69.00 #1	ASARCO	12.5	14	845	1	0	0	0.98106	12.26	-10.5	-0.10812	-9.93	DEVIATION LT -4 PCT
68	Open Xfmr CASGRAPS 230.00/CASGRAPS 69.00 #1	ASARCO	69	14	845	1	0	0	0.90221	62.25	-9.7	-0.09925	-9.91	DEVIATION LT -4 PCT
68	Open Xfmr CASGRAPS 230.00/CASGRAPS 69.00 #1	ASARCOTP	69	14	845	1	0	0	0.90222	62.25	-9.7	-0.09925	-9.91	DEVIATION LT -4 PCT
68	Open Xfmr CASGRAPS 230.00/CASGRAPS 69.00 #1	CASGRAPS	69	14	845	1	0	0	0.81982	56.57	-19.1	-0.18347	-18.29	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
68	Open Xfmr CASGRAPS 230.00/CASGRAPS 69.00 #1	EASTGATE	12.5	14	845	1	0	0	0.80396	10.05	-24.6	-0.16757	-17.25	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
68	Open Xfmr CASGRAPS 230.00/CASGRAPS 69.00 #1	EASTGATN	69	14	845	1	0	0	0.8235	56.82	-18.6	-0.16216	-16.45	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
68	Open Xfmr CASGRAPS 230.00/CASGRAPS 69.00 #1	SE3	69	14	845	1	0	0	0.79092	54.57	-23.5	-0.1751	-18.13	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
68	Open Xfmr CASGRAPS 230.00/CASGRAPS 69.00 #1	SE3	12.5	14	845	1	0	0	0.77745	9.72	-26.5	-0.17807	-18.64	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
68	Open Xfmr CASGRAPS 230.00/CASGRAPS 69.00 #1	TOLTEC	69	14	845	1	0	0	0.79575	54.91	-22.9	-0.17405	-17.95	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
68	Open Xfmr CASGRAPS 230.00/CASGRAPS 69.00 #1	TOLTEC 3	12.5	14	845	1	0	0	0.7871	9.84	-28.6	-0.17687	-18.35	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
68	Open Xfmr CASGRAPS 230.00/CASGRAPS 69.00 #1	TOLTECTP	69	14	845	1	0	0	0.8198	56.57	-19.1	-0.16778	-16.99	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
68	Open Xfmr CASGRAPS 230.00/CASGRAPS 69.00 #1	VISTA 3	12.5	14	845	1	0	0	0.84006	10.5	-22.6	-0.14904	-15.07	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
68	Open Xfmr CASGRAPS 230.00/CASGRAPS 69.00 #1	VISTA AZ	69	14	845	1	0	0	0.84733	58.47	-15.6	-0.13904	-14.1	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
68	Open Xfmr CASGRAPS 230.00/CASGRAPS 69.00 #1	VALENCIA	115	14	161	1	0	0	0.88827	102.15	-10.2	-0.0012	-0.13	LOW EMERGENCY VOLTAGE LT 0.9000 PU

EXHIBIT ED3-9

Docket No. E-01345A-08-0426

NO	COMMENT	FROM NAME	FROM KV	TO NAME	TO KV	CKT	ST	AREA	ZONE	AMPS	MVA	CHNG MV/	CHNG PC	N RATE	N PCT	E RATE	E PCT	UNIT	NOTES
0	BASE CASE	BASELIN	69	BASELN 2	12	#1	1	14	840	74.84	9.05	0	0	9.4	96.28	0	0	MVA	FLOW GT 95 PCT OF NORMAL RATING
0	BASE CASE	BLK MESA	230	BMA.3WP3	100	#1	1	14	163	98.68	39.85	0	0	40	99.64	44.8	88.96	MVA	FLOW GT 95 PCT OF NORMAL RATING
0	BASE CASE	BLK MESA	230	BMA.3WP4	100	#2	1	14	163	94.24	38.06	0	0	40	95.15	44.8	84.96	MVA	FLOW GT 95 PCT OF NORMAL RATING
0	BASE CASE	COTNWOOD	69	COTNWD11	12.5	#1	1	14	842	131.07	15.89	0	0	16	99.31	0	0	MVA	FLOW GT 95 PCT OF NORMAL RATING
0	BASE CASE	DAVISG5	13.8	DAVIS	69	#1	1	14	191	1165.21	28.5	0	0	30	95	30	95	MVA	FLOW GT 95 PCT OF NORMAL RATING
0	BASE CASE	DMP6	13.8	DMP	138	#1	1	14	160	1915.88	47.88	0	0	50	95.75	65	73.65	MVA	FLOW GT 95 PCT OF NORMAL RATING
0	BASE CASE	DON LUIS	69	DON LUIS	12.5	#1	1	14	845	72.99	8.87	0	0	9	98.58	0	0	MVA	FLOW GT 95 PCT OF NORMAL RATING
0	BASE CASE	EMPIRE	115	EMPIRE	12.47	#1	1	14	191	72.66	14.69	0	0	15	97.91	18.7	78.53	MVA	FLOW GT 95 PCT OF NORMAL RATING
0	BASE CASE	HGC1	100	HARQUAHA	500	#1	1	14	910	2198.14	388.65	0	0	287	135.42	0	0	MVA	NORMAL RATING VIOLATION
0	BASE CASE	HGC2	100	HARQUAHA	500	#1	1	14	910	2198.14	388.65	0	0	287	135.42	0	0	MVA	NORMAL RATING VIOLATION
0	BASE CASE	HRSMS4	13.8	HORSMESA	115	#1	1	14	890	5093.16	121.74	0	0	125	97.39	125	97.39	MVA	FLOW GT 95 PCT OF NORMAL RATING
0	BASE CASE	HUNT	69	42.E12.S	69	#1	1	14	811	224.06	26.3	0.01	0.03	124.67	179.72	124.67	179.72	Amps	NORMAL RATING VIOLATION
0	BASE CASE	IVALON	69	IVALON 3	12.5	#1	1	14	847	169.19	20.29	0	0	20	101.43	0	0	MVA	NORMAL RATING VIOLATION
0	BASE CASE	POLLOCK	69	POLLOCK	12	#1	1	14	843	21.38	2.58	0	0	1.5	172.23	0	0	MVA	NORMAL RATING VIOLATION
0	BASE CASE	438E9.0S	69	QUEENCRE	69	#1	1	14	811	226.03	26.7	0	0	124.67	181.3	124.67	181.3	Amps	NORMAL RATING VIOLATION
0	BASE CASE	ROUNDVLY	230	ROUNDVLY	69	#1	1	14	843	36.68	15.01	0	0	13	115.43	13	115.43	MVA	NORMAL RATING VIOLATION
0	BASE CASE	SARIVALS	69	SARVAL11	12.5	#1	1	14	147	158.76	19.5	0	0	20	97.51	0	0	MVA	FLOW GT 95 PCT OF NORMAL RATING
0	BASE CASE	SNMANUEL	100	SNMANULT	12.5	#1	1	14	845	41.9	7.61	0	0	7	108.74	0	0	MVA	NORMAL RATING VIOLATION
0	BASE CASE	VALNCIA	69	VALNCA 3	12	#1	1	14	840	153.31	18.46	0	0	16	115.35	0	0	MVA	NORMAL RATING VIOLATION
0	BASE CASE	VALENCIA	115	VALNCIA1	13.2	#1	1	14	161	107.43	19.03	0	0	20	95.17	22.4	84.97	MVA	FLOW GT 95 PCT OF NORMAL RATING
0	BASE CASE	VALENCIA	115	VALNCIA2	13.2	#1	1	14	161	107.42	19.03	0	0	20	95.16	22.4	84.96	MVA	FLOW GT 95 PCT OF NORMAL RATING
0	BASE CASE	BLKMSA34	69	BMA.3WP3	100	#1	1	14	163	328.95	38.57	0	0	40	96.41	44.8	86.08	MVA	FLOW GT 95 PCT OF NORMAL RATING
0	BASE CASE	APACH-SW	69	APACHCT1	13.8	#1	1	14	170	86.12	10.7	0	0	10	107.04	14	76.46	MVA	NORMAL RATING VIOLATION
19	Open Line CHOLLA 500.00-SAGUARO 500.00 #1	CHLCONST	69	WINSLOW	69	#1	1	14	844	331.71	40.53	4.56	12.67	326.33	101.65	326.33	101.65	Amps	EMERGENCY RATING VIOLATION
23	Open Line JOJOBA 500.00-KYRENE 500.00 #1	HRSMS4	13.8	HORSMESA	115	#1	1	14	890	5264.28	125.59	3.85	3.16	125	100.47	125	100.47	MVA	EMERGENCY RATING VIOLATION
23	Open Line JOJOBA 500.00-KYRENE 500.00 #1	LINCSTRT	230	WPHXAPSN	230	#1	1	14	142	1830.02	725.96	85.3	13.31	1875.13	97.59	1875.13	97.59	Amps	FLOW GT 95 PCT OF EMERGENCY RATING
23	Open Line JOJOBA 500.00-KYRENE 500.00 #1	PALOVRD2	24	PALOVRDE	500	#1	1	14	910	34455.4	1485.08	51.69	3.61	1533	96.87	1533	96.87	MVA	FLOW GT 95 PCT OF EMERGENCY RATING
27	Open Line SNTAROSA 230.00-DBG 230.00 #1	CASGRA 2	100	CASGRAPS	69	#1	1	14	845	830.91	140.44	63.76	83.14	100	140.44	100	140.44	MVA	EMERGENCY RATING VIOLATION
27	Open Line SNTAROSA 230.00-DBG 230.00 #1	CASGRAPS	230	CASGRA 2	100	#1	1	14	845	361.4	146.35	67.95	86.68	100	146.35	100	146.35	MVA	EMERGENCY RATING VIOLATION
27	Open Line SNTAROSA 230.00-DBG 230.00 #1	TOLTECTP	69	CASGRAPS	69	#1	1	14	845	1204.07	136.92	61.43	81.38	900.33	133.74	900.33	133.74	Amps	EMERGENCY RATING VIOLATION
27	Open Line SNTAROSA 230.00-DBG 230.00 #1	TOLTECTP	69	EASTGATN	69	#1	1	14	845	915.75	104.13	61.86	146.32	900.33	101.71	900.33	101.71	Amps	EMERGENCY RATING VIOLATION
32	Open Line CORONADO 500.00-SILVERKG 500.00 #1	CHLCONST	69	WINSLOW	69	#1	1	14	844	336.95	41.02	5.04	14	326.33	103.26	326.33	103.26	Amps	EMERGENCY RATING VIOLATION
34	Open Line BROWNING 500.00-SILVERKG 500.00 #1	HRSMS4	13.8	HORSMESA	115	#1	1	14	890	5135.4	122.75	1.01	0.83	125	98.2	125	98.2	MVA	FLOW GT 95 PCT OF EMERGENCY RATING
48	Open Line SNTAROSA 230.00-DBG 230.00 #1	CASGRA 2	100	CASGRAPS	69	#1	1	14	845	830.91	140.44	63.76	83.14	100	140.44	100	140.44	MVA	EMERGENCY RATING VIOLATION
48	Open Line SNTAROSA 230.00-DBG 230.00 #1	CASGRAPS	230	CASGRA 2	100	#1	1	14	845	361.4	146.35	67.95	86.68	100	146.35	100	146.35	MVA	EMERGENCY RATING VIOLATION
48	Open Line SNTAROSA 230.00-DBG 230.00 #1	TOLTECTP	69	CASGRAPS	69	#1	1	14	845	1204.07	136.92	61.43	81.38	900.33	133.74	900.33	133.74	Amps	EMERGENCY RATING VIOLATION
48	Open Line SNTAROSA 230.00-DBG 230.00 #1	TOLTECTP	69	EASTGATN	69	#1	1	14	845	915.75	104.13	61.86	146.32	900.33	101.71	900.33	101.71	Amps	EMERGENCY RATING VIOLATION
55	Open Line CASGRAPS 69.00-TOLTECTP 69.00 #1	ASARCOTP	69	SNTAROSA	69	#1	1	14	845	919.38	99.1	80.4	429.86	900.33	102.12	900.33	102.12	Amps	EMERGENCY RATING VIOLATION
55	Open Line CASGRAPS 69.00-TOLTECTP 69.00 #1	VISTA AZ	69	ASARCOTP	69	#1	1	14	845	915.38	92.66	74.49	409.98	900.33	101.67	900.33	101.67	Amps	EMERGENCY RATING VIOLATION
57	Open Line SNTAROSA 69.00-ASARCOTP 69.00 #1	CASGRAPS	230	CASGRA 2	100	#1	1	14	845	241.63	98.42	20.02	25.53	100	98.42	100	98.42	MVA	FLOW GT 95 PCT OF EMERGENCY RATING
62	Open Line ASARCOTP 69.00-VISTA AZ 69.00 #1	CASGRAPS	230	CASGRA 2	100	#1	1	14	845	240.3	97.88	19.48	24.84	100	97.88	100	97.88	MVA	FLOW GT 95 PCT OF EMERGENCY RATING
68	Open Xfmr CASGRAPS 230.00/CASGRAPS 69.00 #1	ASARCOTP	69	SNTAROSA	69	#1	1	14	845	918.71	99.06	80.36	429.63	900.33	102.04	900.33	102.04	Amps	EMERGENCY RATING VIOLATION
68	Open Xfmr CASGRAPS 230.00/CASGRAPS 69.00 #1	VISTA AZ	69	ASARCOTP	69	#1	1	14	845	914.71	92.63	74.46	409.83	900.33	101.6	900.33	101.6	Amps	EMERGENCY RATING VIOLATION

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EXHIBIT ED3-9

ELECTRICAL DISTRICT NO. 3
PINAL COUNTY, ARIZONA

2007 TRANSMISSION PLAN

APPENDIX C
2010

Docket No. E-01345A-08-0426

EXHIBIT ED3-9

ED3 Line Impedances
2007 Configuration

2010 Cases

Study Alt	Notes	Ckts	Conductor	From Bus #	From Bus	To Bus #	To Bus	Length in Miles	R	X	B	R	X
2010	dbl ckt	1	795 ACSS Tern Double Ckt		Santa Rosa		Avalea (sec 1)	1	0.002791	0.013378	0.000328	0.008295	0.034475
2010		1	795 ACSS Tern		Santa Rosa		Avalea (sec 2)	5	0.01385	0.06637	0.00162	0.07966	0.24756
									0.016641	0.079748	0.001948		
2010		1	795 ACSS Tern		Avalea		Sonny Dunn	1.5	0.004155	0.019911	0.000486	0.023898	0.074268
2010		1	795 ACSS Tern		Kelly		Sonny Dunn	2	0.00554	0.026548	0.000648	0.031864	0.099024
2010	sngl ckt	1	Underbuild on		Santa Rosa	14020	Talla (Section 1)	4.7	0.0129485	0.0616969	0.0015369	0.0748146	0.2317288
2010		1	795 ACSS Tern		Santa Rosa	14020	Talla (Section 2)	2.2	0.006094	0.0292028	0.0007128	0.0350504	0.1089264
2010	dbl ckt	1	795 ACSS Tern Double Ckt		Santa Rosa	14020	Talla (Section 3)	1.03	0.00287473	0.01377934	0.00033784	0.01640996	0.05099736
									0.02191723	0.10467904	0.00258754		
2010		1	795 ACSS Tern	14020	Talla	14019	Maricopa West	3.16	0.0087532	0.04194584	0.00102384	0.05034512	0.15645792
2010		1	795 ACSS Tern		Hidden Valley Tap	14019	Maricopa West	8.84	0.0244868	0.11734216	0.00286416	0.14083888	0.43768608
2010	EXISTING	1	3/0 ACSR		Hidden Valley Tap	14017	Hidden Valley	1	0.015199	0.019076	0.00025871	0.02435	0.045626
2010		1	795 ACSS Tern		Hidden Valley Tap	14016	Peters & Nall (sec 1)	3.94	0.0109138	0.05229956	0.00127656	0.06277208	0.19507728
2010	dbl ckt	1	795 ACSS Tern Double Ckt		Hidden Valley Tap	14016	Peters & Nall (sec 2)	1.07	0.00298637	0.01431446	0.00035096	0.00887565	0.03688825
									0.01390017	0.06661402	0.00162752		
2010	dbl w SD	1	795 ACSS Tern Double Ckt		Santa Rosa	14016	Peters & Nall (sec 1)	1	0.002791	0.013378	0.000328	0.008295	0.034475
2010		1	795 ACSS Tern		Santa Rosa	14016	Peters & Nall (sec 2)	4.5	0.012465	0.059733	0.001458	0.071694	0.222804
2010	dbl ckt	1	795 ACSS Tern Double Ckt		Santa Rosa	14016	Peters & Nall (sec 3)	1.07	0.00298637	0.01431446	0.00035096	0.00887565	0.03688825
									0.01824237	0.08742546	0.00213696		
2010	EXISTING	1	795 ACSR	14042	Maricopa	14012	Wingfield	5.3	0.014681	0.0703522	0.0017172	0.0844396	0.2624136
2010	EXISTING	1	795 ACSR	14012	Wingfield	14014	Caywood	9.9	0.027423	0.1314126	0.0032076	0.1577268	0.4901688
2010	EXISTING	1	3/0)	14042	Wingfield	14013	Sexton	4	0.060796	0.076304	0.00103484	0.0974	0.182504
2010	EXISTING	1	477 Aluminum	14010	Maricopa	14025	MarTap2	0.3	0.0013704	0.0041334	0.0000933	0.005319	0.0149865
2010	EXISTING	1	3/0 ACSR	14025	MarTap2	14011	Farrell	6.2	0.0942338	0.1182712	0.001604002	0.15097	0.2828812
2010		1	795 ACSS Tern Double Ckt	14020	Talla		Palmasano Tap (sec 1)	1.02	0.00284682	0.01364556	0.00033456	0.0084609	0.0351645
2010		1	795 ACSS Tern	14020	Talla		Palmasano Tap (sec 2)	2.04	0.0056508	0.02707896	0.00066096	0.03250128	0.10100448
2010		1	795 ACSS Tern	14020	Palmasano Tap		Kelly (sec 3)	2.5	0.0069775	0.033445	0.00082	0.0207375	0.0861875
									0.01547512	0.07416952	0.00181552		
2010		1	795 ACSS Tern Double Ckt	14020	Kelly		Palmasano Tap (sec 1)	2.5	0.0069775	0.033445	0.00082	0.0207375	0.0861875
2010		1	795 ACSS Tern	14020	Palmasano Tap		Palmasano (sec 2)	1.25	0.0034625	0.0165925	0.000405	0.019915	0.06189
									0.01044	0.0500375	0.001225		
2010		1	795 ACSS Tern		Palmasano		ED3 E	9	0.02493	0.119466	0.002916	0.143388	0.445608
2010	NEW	1	795 ACSS Tern		ED3 E		ED3 SE	3.5	0.009695	0.046459	0.001134	0.055762	0.173292
2010	NEW	1	795 ACSS Tern		ED3 SE		Sexton	2	0.00554	0.026548	0.000648	0.031864	0.099024
2010		1	795 ACSS Tern		ED3 E		Maricopa	7.3	0.020221	0.0969002	0.0023652	0.1163036	0.3614376

EXHIBIT ED3-9

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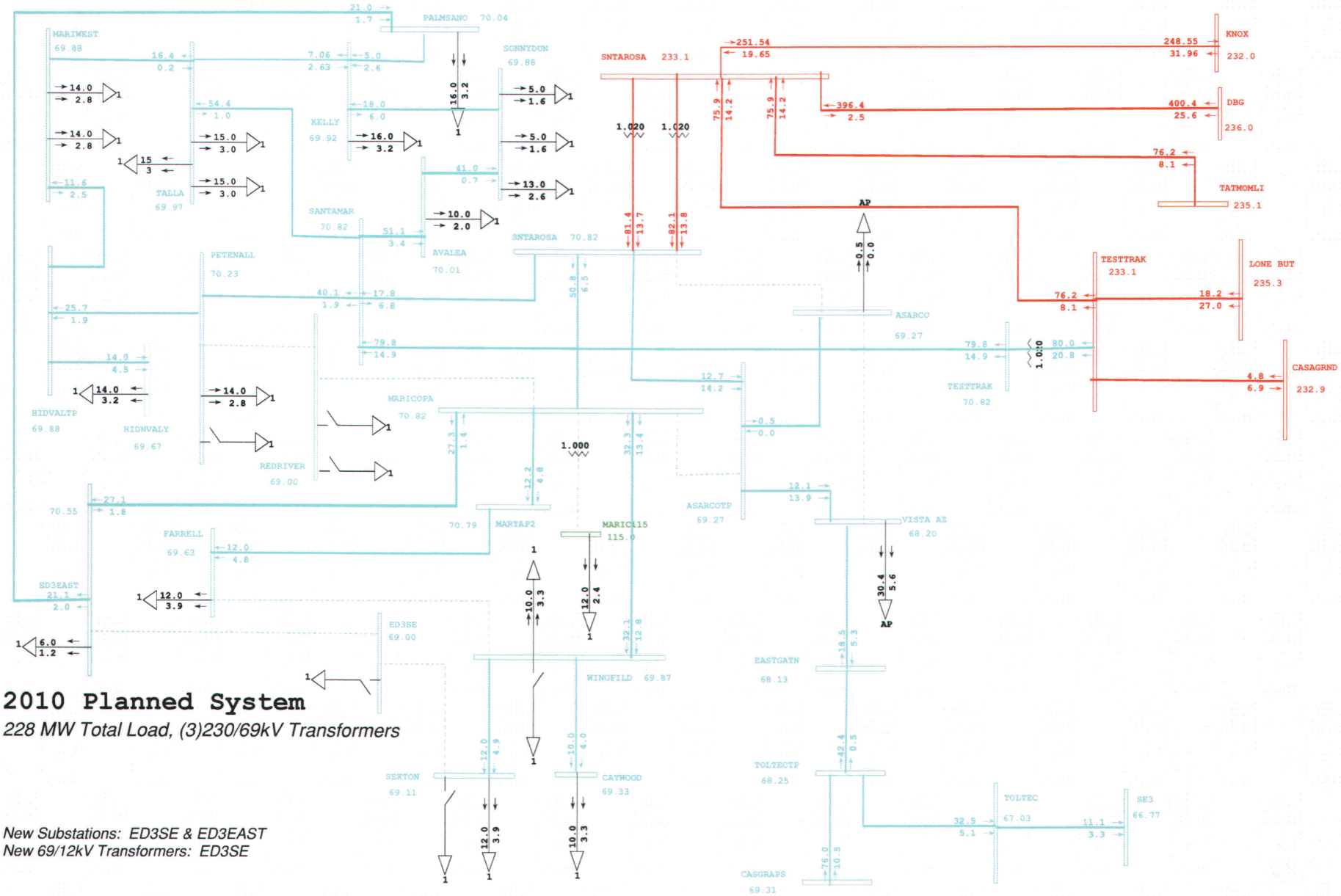

2010 Planned System

228 MW Total Load, (3)230/69kV Transformers

New Substations: ED3SE & ED3EAST
New 69/12kV Transformers: ED3SE

General Electric International, Inc. PSLF Program Mon Jan 07 11:03:48 2008 c:\data\docs07\ed3\2007 planning study\2010\ed3base10_r1.sav

PDS Consulting	ed3base09.sav from ed3base08.SAV 07/16/07 MLE 2009 BASE CASE WITH ED3 DETAILED REPRESENTATION	210MW ED3 LOAD	MW/MVAR 10ed3.drw Rating = 1

EXHIBIT ED3-9

Docket No. E-01345A-08-0426

NO	COMMENT	BUS NAME	BASE KV	TYPE	AREA	ZONE	VSCHED	VMAX	VMIN	PU VOLT	VOLTAGE	ANGLE	CHG VPU	DEVIATN	NOTES	
0	BASE CASE	$CORONAD	69	1	14	848	1	0	0	1.06483	73.47	20.5	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU	
0	BASE CASE	AGUILA	12	1	14	841	1	0	0	1.09217	13.11	-1	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU	
0	BASE CASE	ARABY 11	12.5	1	14	847	1	0	0	1.08519	13.56	-8.2	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU	
0	BASE CASE	ARLINTON	500	1	14	892	1.07	0	0	1.07037	535.19	13.8	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU	
0	BASE CASE	ASARCO	12.5	1	14	845	1	0	0	1.09177	13.65	-2.2	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU	
0	BASE CASE	CAPBUT11	12.5	1	14	842	1	0	0	1.05556	13.19	-5.5	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU	
0	BASE CASE	CAPBUT 3	12.5	1	14	842	1	0	0	1.05701	13.21	-6	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU	
0	BASE CASE	CHINOWLS	2.4	1	14	842	1	0	0	1.07981	2.59	-2.4	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU	
0	BASE CASE	CHOLLA	500	1	14	844	1	0	0	1.06443	532.22	19.9	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU	
0	BASE CASE	COCNIN15	12.5	1	14	843	1	0	0	1.05194	13.15	-1.2	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU	
0	BASE CASE	COCON 4T	12.47	1	14	843	1	0	0	1.10864	13.82	1.1	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU	
0	BASE CASE	CONCHO	69	1	14	848	1	0	0	1.05243	72.62	18.5	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU	
0	BASE CASE	CORONADO	500	1	14	892	1	0	0	1.06549	532.74	21.2	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU	
0	BASE CASE	GIL-CT1	18	2	14	141	1.05	0	0	1.05	18.9	20.3	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU	
0	BASE CASE	GIL-CT2	18	2	14	141	1.05	0	0	1.05	18.9	20.3	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU	
0	BASE CASE	GIL-CT3	18	2	14	141	1.05	0	0	1.05	18.9	20.3	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU	
0	BASE CASE	GIL-CT4	18	2	14	141	1.05	0	0	1.05	18.9	20.3	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU	
0	BASE CASE	GIL-CT5	18	2	14	141	1.05	0	0	1.05	18.9	19.1	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU	
0	BASE CASE	GIL-CT6	18	2	14	141	1.05	0	0	1.05	18.9	19	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU	
0	BASE CASE	GIL-ST1	18	2	14	141	1.05	0	0	1.05	18.9	18.5	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU	
0	BASE CASE	GIL-ST2	18	2	14	141	1.05	0	0	1.05	18.9	18.6	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU	
0	BASE CASE	GILARIVR	500	1	14	840	1.07	0	0	1.07714	538.57	13.7	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU	
0	BASE CASE	HARQUAHA	500	1	14	910	1.07	0	0	1.07093	535.47	15.8	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU	
0	BASE CASE	HASSYAMP	500	1	14	892	1.07	0	0	1.07033	535.17	13.7	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU	
0	BASE CASE	JOJOBA	500	1	14	840	1.07	0	0	1.07128	535.64	12.7	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU	
0	BASE CASE	LAGUNA11	12.5	1	14	847	1	0	0	1.05494	13.19	-14.6	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU	
0	BASE CASE	LIN41MVA	12.5	1	14	142	1	0	0	1.05249	13.16	-6.6	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU	
0	BASE CASE	LINSOUTH	12.5	1	14	142	1	0	0	1.05313	13.16	-6.6	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU	
0	BASE CASE	LINXMR R	12.5	1	14	142	1	0	0	1.05313	13.16	-6.6	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU	
0	BASE CASE	LONEPK 7	100	1	14	144	1	0	0	1.05505	105.51	2.6	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU	
0	BASE CASE	LONEPK7T	12.47	1	14	144	1	0	0	1.055	13.16	2.6	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU	
0	BASE CASE	MEADOW9T	12.47	1	14	142	1	0	0	1.05311	13.13	3.1	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU	
0	BASE CASE	MEADOWB9	100	1	14	142	1	0	0	1.05318	105.32	3.1	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU	
0	BASE CASE	MESQUITE	500	1	14	910	1.07	0	0	1.07028	535.14	13.8	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU	
0	BASE CASE	N. LOOP2	47.2	1	14	160	1	0	0	1.05323	49.71	-3.9	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU	
0	BASE CASE	NL.3WP2	100	1	14	160	1	0	0	1.0507	105.07	-4.1	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU	
0	BASE CASE	OAKCRK 3	12.5	1	14	842	1	0	0	1.06677	13.33	-8.4	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU	
0	BASE CASE	OAKCRK11	12.5	1	14	842	1	0	0	1.06967	13.37	-6.8	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU	
0	BASE CASE	PALOMA	12	1	14	840	1	0	0	1.07786	12.93	2.6	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU	
0	BASE CASE	PALOVRDE	500	1	14	910	1.07	0	0	1.07	535	13.5	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU	
0	BASE CASE	PERK PS1	500	1	14	892	1	0	0	1.05169	525.85	8.5	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU	
0	BASE CASE	PERK PS2	500	1	14	892	1	0	0	1.05169	525.85	8.5	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU	
0	BASE CASE	PERKINPS	500	1	14	892	1	0	0	1.05169	525.85	8.5	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU	
0	BASE CASE	PERKINS	500	1	14	892	1	0	0	1.05166	525.83	8.4	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU	
0	BASE CASE	CEMENT 1	4.2	1	14	842	1	0	0	1.0648	4.47	-3.4	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU	
0	BASE CASE	CEMENT 2	4.2	1	14	842	1	0	0	1.0648	4.47	-3.4	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU	
0	BASE CASE	PINAL_W	500	1	14	892	1	0	0	1.07143	535.72	11.8	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU	
0	BASE CASE	PNPK 3T	12.47	1	14	143	1	0	0	1.07696	13.43	5.5	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU	
0	BASE CASE	PNPK 6T	12.47	1	14	143	1	0	0	1.07772	13.44	5.7	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU	
0	BASE CASE	PNPK T3	100	1	14	143	1	0	0	1.07703	107.7	5.5	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU	
0	BASE CASE	PNPK T6	100	1	14	143	1	0	0	1.0778	107.78	5.7	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU	
0	BASE CASE	REDHAWK	500	1	14	840	1.07	0	0	1.07043	535.22	13.8	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU	
0	BASE CASE	RUDD	500	1	14	892	1	0	0	1.06255	531.28	7.4	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU	
0	BASE CASE	SAGUARO	500	1	14	845	1	0	0	1.05161	525.81	8.6	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU	
0	BASE CASE	SALOME 2	12	1	14	846	1	0	0	1.06922	12.83	-4.9	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU	
0	BASE CASE	SNMANUL3	12.5	1	14	845	1	0	0	1.07392	13.42	4.6	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU	
0	BASE CASE	SNMANUL4	12.5	1	14	845	1	0	0	1.07392	13.42	4.6	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU	
0	BASE CASE	ST.JOHNS	69	1	14	848	1	0	0	1.05769	72.98	19.4	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU	
0	BASE CASE	SUNYSL1T	12.47	1	14	144	1	0	0	1.09061	13.6	2.5	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU	
0	BASE CASE	SUNYSLP1	100	1	14	144	1	0	0	1.09067	109.07	2.5	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU	
0	BASE CASE	SURPR12T	12.47	1	14	146	1	0	0	1.08162	13.49	8.8	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU	
0	BASE CASE	SURPRI12	100	1	14	146	1	0	0	1.08169	108.17	8.8	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU	
0	BASE CASE	TORTLIT2	500	1	14	160	1	0	0	1.05154	525.77	8.6	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU	
0	BASE CASE	TORTOLIT	500	1	14	160	1	0	0	1.05154	525.77	8.6	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU	
0	BASE CASE	UTTING	12	1	14	846	1	0	0	1.06247	12.75	-1	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU	

0	BASE CASE	VICKSBRG	12	1	14	846	1	0	0	1.06276	12.75	-6.1	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	WESTWING	500	1	14	146	1	0	0	1.05173	525.86	8.5	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	WHTNK 5T	12.47	1	14	147	1	0	0	1.05617	13.17	6.1	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	WHTNK 8T	12.47	1	14	147	1	0	0	1.05615	13.17	6.1	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	WHTNK T5	100	1	14	147	1	0	0	1.05625	105.62	6.1	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	WHTNK T8	100	1	14	147	1	0	0	1.05622	105.62	6.1	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	WNSLOW 3	12.5	1	14	844	1	0	0	1.07686	13.46	8.6	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	WNSLOW11	12.5	1	14	844	1	0	0	1.07013	13.38	8.1	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	WPCC5CT1	15	2	14	141	1.05	0	0	1.05	15.75	8	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	WPCC5CT2	15	2	14	141	1.05	0	0	1.05	15.75	7	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	WPCC5ST1	16.5	2	14	141	1.05	0	0	1.05	17.32	8.4	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
14	Open Line SNTAROSA 69.00-MARICOPA 69.00 #1	VALENCIA	115	1	14	161	1	0	0	0.88833	102.16	-10.3	-0.00126	-0.14	LOW EMERGENCY VOLTAGE LT 0.9000 PU
14	Open Line SNTAROSA 69.00-MARICOPA 69.00 #1	MARICOPA	69	1	14	800	1	0	0	0.79084	54.57	-19.9	-0.23535	-22.93	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
14	Open Line SNTAROSA 69.00-MARICOPA 69.00 #1	FARRELL	69	1	14	800	1	0	0	0.76699	52.92	-20.8	-0.24204	-23.99	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
14	Open Line SNTAROSA 69.00-MARICOPA 69.00 #1	WINGFILD	69	1	14	800	1	0	0	0.7704	53.16	-21.8	-0.24211	-23.91	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
14	Open Line SNTAROSA 69.00-MARICOPA 69.00 #1	SEXTON	69	1	14	800	1	0	0	0.75483	52.08	-22.4	-0.24666	-24.63	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
14	Open Line SNTAROSA 69.00-MARICOPA 69.00 #1	CAYWOOD	69	1	14	800	1	0	0	0.75891	52.36	-23	-0.2458	-24.47	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
14	Open Line SNTAROSA 69.00-MARICOPA 69.00 #1	SONNYDUN	69	1	14	800	1	0	0	0.94576	65.26	-6.8	-0.06695	-6.61	DEVIATION LT -4 PCT
14	Open Line SNTAROSA 69.00-MARICOPA 69.00 #1	SDLOAD1	12.5	1	14	800	1	0	0	0.93672	11.71	-9.3	-0.06767	-6.74	DEVIATION LT -4 PCT
14	Open Line SNTAROSA 69.00-MARICOPA 69.00 #1	SDLOAD2	12.5	1	14	800	1	0	0	0.93511	11.69	-8.7	-0.06774	-6.75	DEVIATION LT -4 PCT
14	Open Line SNTAROSA 69.00-MARICOPA 69.00 #1	SDLOAD3	12.5	1	14	800	1	0	0	0.9348	11.69	-8.8	-0.06776	-6.76	DEVIATION LT -4 PCT
14	Open Line SNTAROSA 69.00-MARICOPA 69.00 #1	HIDVLY1	12.5	1	14	800	1	0	0	0.94521	11.82	-10.6	-0.04112	-4.17	DEVIATION LT -4 PCT
14	Open Line SNTAROSA 69.00-MARICOPA 69.00 #1	MARTAP2	69	1	14	800	1	0	0	0.79032	54.53	-19.9	-0.23551	-22.96	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
14	Open Line SNTAROSA 69.00-MARICOPA 69.00 #1	TALLALD1	12.5	1	14	800	1	0	0	0.96432	12.05	-10.4	-0.05605	-5.49	DEVIATION LT -4 PCT
14	Open Line SNTAROSA 69.00-MARICOPA 69.00 #1	MARILD1	12.5	1	14	800	1	0	0	0.77531	9.69	-24.6	-0.23985	-23.63	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
14	Open Line SNTAROSA 69.00-MARICOPA 69.00 #1	FARREL1	12.5	1	14	800	1	0	0	0.73175	9.15	-27.7	-0.25287	-25.68	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
14	Open Line SNTAROSA 69.00-MARICOPA 69.00 #1	WINGFLD1	12.5	1	14	800	1	0	0	0.73804	9.23	-28.1	-0.25184	-25.44	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
14	Open Line SNTAROSA 69.00-MARICOPA 69.00 #1	CAYWDL1	12.5	1	14	800	1	0	0	0.72745	9.09	-29.2	-0.25543	-25.99	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
14	Open Line SNTAROSA 69.00-MARICOPA 69.00 #1	SEXTON1	12.5	1	14	800	1	0	0	0.71364	8.92	-30.3	-0.26005	-26.71	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
14	Open Line SNTAROSA 69.00-MARICOPA 69.00 #1	ED3ELD1	12.5	1	14	800	1	0	0	0.84996	10.62	-17.6	-0.18805	-18.12	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
14	Open Line SNTAROSA 69.00-MARICOPA 69.00 #1	PALMSAN1	12.5	1	14	800	1	0	0	0.90468	11.31	-15	-0.11561	-11.33	DEVIATION LT -4 PCT
14	Open Line SNTAROSA 69.00-MARICOPA 69.00 #1	MARWEST1	12.5	1	14	800	1	0	0	0.96743	12.09	-10.3	-0.05266	-5.16	DEVIATION LT -4 PCT
14	Open Line SNTAROSA 69.00-MARICOPA 69.00 #1	MARIWEST	69	1	14	800	1	0	0	0.96203	66.38	-6.7	-0.05071	-5.01	DEVIATION LT -4 PCT
14	Open Line SNTAROSA 69.00-MARICOPA 69.00 #1	TALLA	69	1	14	800	1.1	1.1	1.025	0.96019	66.25	-6.5	-0.05388	-5.31	DEVIATION LT -4 PCT
14	Open Line SNTAROSA 69.00-MARICOPA 69.00 #1	PALMSANO	69	1	14	800	1	0	0	0.90433	62.4	-10.4	-0.11073	-10.91	DEVIATION LT -4 PCT
14	Open Line SNTAROSA 69.00-MARICOPA 69.00 #1	KELLY	69	1	14	800	1	0	0	0.93597	64.58	-7.9	-0.07732	-7.63	DEVIATION LT -4 PCT
14	Open Line SNTAROSA 69.00-MARICOPA 69.00 #1	ED3EAST	69	1	14	800	1	0	0	0.83936	57.92	-15.6	-0.183	-17.9	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
14	Open Line SNTAROSA 69.00-MARICOPA 69.00 #1	TALLALD2	12.5	1	14	800	1	0	0	0.96432	12.05	-10.4	-0.05605	-5.49	DEVIATION LT -4 PCT
14	Open Line SNTAROSA 69.00-MARICOPA 69.00 #1	TALLALD3	12.5	1	14	800	1	0	0	0.96432	12.05	-10.4	-0.05605	-5.49	DEVIATION LT -4 PCT
14	Open Line SNTAROSA 69.00-MARICOPA 69.00 #1	MARWST02	12.5	1	14	800	1	0	0	0.96743	12.09	-10.3	-0.05266	-5.16	DEVIATION LT -4 PCT
14	Open Line SNTAROSA 69.00-MARICOPA 69.00 #1	KELLYLD1	12.5	1	14	800	1	0	0	0.9378	11.72	-12.2	-0.08064	-7.92	DEVIATION LT -4 PCT
14	Open Line SNTAROSA 69.00-MARICOPA 69.00 #1	AVALEA	12.5	1	14	800	1	0	0	0.94599	11.82	-8.4	-0.05944	-5.91	DEVIATION LT -4 PCT
14	Open Line SNTAROSA 69.00-MARICOPA 69.00 #1	AVALEA	69	1	14	800	1	0	0	0.95581	65.95	-5.8	-0.05875	-5.79	DEVIATION LT -4 PCT
23	Open Line JOJOBA 500.00-KYRENE 500.00 #1	AZTEC	69	1	14	840	1	0	0	0.87495	60.37	-1.2	-0.01132	-1.28	LOW EMERGENCY VOLTAGE LT 0.9000 PU
23	Open Line JOJOBA 500.00-KYRENE 500.00 #1	AZTECTAP	69	1	14	840	1	0	0	0.88302	60.93	-0.6	-0.0112	-1.25	LOW EMERGENCY VOLTAGE LT 0.9000 PU
23	Open Line JOJOBA 500.00-KYRENE 500.00 #1	GRANDCAN	12.5	1	14	843	1	0	0	0.89318	11.16	-13.8	-0.0169	-1.86	LOW EMERGENCY VOLTAGE LT 0.9000 PU
23	Open Line JOJOBA 500.00-KYRENE 500.00 #1	GRANDCAN	69	1	14	843	1	0	0	0.8919	61.54	-10.9	-0.01591	-1.75	LOW EMERGENCY VOLTAGE LT 0.9000 PU
23	Open Line JOJOBA 500.00-KYRENE 500.00 #1	HORN	69	1	14	840	1	0	0	0.87837	60.61	-0.6	-0.01127	-1.27	LOW EMERGENCY VOLTAGE LT 0.9000 PU
23	Open Line JOJOBA 500.00-KYRENE 500.00 #1	SONOITA	115	1	14	161	1	0	0	0.89813	103.29	-14.5	-0.00649	-0.72	LOW EMERGENCY VOLTAGE LT 0.9000 PU
23	Open Line JOJOBA 500.00-KYRENE 500.00 #1	VALENCIA	115	1	14	161	1	0	0	0.88292	101.54	-15.8	-0.00666	-0.75	LOW EMERGENCY VOLTAGE LT 0.9000 PU
27	Open Line SNTAROSA 230.00-DBG 230.00 #1	AZTEC	69	1	14	840	1	0	0	0.88413	61	-1.1	-0.00214	-0.24	LOW EMERGENCY VOLTAGE LT 0.9000 PU
27	Open Line SNTAROSA 230.00-DBG 230.00 #1	AZTECTAP	69	1	14	840	1	0	0	0.89211	61.56	-0.5	-0.00212	-0.24	LOW EMERGENCY VOLTAGE LT 0.9000 PU
27	Open Line SNTAROSA 230.00-DBG 230.00 #1	HORN	69	1	14	840	1	0	0	0.88751	61.24	-0.6	-0.00213	-0.24	LOW EMERGENCY VOLTAGE LT 0.9000 PU
27	Open Line SNTAROSA 230.00-DBG 230.00 #1	VISTA 3	12.5	1	14	845	1	0	0	0.94946	11.87	-0.8	-0.04172	-4.21	DEVIATION LT -4 PCT
27	Open Line SNTAROSA 230.00-DBG 230.00 #1	SONOITA	115	1	14	161	1	0	0	0.89781	103.25	-7.3	-0.00681	-0.75	LOW EMERGENCY VOLTAGE LT 0.9000 PU
27	Open Line SNTAROSA 230.00-DBG 230.00 #1	VALENCIA	115	1	14	161	1	0	0	0.88259	101.5	-8.6	-0.00699	-0.79	LOW EMERGENCY VOLTAGE LT 0.9000 PU
30	Open Line DBG 230.00-CASGRAPS 230.00 #1	VALENCIA	115	1	14	161	1	0	0	0.88671	101.97	-10.9	-0.00287	-0.32	LOW EMERGENCY VOLTAGE LT 0.9000 PU
32	Open Line CORONADO 500.00-SILVERKG 500.00 #1	AZTEC	69	1	14	840	1	0	0	0.88296	60.92	-2.8	-0.0033	-0.37	LOW EMERGENCY VOLTAGE LT 0.9000 PU
32	Open Line CORONADO 500.00-SILVERKG 500.00 #1	AZTECTAP	69	1	14	840	1	0	0	0.89096	61.48	-2.2	-0.00327	-0.37	LOW EMERGENCY VOLTAGE LT 0.9000 PU
32	Open Line CORONADO 500.00-SILVERKG 500.00 #1	GRANDCAN	12.5	1	14	843	1	0	0	0.89117	11.14	-10.7	-0.01891	-2.08	LOW EMERGENCY VOLTAGE LT 0.9000 PU
32	Open Line CORONADO 500.00-SILVERKG 500.00 #1	GRANDCAN	69	1	14	843	1	0	0	0.89001	61.41	-7.8	-0.0178	-1.96	LOW EMERGENCY VOLTAGE LT 0.9000 PU
32	Open Line CORONADO 500.00-SILVERKG 500.00 #1	HORN	69	1	14	840	1	0	0	0.88636	61.16	-2.2	-0.00329	-0.37	LOW EMERGENCY VOLTAGE LT 0.9000 PU
32	Open Line CORONADO 500.00-SILVERKG 500.00 #1	SONOITA	115	1	14	161	1	0	0	0.89773	103.24	-8	-0.00689	-0.76	LOW EMERGENCY VOLTAGE LT 0.9000 PU
32	Open Line CORONADO 500.00-SILVERKG 500.00 #1	VALENCIA	115	1	14	161	1	0	0	0.88251	101.49	-9.3	-0.00707	-0.8	LOW EMERGENCY VOLTAGE LT 0.9000 PU
34	Open Line BROWNING 500.00-SILVERKG 500.00 #1	AZTEC	69	1	14	840	1	0	0	0.88508	61.07	-1	-0.00118	-0.13	LOW EMERGENCY VOLTAGE LT 0.9000 PU
34	Open Line BROWNING 500.00-SILVERKG 500.00 #1	AZTECTAP	69	1	14	840	1	0	0	0.89306	61.62	-0.4	-0.00117	-0.13	LOW EMERGENCY VOLTAGE LT 0.9000 PU

34	Open Line BROWNING 500.00-SILVERKG 500.00 #1	HORN	69	1	14	840	1	0	0	0.88847	61.3	-0.5	-0.00118	-0.13	LOW EMERGENCY VOLTAGE LT 0.9000 PU
34	Open Line BROWNING 500.00-SILVERKG 500.00 #1	VALENCIA	115	1	14	161	1	0	0	0.88801	102.12	-9.5	-0.00158	-0.18	LOW EMERGENCY VOLTAGE LT 0.9000 PU
36	Open Line COOLIDGE 230.00-SUN ARIZ 230.00 #1	VALENCIA	115	1	14	161	1	0	0	0.88822	102.15	-10.2	-0.00136	-0.15	LOW EMERGENCY VOLTAGE LT 0.9000 PU
39	Open Line PINALWES 345.00-SOUTH 345.00 #1	COCON 4T	12.47	1	14	843	1	0	0	1.1106	13.85	0.6	0.00196	0.18	HIGH EMERGENCY VOLTAGE GT 1.1000 PU
39	Open Line PINALWES 345.00-SOUTH 345.00 #1	VALENCIA	115	1	14	161	1	0	0	0.88722	102.03	-13.1	-0.00237	-0.27	LOW EMERGENCY VOLTAGE LT 0.9000 PU
48	Open Line SNTAROSA 230.00-DBG 230.00 #1	AZTEC	69	1	14	840	1	0	0	0.88413	61	-1.1	-0.00214	-0.24	LOW EMERGENCY VOLTAGE LT 0.9000 PU
48	Open Line SNTAROSA 230.00-DBG 230.00 #1	AZTECTAP	69	1	14	840	1	0	0	0.89211	61.56	-0.5	-0.00212	-0.24	LOW EMERGENCY VOLTAGE LT 0.9000 PU
48	Open Line SNTAROSA 230.00-DBG 230.00 #1	HORN	69	1	14	840	1	0	0	0.88751	61.24	-0.6	-0.00213	-0.24	LOW EMERGENCY VOLTAGE LT 0.9000 PU
48	Open Line SNTAROSA 230.00-DBG 230.00 #1	VISTA 3	12.5	1	14	845	1	0	0	0.94946	11.87	-0.8	-0.04172	-4.21	DEVIATION LT -4 PCT
48	Open Line SNTAROSA 230.00-DBG 230.00 #1	SONOITA	115	1	14	161	1	0	0	0.89781	103.25	-7.3	-0.00681	-0.75	LOW EMERGENCY VOLTAGE LT 0.9000 PU
48	Open Line SNTAROSA 230.00-DBG 230.00 #1	VALENCIA	115	1	14	161	1	0	0	0.88259	101.5	-8.6	-0.00699	-0.79	LOW EMERGENCY VOLTAGE LT 0.9000 PU
50	Open Line DBG 230.00-CASGRAPS 230.00 #1	VALENCIA	115	1	14	161	1	0	0	0.88671	101.97	-10.9	-0.00287	-0.32	LOW EMERGENCY VOLTAGE LT 0.9000 PU
55	Open Line CASGRAPS 69.00-TOLTECTP 69.00 #1	ASARCO	12.5	1	14	845	1	0	0	0.9859	12.32	-10.5	-0.10587	-9.7	DEVIATION LT -4 PCT
55	Open Line CASGRAPS 69.00-TOLTECTP 69.00 #1	ASARCO	69	1	14	845	1	0	0	0.90665	62.56	-9.7	-0.09718	-9.68	DEVIATION LT -4 PCT
55	Open Line CASGRAPS 69.00-TOLTECTP 69.00 #1	ASARCOTP	69	1	14	845	1	0	0	0.90666	62.56	-9.7	-0.09718	-9.68	DEVIATION LT -4 PCT
55	Open Line CASGRAPS 69.00-TOLTECTP 69.00 #1	EASTGATE	12.5	1	14	845	1	0	0	0.80939	10.12	-24.4	-0.16381	-16.83	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
55	Open Line CASGRAPS 69.00-TOLTECTP 69.00 #1	EASTGATN	69	1	14	845	1	0	0	0.82871	57.18	-18.5	-0.15858	-16.06	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
55	Open Line CASGRAPS 69.00-TOLTECTP 69.00 #1	SE3	69	1	14	845	1	0	0	0.79646	54.96	-23.3	-0.17115	-17.69	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
55	Open Line CASGRAPS 69.00-TOLTECTP 69.00 #1	SE3	12.5	1	14	845	1	0	0	0.78311	9.79	-26.3	-0.17401	-18.18	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
55	Open Line CASGRAPS 69.00-TOLTECTP 69.00 #1	TOLTEC	69	1	14	845	1	0	0	0.80125	55.29	-22.7	-0.17013	-17.51	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
55	Open Line CASGRAPS 69.00-TOLTECTP 69.00 #1	TOLTEC 3	12.5	1	14	845	1	0	0	0.79272	9.91	-28.4	-0.17285	-17.9	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
55	Open Line CASGRAPS 69.00-TOLTECTP 69.00 #1	TOLTECTP	69	1	14	845	1	0	0	0.82503	56.93	-19	-0.16408	-16.59	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
55	Open Line CASGRAPS 69.00-TOLTECTP 69.00 #1	VISTA 3	12.5	1	14	845	1	0	0	0.84546	10.57	-22.4	-0.14572	-14.7	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
55	Open Line CASGRAPS 69.00-TOLTECTP 69.00 #1	VISTA AZ	69	1	14	845	1	0	0	0.85232	58.81	-15.5	-0.13601	-13.76	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
55	Open Line CASGRAPS 69.00-TOLTECTP 69.00 #1	VALENCIA	115	1	14	161	1	0	0	0.88839	102.17	-10.2	-0.00119	-0.13	LOW EMERGENCY VOLTAGE LT 0.9000 PU
57	Open Line SNTAROSA 69.00-ASARCOTP 69.00 #1	ASARCO	12.5	1	14	845	1	0	0	1.01072	12.63	-5.4	-0.08105	-7.42	DEVIATION LT -4 PCT
57	Open Line SNTAROSA 69.00-ASARCOTP 69.00 #1	ASARCO	69	1	14	845	1	0	0	0.92943	64.13	-4.6	-0.0744	-7.41	DEVIATION LT -4 PCT
57	Open Line SNTAROSA 69.00-ASARCOTP 69.00 #1	ASARCOTP	69	1	14	845	1	0	0	0.92945	64.13	-4.6	-0.0744	-7.41	DEVIATION LT -4 PCT
57	Open Line SNTAROSA 69.00-ASARCOTP 69.00 #1	EASTGATE	12.5	1	14	845	1	0	0	0.92575	11.57	-7.8	-0.04745	-4.88	DEVIATION LT -4 PCT
57	Open Line SNTAROSA 69.00-ASARCOTP 69.00 #1	EASTGATN	69	1	14	845	1	0	0	0.94112	64.94	-3.3	-0.04617	-4.68	DEVIATION LT -4 PCT
57	Open Line SNTAROSA 69.00-ASARCOTP 69.00 #1	SE3	69	1	14	845	1	0	0	0.92382	63.74	-5.9	-0.04379	-4.53	DEVIATION LT -4 PCT
57	Open Line SNTAROSA 69.00-ASARCOTP 69.00 #1	SE3	12.5	1	14	845	1	0	0	0.91272	11.41	-8	-0.0444	-4.64	DEVIATION LT -4 PCT
57	Open Line SNTAROSA 69.00-ASARCOTP 69.00 #1	TOLTEC	69	1	14	845	1	0	0	0.92781	64.02	-5.4	-0.04357	-4.49	DEVIATION LT -4 PCT
57	Open Line SNTAROSA 69.00-ASARCOTP 69.00 #1	TOLTEC 3	12.5	1	14	845	1	0	0	0.92145	11.52	-9.6	-0.04411	-4.57	DEVIATION LT -4 PCT
57	Open Line SNTAROSA 69.00-ASARCOTP 69.00 #1	TOLTECTP	69	1	14	845	1	0	0	0.94678	65.33	-2.6	-0.04233	-4.28	DEVIATION LT -4 PCT
57	Open Line SNTAROSA 69.00-ASARCOTP 69.00 #1	VISTA 3	12.5	1	14	845	1	0	0	0.92846	11.61	-10.4	-0.06271	-6.33	DEVIATION LT -4 PCT
57	Open Line SNTAROSA 69.00-ASARCOTP 69.00 #1	VISTA AZ	69	1	14	845	1	0	0	0.92949	64.14	-4.6	-0.05884	-5.95	DEVIATION LT -4 PCT
58	Open Line TOLTECTP 69.00-EASTGATN 69.00 #1	EASTGATE	12.5	1	14	845	1	0	0	0.92635	11.58	-14.3	-0.04685	-4.81	DEVIATION LT -4 PCT
58	Open Line TOLTECTP 69.00-EASTGATN 69.00 #1	EASTGATN	69	1	14	845	1	0	0	0.9417	64.98	-9.7	-0.04559	-4.62	DEVIATION LT -4 PCT
58	Open Line TOLTECTP 69.00-EASTGATN 69.00 #1	VISTA 3	12.5	1	14	845	1	0	0	0.95	11.88	-14.2	-0.04117	-4.15	DEVIATION LT -4 PCT
59	Open Line TOLTECTP 69.00-TOLTEC 69.00 #1	ASARCO	12.5	1	14	845	1	0	0	1.10216	13.78	0.1	0.01039	0.95	HIGH EMERGENCY VOLTAGE GT 1.1000 PU
62	Open Line ASARCOTP 69.00-VISTA AZ 69.00 #1	ASARCO	12.5	1	14	845	1	0	0	1.12305	14.04	-1.3	0.03128	2.87	HIGH EMERGENCY VOLTAGE GT 1.1000 PU
62	Open Line ASARCOTP 69.00-VISTA AZ 69.00 #1	EASTGATE	12.5	1	14	845	1	0	0	0.92598	11.57	-7.7	-0.04722	-4.85	DEVIATION LT -4 PCT
62	Open Line ASARCOTP 69.00-VISTA AZ 69.00 #1	EASTGATN	69	1	14	845	1	0	0	0.94134	64.95	-3.2	-0.04595	-4.65	DEVIATION LT -4 PCT
62	Open Line ASARCOTP 69.00-VISTA AZ 69.00 #1	SE3	69	1	14	845	1	0	0	0.92404	63.76	-5.8	-0.04357	-4.5	DEVIATION LT -4 PCT
62	Open Line ASARCOTP 69.00-VISTA AZ 69.00 #1	SE3	12.5	1	14	845	1	0	0	0.91294	11.41	-8	-0.04418	-4.62	DEVIATION LT -4 PCT
62	Open Line ASARCOTP 69.00-VISTA AZ 69.00 #1	TOLTEC	69	1	14	845	1	0	0	0.92803	64.03	-5.3	-0.04335	-4.46	DEVIATION LT -4 PCT
62	Open Line ASARCOTP 69.00-VISTA AZ 69.00 #1	TOLTEC 3	12.5	1	14	845	1	0	0	0.92167	11.52	-9.5	-0.04389	-4.55	DEVIATION LT -4 PCT
62	Open Line ASARCOTP 69.00-VISTA AZ 69.00 #1	TOLTECTP	69	1	14	845	1	0	0	0.947	65.34	-2.5	-0.04211	-4.26	DEVIATION LT -4 PCT
62	Open Line ASARCOTP 69.00-VISTA AZ 69.00 #1	VISTA 3	12.5	1	14	845	1	0	0	0.92872	11.61	-10.3	-0.06245	-6.3	DEVIATION LT -4 PCT
62	Open Line ASARCOTP 69.00-VISTA AZ 69.00 #1	VISTA AZ	69	1	14	845	1	0	0	0.92974	64.15	-4.5	-0.0586	-5.93	DEVIATION LT -4 PCT
68	Open Xfmr CASGRAPS 230.00/CASGRAPS 69.00 #1	ASARCO	12.5	1	14	845	1	0	0	0.98618	12.33	-10.5	-0.10559	-9.67	DEVIATION LT -4 PCT
68	Open Xfmr CASGRAPS 230.00/CASGRAPS 69.00 #1	ASARCO	69	1	14	845	1	0	0	0.9069	62.58	-9.7	-0.09693	-9.66	DEVIATION LT -4 PCT
68	Open Xfmr CASGRAPS 230.00/CASGRAPS 69.00 #1	ASARCOTP	69	1	14	845	1	0	0	0.90692	62.58	-9.7	-0.09692	-9.66	DEVIATION LT -4 PCT
68	Open Xfmr CASGRAPS 230.00/CASGRAPS 69.00 #1	CASGRAPS	69	1	14	845	1	0	0	0.82552	56.96	-19	-0.17897	-17.82	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
68	Open Xfmr CASGRAPS 230.00/CASGRAPS 69.00 #1	EASTGATE	12.5	1	14	845	1	0	0	0.80985	10.12	-24.4	-0.16335	-16.79	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
68	Open Xfmr CASGRAPS 230.00/CASGRAPS 69.00 #1	EASTGATN	69	1	14	845	1	0	0	0.82915	57.21	-18.5	-0.15814	-16.02	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
68	Open Xfmr CASGRAPS 230.00/CASGRAPS 69.00 #1	SE3	69	1	14	845	1	0	0	0.79695	54.99	-23.3	-0.17066	-17.64	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
68	Open Xfmr CASGRAPS 230.00/CASGRAPS 69.00 #1	SE3	12.5	1	14	845	1	0	0	0.7836	9.8	-26.3	-0.17352	-18.13	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
68	Open Xfmr CASGRAPS 230.00/CASGRAPS 69.00 #1	TOLTEC	69	1	14	845	1	0	0	0.80174	55.32	-22.7	-0.16964	-17.46	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
68	Open Xfmr CASGRAPS 230.00/CASGRAPS 69.00 #1	TOLTEC 3	12.5	1	14	845	1	0	0	0.79322	9.92	-28.4	-0.17235	-17.85	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
68	Open Xfmr CASGRAPS 230.00/CASGRAPS 69.00 #1	TOLTECTP	69	1	14	845	1	0	0	0.82549	56.96	-19	-0.16362	-16.54	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
68	Open Xfmr CASGRAPS 230.00/CASGRAPS 69.00 #1	VISTA 3	12.5	1	14	845	1	0	0	0.84587	10.57	-22.4	-0.14531	-14.66	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
68	Open Xfmr CASGRAPS 230.00/CASGRAPS 69.00 #1	VISTA AZ	69	1	14	845	1	0	0	0.85269	58.84	-15.5	-0.13564	-13.72	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
68	Open Xfmr CASGRAPS 230.00/CASGRAPS 69.00 #1	VALENCIA	115	1	14	161	1	0	0	0.8884	102.17	-10.2	-0.00118	-0.13	LOW EMERGENCY VOLTAGE LT 0.9000 PU

EXHIBIT ED3-9

NO	COMMENT	FROM NAME	FROM KV	TO NAME	TO KV	CKT	ST	AREA	ZONE	AMPS	MVA	N RATE	N PCT	E RATE	E PCT	UNIT	NOTES
0	BASE CASE	BASELIN	69	BASELN 2	12	#1	1	14	840	74.84	9.05	9.4	96.28	0	0	MVA	FLOW GT 95 PCT OF NORMAL RATING
0	BASE CASE	BLK MESA	230	BMA.3WP3	100	#1	1	14	163	98.69	39.85	40	99.64	44.8	88.96	MVA	FLOW GT 95 PCT OF NORMAL RATING
0	BASE CASE	BLK MESA	230	BMA.3WP4	100	#2	1	14	163	94.25	38.06	40	95.15	44.8	84.96	MVA	FLOW GT 95 PCT OF NORMAL RATING
0	BASE CASE	COTNWOOD	69	COTNWD11	12.5	#1	1	14	842	131.06	15.89	16	99.31	0	0	MVA	FLOW GT 95 PCT OF NORMAL RATING
0	BASE CASE	DAVISG5	13.8	DAVIS	69	#1	1	14	191	1165.21	28.5	30	95	30	95	MVA	FLOW GT 95 PCT OF NORMAL RATING
0	BASE CASE	DMP6	13.8	DMP	138	#1	1	14	160	1915.89	47.88	50	95.75	65	73.65	MVA	FLOW GT 95 PCT OF NORMAL RATING
0	BASE CASE	DON LUIS	69	DON LUIS	12.5	#1	1	14	845	72.99	8.87	9	98.58	0	0	MVA	FLOW GT 95 PCT OF NORMAL RATING
0	BASE CASE	EMPIRE	115	EMPIRE	12.47	#1	1	14	191	72.66	14.69	15	97.96	18.7	78.58	MVA	FLOW GT 95 PCT OF NORMAL RATING
0	BASE CASE	HGC1	100	HARQUAHA	500	#1	1	14	910	2198.14	388.65	287	135.42	0	0	MVA	NORMAL RATING VIOLATION
0	BASE CASE	HGC2	100	HARQUAHA	500	#1	1	14	910	2198.14	388.65	287	135.42	0	0	MVA	NORMAL RATING VIOLATION
0	BASE CASE	HRSMS4	13.8	HORSMESA	115	#1	1	14	890	5092.63	121.73	125	97.38	125	97.38	MVA	FLOW GT 95 PCT OF NORMAL RATING
0	BASE CASE	HUNT	69	42.E12.S	69	#1	1	14	811	224.01	26.3	124.67	179.67	124.67	179.67	Amps	NORMAL RATING VIOLATION
0	BASE CASE	IVALON	69	IVALON 3	12.5	#1	1	14	847	169.19	20.29	20	101.43	0	0	MVA	NORMAL RATING VIOLATION
0	BASE CASE	POLLOCK	69	POLLOCK	12	#1	1	14	843	21.38	2.58	1.5	172.23	0	0	MVA	NORMAL RATING VIOLATION
0	BASE CASE	438E9.0S	69	QUEENCRE	69	#1	1	14	811	225.96	26.7	124.67	181.24	124.67	181.24	Amps	NORMAL RATING VIOLATION
0	BASE CASE	ROUNDVLY	230	ROUNDVLY	69	#1	1	14	843	36.69	15.01	13	115.43	13	115.43	MVA	NORMAL RATING VIOLATION
0	BASE CASE	SARIVALS	69	SARVAL11	12.5	#1	1	14	147	158.75	19.5	20	97.5	0	0	MVA	FLOW GT 95 PCT OF NORMAL RATING
0	BASE CASE	SHIPROCK	230	KAYENTA	230	#1	1	14	191	955.77	388.41	1000.07	95.57	1350	70.8	Amps	FLOW GT 95 PCT OF NORMAL RATING
0	BASE CASE	SNMANUEL	100	SNMANULT	12.5	#1	1	14	845	41.89	7.61	7	108.74	0	0	MVA	NORMAL RATING VIOLATION
0	BASE CASE	VALNCIA	69	VALNCA 3	12	#1	1	14	840	153.3	18.46	16	115.35	0	0	MVA	NORMAL RATING VIOLATION
0	BASE CASE	VALENCIA	115	VALNCIA1	13.2	#1	1	14	161	107.42	19.03	20	95.17	22.4	84.97	MVA	FLOW GT 95 PCT OF NORMAL RATING
0	BASE CASE	VALENCIA	115	VALNCIA2	13.2	#1	1	14	161	107.41	19.03	20	95.16	22.4	84.96	MVA	FLOW GT 95 PCT OF NORMAL RATING
0	BASE CASE	BLKMSA34	69	BMA.3WP3	100	#1	1	14	163	328.96	38.57	40	96.42	44.8	86.09	MVA	FLOW GT 95 PCT OF NORMAL RATING
0	BASE CASE	APACH-SW	69	APACHCT1	13.8	#1	1	14	170	86.12	10.7	10	107.04	14	76.46	MVA	NORMAL RATING VIOLATION
23	Open Line JOJOBA 500.00-KYRENE 500.00 #1	HRSMS4	13.8	HORSMESA	115	#1	1	14	890	5263.63	125.59	125	100.47	125	100.47	MVA	EMERGENCY RATING VIOLATION
23	Open Line JOJOBA 500.00-KYRENE 500.00 #1	LINCSTRT	230	WPHXAPSN	230	#1	1	14	142	1830.81	726.31	1875.13	97.64	1875.13	97.64	Amps	FLOW GT 95 PCT OF EMERGENCY RATING
23	Open Line JOJOBA 500.00-KYRENE 500.00 #1	PALOVRD2	24	PALOVRDE	500	#1	1	14	910	34455.44	1485.1	1533	96.87	1533	96.87	MVA	FLOW GT 95 PCT OF EMERGENCY RATING
27	Open Line SNTAROSA 230.00-DBG 230.00 #1	CASGRA 2	100	CASGRAPS	69	#1	1	14	845	831.31	140.67	100	140.67	100	140.67	MVA	EMERGENCY RATING VIOLATION
27	Open Line SNTAROSA 230.00-DBG 230.00 #1	CASGRAPS	230	CASGRA 2	100	#1	1	14	845	361.58	146.45	100	146.45	100	146.45	MVA	EMERGENCY RATING VIOLATION
27	Open Line SNTAROSA 230.00-DBG 230.00 #1	TOLTECTP	69	CASGRAPS	69	#1	1	14	845	1204.64	137.18	900.33	133.8	900.33	133.8	Amps	EMERGENCY RATING VIOLATION
27	Open Line SNTAROSA 230.00-DBG 230.00 #1	TOLTECTP	69	EASTGATN	69	#1	1	14	845	917.08	104.43	900.33	101.86	900.33	101.86	Amps	EMERGENCY RATING VIOLATION
32	Open Line CORONADO 500.00-SILVERKG 500.00 #1	CHLCONST	69	WINSLOW	69	#1	1	14	844	336.28	40.94	326.33	103.05	326.33	103.05	Amps	EMERGENCY RATING VIOLATION
34	Open Line BROWNING 500.00-SILVERKG 500.00 #1	HRSMS4	13.8	HORSMESA	115	#1	1	14	890	5134.51	122.73	125	98.18	125	98.18	MVA	FLOW GT 95 PCT OF EMERGENCY RATING
48	Open Line SNTAROSA 230.00-DBG 230.00 #1	CASGRA 2	100	CASGRAPS	69	#1	1	14	845	831.31	140.67	100	140.67	100	140.67	MVA	EMERGENCY RATING VIOLATION
48	Open Line SNTAROSA 230.00-DBG 230.00 #1	CASGRAPS	230	CASGRA 2	100	#1	1	14	845	361.58	146.45	100	146.45	100	146.45	MVA	EMERGENCY RATING VIOLATION
48	Open Line SNTAROSA 230.00-DBG 230.00 #1	TOLTECTP	69	CASGRAPS	69	#1	1	14	845	1204.64	137.18	900.33	133.8	900.33	133.8	Amps	EMERGENCY RATING VIOLATION
48	Open Line SNTAROSA 230.00-DBG 230.00 #1	TOLTECTP	69	EASTGATN	69	#1	1	14	845	917.08	104.43	900.33	101.86	900.33	101.86	Amps	EMERGENCY RATING VIOLATION
55	Open Line CASGRAPS 69.00-TOLTECTP 69.00 #1	ASARCOTP	69	SNTAROSA	69	#1	1	14	845	912.65	98.89	900.33	101.37	900.33	101.37	Amps	EMERGENCY RATING VIOLATION
55	Open Line CASGRAPS 69.00-TOLTECTP 69.00 #1	VISTA AZ	69	ASARCOTP	69	#1	1	14	845	908.67	92.56	900.33	100.93	900.33	100.93	Amps	EMERGENCY RATING VIOLATION
57	Open Line SNTAROSA 69.00-ASARCOTP 69.00 #1	CASGRAPS	230	CASGRA 2	100	#1	1	14	845	241.47	98.4	100	98.4	100	98.4	MVA	FLOW GT 95 PCT OF EMERGENCY RATING
62	Open Line ASARCOTP 69.00-VISTA AZ 69.00 #1	CASGRAPS	230	CASGRA 2	100	#1	1	14	845	240.14	97.86	100	97.86	100	97.86	MVA	FLOW GT 95 PCT OF EMERGENCY RATING
68	Open Xfmr CASGRAPS 230.00/CASGRAPS 69.00 #1	ASARCOTP	69	SNTAROSA	69	#1	1	14	845	912	98.85	900.33	101.3	900.33	101.3	Amps	EMERGENCY RATING VIOLATION
68	Open Xfmr CASGRAPS 230.00/CASGRAPS 69.00 #1	VISTA AZ	69	ASARCOTP	69	#1	1	14	845	908.01	92.53	900.33	100.85	900.33	100.85	Amps	EMERGENCY RATING VIOLATION

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EXHIBIT ED3-9

ELECTRICAL DISTRICT NO. 3
PINAL COUNTY, ARIZONA

Electrical District No. 3

2007 TRANSMISSION PLAN

APPENDIX D
2012

EXHIBIT ED3-9

Docket No. E-01345A-08-0426

ED3 Line Impedances
2007 Configuration

Study Alt	Notes	Ckts	Conductor	From Bus #	From Bus	To Bus #	To Bus	Length in Miles	R	X	B	R	X
2012	dbl ckt	1	795 ACSS Tern Double Ckt		Santa Rosa		Avalea (sec 1)	1	0.002791	0.013378	0.000328	0.008295	0.034475
2012		1	795 ACSS Tern		Santa Rosa		Avalea (sec 2)	5	0.01385	0.06637	0.00162	0.07966	0.24756
									0.016641	0.079748	0.001948		
2012		1	795 ACSS Tern		Avalea		Sonny Dunn	1.5	0.004155	0.019911	0.000486	0.023898	0.074268
2012		1	795 ACSS Tern		Kelly		Sonny Dunn	2	0.00554	0.026548	0.000648	0.031864	0.099024
2012	sngl ckt	1	795 ACSS Drake Underbuild on WAPA 230kV		Santa Rosa	14020	Talla (Section 1)	4.7	0.0129485	0.0616969	0.0015369	0.0748146	0.2317288
2012		1	795 ACSS Tern		Santa Rosa	14020	Talla (Section 2)	2.2	0.006094	0.0292028	0.0007128	0.0350504	0.1089264
2012	dbl ckt	1	795 ACSS Tern Double Ckt		Santa Rosa	14020	Talla (Section 3)	1.03	0.00287473	0.01377934	0.00033784	0.01640996	0.05099736
									0.02191723	0.10467904	0.00258754		
2012		1	795 ACSS Tern	14020	Talla	14019	Maricopa West	3.16	0.0087532	0.04194584	0.00102384	0.05034512	0.15645792
2012		1	795 ACSS Tern		Hidden Valley Tap	14019	Maricopa West	8.84	0.0244868	0.11734216	0.00286416	0.14083888	0.43768608
2012		1	795 ACSS Tern		Pinal West	14019	Hidden Valley Tap	6	0.01662	0.079644	0.001944	0.095592	0.297072
2012	EXISTING	1	3/0 ACSR		Hidden Valley Tap	14017	Hidden Valley	1	0.015199	0.019076	0.00025871	0.02435	0.045626
2012 GEN SCENARIO		1	795 ACSS Tern		Pinal West	14016	Peters & Nall (sec 1)	7	0.01939	0.092918	0.002268	0.111524	0.346584
2012 GEN SCENARIO	dbl ckt	1	795 ACSS Tern Double Ckt		Pinal West	14016	Peters & Nall (sec 2)	1.07	0.00298637	0.01431446	0.00035096	0.00887565	0.03688825
2012		1	795 ACSS Tern		Pinal West		Farrell	10	0.0277	0.13274	0.00324	0.15932	0.49512
									0.02237637	0.10723246	0.00261896		
2012	dbl w SD	1	795 ACSS Tern Double Ckt		Santa Rosa	14016	Red River	1	0.002791	0.013378	0.000328	0.008295	0.034475
2012		1	795 ACSS Tern		Santa Rosa	14016	Red River	0.86	0.0023822	0.01141564	0.00027864	0.01370152	0.04258032
									0.0051732	0.02479364	0.00060664		
2012		1	795 ACSS Tern		Red River	14016	Peters & Nall (sec 1)	3.64	0.0100828	0.04831736	0.00117936	0.05799248	0.18022368
2012	dbl ckt	1	795 ACSS Tern Double Ckt		Red River	14016	Peters & Nall (sec 2)	1.07	0.00298637	0.01431446	0.00035096	0.00887565	0.03688825
									0.01306917	0.06263182	0.00153032		
2012	EXISTING	1	795 ACSR	14042	Maricopa	14012	Wingfield	5.3	0.014681	0.0703522	0.0017172	0.0844396	0.2624136
2012	EXISTING	1	795 ACSR	14012	Wingfield	14014	Caywood	9.9	0.027423	0.1314126	0.0032076	0.1577268	0.4901688
2012	REBUILD	1	795 ACSS Tern	14012	Wingfield	14013	Sexton	4	0.01108	0.053096	0.001296	0.063728	0.198048
2012	EXISTING	1	477 Aluminum	14010	Maricopa	14025	MarTap2	0.3	0.0013704	0.0041334	0.0000933	0.005319	0.0149865
2012	EXISTING	1	3/0 ACSR	14025	MarTap2	14011	Farrell	6.2	0.0942338	0.1182712	0.001604002	0.15097	0.2828812
2012		1	795 ACSS Tern Double Ckt	14020	Talla		Palmasano Tap (sec 1)	1.02	0.00284682	0.01364556	0.00033456	0.0084609	0.0351645
2012		1	795 ACSS Tern	14020	Talla		Palmasano Tap (sec 2)	2.04	0.0056508	0.02707896	0.00066096	0.03250128	0.10100448
2012		1	795 ACSS Tern	14020	Palmasano Tap		Kelly (sec 3)	2.5	0.0069775	0.033445	0.00082	0.0207375	0.0861875
									0.01547512	0.07416952	0.00181552		
2012		1	795 ACSS Tern Double Ckt	14020	Kelly		Palmasano Tap (sec 1)	2.5	0.0069775	0.033445	0.00082	0.0207375	0.0861875
2012		1	795 ACSS Tern	14020	Palmasano Tap		Palmasano (sec 2)	1.25	0.0034625	0.0165925	0.000405	0.019915	0.06189
									0.01044	0.0500375	0.001225		
2012		1	795 ACSS Tern		Palmasano		ED3 E	9	0.02493	0.119466	0.002916	0.143388	0.445608
2012		1	795 ACSS Tern		ED3 E		ED3 SE	3.5	0.009695	0.046459	0.001134	0.055762	0.173292
2012		1	795 ACSS Tern		ED3 SE		Sexton	2	0.00554	0.026548	0.000648	0.031864	0.099024
2012		1	795 ACSS Tern		ED3 E		Maricopa	7.3	0.020221	0.0969002	0.0023652	0.1163036	0.3614376
2012		1	795 ACSS Tern		ED3E		DBGEN	6	0.01662	0.079644	0.001944		
		1	1272 ACSR		CG WAPA		SEVWAPA	4	0.00063	0.00567	0.01206		

1/7/2008

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EXHIBIT ED3-9

ED3 Line Impedances
2007 Configuration

2012 Cases

Study Alt	Notes	Ckts	Conductor	From Bus #	From Bus	To Bus #	To Bus	Length in Miles	R	X	B	R	X
2012	dbl ckt	1	795 ACSS Tern Double Ckt		Santa Rosa		Avalea (sec 1)	1	0.002791	0.013378	0.000328	0.008295	0.034475
2012		1	795 ACSS Tern		Santa Rosa		Avalea (sec 2)	5	0.01385	0.06637	0.00162	0.07966	0.24756
									0.016641	0.079748	0.001948		
2012		1	795 ACSS Tern		Avalea		Sonny Dunn	1.5	0.004155	0.019911	0.000486	0.023898	0.074268
2012		1	795 ACSS Tern		Kelly		Sonny Dunn	2	0.00554	0.026548	0.000648	0.031864	0.099024
2012	sngl ckt	1	795 ACSS Drake Underbuild on WAPA 230kV		Santa Rosa	14020	Talla (Section 1)	4.7	0.0129485	0.0616969	0.0015369	0.0748146	0.2317288
2012		1	795 ACSS Tern		Santa Rosa	14020	Talla (Section 2)	2.2	0.006094	0.0292028	0.0007128	0.0350504	0.1089264
2012	dbl ckt	1	795 ACSS Tern Double Ckt		Santa Rosa	14020	Talla (Section 3)	1.03	0.00287473	0.01377934	0.00033784	0.01640996	0.05099736
									0.02191723	0.10467904	0.00258754		
2012		1	795 ACSS Tern	14020	Talla	14019	Maricopa West	3.16	0.0087532	0.04194584	0.00102384	0.05034512	0.15645792
2012		1	795 ACSS Tern		Hidden Valley Tap	14019	Maricopa West	8.84	0.0244868	0.11734216	0.00286416	0.14083888	0.43768608
2012	EXISTING	1	3/0 ACSR		Hidden Valley Tap	14017	Hidden Valley	1	0.015199	0.019076	0.00025871	0.02435	0.045626
2012		1	795 ACSS Tern		Hidden Valley Tap	14016	Peters & Nall (sec 1)	3.94	0.0109138	0.05229956	0.00127656	0.06277208	0.19507728
2012	dbl ckt	1	795 ACSS Tern Double Ckt		Hidden Valley Tap	14016	Peters & Nall (sec 2)	1.07	0.00298637	0.01431446	0.00035096	0.00887565	0.03688825
									0.01390017	0.06661402	0.00162752		
2012	dbl w SD	1	795 ACSS Tern Double Ckt		Santa Rosa	14016	Red River	1	0.002791	0.013378	0.000328	0.008295	0.034475
2012		1	795 ACSS Tern		Santa Rosa	14016	Red River	0.86	0.0023822	0.01141564	0.00027864	0.01370152	0.04258032
									0.0051732	0.02479364	0.00060664		
2012		1	795 ACSS Tern		Red River	14016	Peters & Nall (sec 1)	3.64	0.0100828	0.04831736	0.00117936	0.05799248	0.18022368
2012	dbl ckt	1	795 ACSS Tern Double Ckt		Red River	14016	Peters & Nall (sec 2)	1.07	0.00298637	0.01431446	0.00035096	0.00887565	0.03688825
									0.01306917	0.06263182	0.00153032		
2012	EXISTING	1	795 ACSR	14042	Maricopa	14012	Wingfield	5.3	0.014681	0.0703522	0.0017172	0.0844396	0.2624136
2012	EXISTING	1	795 ACSR	14012	Wingfield	14014	Caywood	9.9	0.027423	0.1314126	0.0032076	0.1577268	0.4901688
2012	REBUILD	1	795 ACSS Tern	14012	Wingfield	14013	Sexton	4	0.01108	0.053096	0.001296	0.063728	0.198048
2012	EXISTING	1	477 Aluminum	14010	Maricopa	14025	MarTap2	0.3	0.0013704	0.0041334	0.0000933	0.005319	0.0149865
2012	EXISTING	1	3/0 ACSR	14025	MarTap2	14011	Farrell	6.2	0.0942338	0.1182712	0.001604002	0.15097	0.2828812
2012		1	795 ACSS Tern Double Ckt	14020	Talla		Palmasano Tap (sec 1)	1.02	0.00284682	0.01364556	0.00033456	0.0084609	0.0351645
2012		1	795 ACSS Tern	14020	Talla		Palmasano Tap (sec 2)	2.04	0.0056508	0.02707896	0.00066096	0.03250128	0.10100448
2012		1	795 ACSS Tern	14020	Palmasano Tap		Kelly (sec 3)	2.5	0.0069775	0.033445	0.00082	0.0207375	0.0861875
									0.01547512	0.07416952	0.00181552		
2012		1	795 ACSS Tern Double Ckt	14020	Kelly		Palmasano Tap (sec 1)	2.5	0.0069775	0.033445	0.00082	0.0207375	0.0861875
2012		1	795 ACSS Tern	14020	Palmasano Tap		Palmasano (sec 2)	1.25	0.0034625	0.0165925	0.000405	0.019915	0.06189
									0.01044	0.0500375	0.001225		
2012		1	795 ACSS Tern		Palmasano		ED3 E	9	0.02493	0.119466	0.002916	0.143388	0.445608
2012		1	795 ACSS Tern		ED3 E		ED3 SE	3.5	0.009695	0.046459	0.001134	0.055762	0.173292
2012		1	795 ACSS Tern		ED3 SE		Sexton	2	0.00554	0.026548	0.000648	0.031864	0.099024
2012		1	795 ACSS Tern		ED3 E		Maricopa	7.3	0.020221	0.0969002	0.0023652	0.1163036	0.3614376

2012 GENERATION Cases

Docket No. E-01345A-08-0426

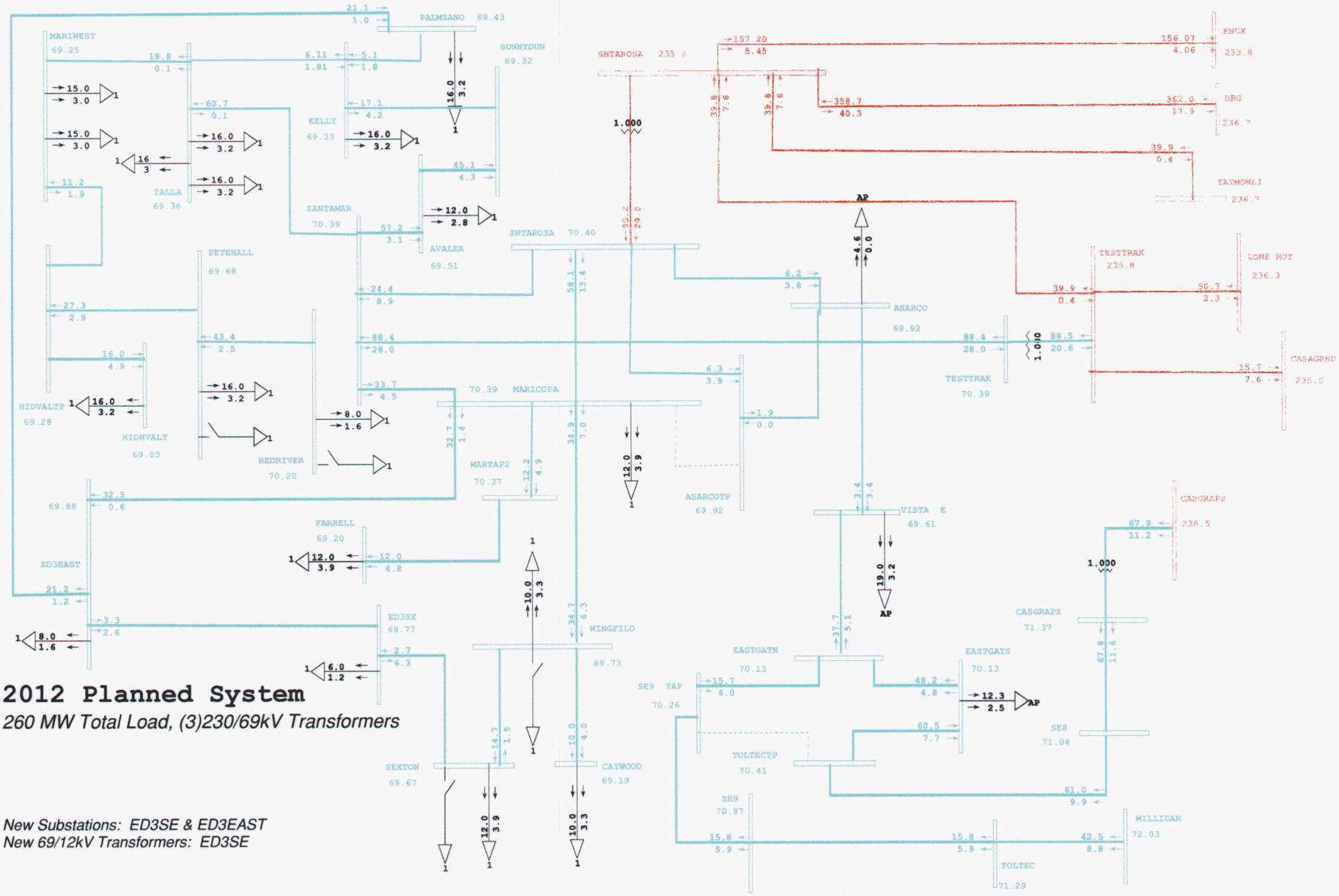
EXHIBIT ED3-9

ED3 Line Impedances
2007 Configuration

		1	1272 ACSR		SEVWAPA		EMPIRE	13	0.00206	0.01844	0.0392		
		2	2-1272ACSR		SANTA ROSA		SEVWAPA	20	0.00159	0.02692	0.06241		

Docket No. E-01345A-08-0426

EXHIBIT ED3-9



General Electric International, Inc. PSLF Program Mon Jan 07 11:05:53 2008 c:\data\docs07\ed3\2007 planning study\2012\ed32012_genbase.sav

PDS Consulting	ed32012_genbase.sav from CATS HV 2011 ed3/mle 09/06/2007 2007 ED3 Planning Study 2012 Load = 260MW	Generation Scenario Base Case	MW/MVAR 12ed3.drw Rating = 1

NO	COMMENT	BUS NAME	BASE K	TYPE	AREA	ZONE	VSCHED	VMAX	VMIN	PU VOLT	VOLTAG	ANGLE	CHG VP	DEVIATN	NOTES
0	BASE CASE	NGL-W	230	1	14	191	1	0	0	1.1098	255.25	6.6	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	NGL-E	230	1	14	191	1	0	0	1.1098	255.25	6.6	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	SLRC-ST1	21	2	14	191	1	0	0	1.10027	23.11	7.8	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	SLRC-CT2	18	2	14	191	1	0	0	1.07455	19.34	10.6	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	SLRC-CT1	18	2	14	191	1	0	0	1.07455	19.34	10.6	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	SLRC	230	1	14	191	1	1.05	0.95	1.10027	253.06	7.8	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	GILA	230	1	14	191	1	1.05	0.95	1.10755	254.74	6.7	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	ARLINTON	500	1	14	892	1.07	0	0	1.06994	534.97	14.4	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	BROWNING	500	1	14	892	1	0	0	1.05306	526.53	6.2	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	CHOLLA	500	1	14	844	1	0	0	1.07038	535.19	19.8	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	CORONADO	500	1	14	892	1	0	0	1.07212	536.06	21.3	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	DINOSAUR	500	1	14	892	1	1.2	0.8	1.05486	527.43	6.4	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	DRPP	500	1	14	141	1	0	0	1.06392	531.96	32.4	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	FCW	500	1	14	141	1	0	0	1.06232	531.16	31.5	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	FOURCORN	500	1	14	844	1	0	0	1.06203	531.02	31.4	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	GILARIVR	500	1	14	148	1.07	0	0	1.07965	539.82	16.3	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	HARQJNCT	500	1	14	141	1	0	0	1.06751	533.76	12.8	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	HARQUAHA	500	1	14	910	1.07	0	0	1.06782	533.91	13.1	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	HASSYAMP	500	1	14	892	1.07	0	0	1.0698	534.9	14.3	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	JOJOBA	500	1	14	892	1.07	0	0	1.07306	536.53	14.5	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	MEAD	500	1	14	191	1	0	0	1.06364	531.82	10.3	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	MESQUITE	500	1	14	910	1.07	0	0	1.06912	534.56	14.5	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	MOENKOPI	500	1	14	843	1	0	0	1.0581	529.05	18.2	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	NAVAJO	500	1	14	843	1	0	0	1.07256	536.28	20.2	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	PALOVRDE	500	1	14	910	1.07	0	0	1.07	535	14.2	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	PERK PS1	500	1	14	892	1	0	0	1.05033	525.16	9.1	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	PERK PS2	500	1	14	892	1	0	0	1.05033	525.16	9.1	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	PERKINPS	500	1	14	892	1	0	0	1.05033	525.16	9.1	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	PERKINS	500	1	14	892	1	0	0	1.05138	525.69	9.2	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	PINAL_SO	500	1	14	892	1	1.2	0.8	1.06064	530.32	7.1	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	PINAL_W	500	1	14	892	1	0	0	1.06778	533.89	10.1	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	RACEWAY	500	1	14	145	1	0	0	1.05119	525.59	7.8	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	REDHAWK	500	1	14	148	1.07	0	0	1.06992	534.96	14.4	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	RME	500	1	14	141	1	0	0	1.07144	535.72	19.5	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	RUDD	500	1	14	892	1	0	0	1.06124	530.62	8.4	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	SAGUARO	500	1	14	845	1	0	0	1.05835	529.18	7	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	SECNOL	500	1	14	844	1	0	0	1.07319	536.59	20.1	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	SES	500	1	14	892	1	1.2	0.8	1.05633	528.16	6.6	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	SILVERKG	500	1	14	892	1	0	0	1.05349	526.74	9	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	SNTAROSA	500	1	14	845	1	1.2	0.8	1.06664	533.32	9.2	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	TORTOLIT	500	1	14	160	1	0	0	1.05836	529.18	6.9	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	SNVLY	500	1	14	149	1	1.2	0.8	1.062	531	11.6	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	VV1	500	1	14	842	1	0	0	1.05431	527.15	11.1	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	AVERY	100	1	14	145	1	0	0	1.05817	105.82	8.9	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	COCONI 4	100	1	14	843	1	0	0	1.05871	105.87	3.9	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	COCONI12	100	1	14	843	1	0	0	1.05097	105.1	4.3	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	LONEPK 7	100	1	14	144	1	0	0	1.06357	106.36	5.4	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	MEADOWB9	100	1	14	142	1	0	0	1.06415	106.42	5.7	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	PLMVLY	100	1	14	147	1	0	0	1.09677	109.68	10.3	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	PNPK T3	100	1	14	143	1	0	0	1.07731	107.73	8.5	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	PNPK T6	100	1	14	143	1	0	0	1.07758	107.76	8.6	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	SNMANUEL	100	1	14	845	1	0	0	1.07082	107.08	0.9	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	SUNYSLP1	100	1	14	144	1	0	0	1.05715	105.71	5	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	SURPRI12	100	1	14	146	1	0	0	1.0969	109.69	10.1	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	VERDE T3	100	1	14	842	1	0	0	1.05196	105.2	3.9	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	VERDET10	100	1	14	842	1	0	0	1.05334	105.33	4	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU

0	BASE CASE	WHTNK T5	100	1	14	147	1	0	0	1.08167	108.17	7.9	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	WHTNK T8	100	1	14	147	1	0	0	1.08161	108.16	7.9	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	$CORONAD	69	1	14	848	1	0	0	1.07145	73.93	20.5	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	COCONINO	69	1	14	843	1	0	0	1.05145	72.55	4.7	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	CONCHO	69	1	14	848	1	0	0	1.05901	73.07	18.6	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	KACHVILL	69	1	14	843	1	0	0	1.05102	72.52	3.4	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	ROUNDVLY	69	1	14	843	1	0	0	1.06345	73.38	0.1	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	ST.JOHNS	69	1	14	848	1	0	0	1.06429	73.44	19.4	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	VERDE	69	1	14	842	1	0	0	1.0517	72.57	4.2	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	VERNONX	69	1	14	848	1	0	0	1.05466	72.77	17.9	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	VM1	69	1	14	843	1	0	0	1.05082	72.51	3.6	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	SNMANUEL	46	1	14	845	1	0	0	1.0709	49.26	0.9	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	LEUPPJCT	20.8	1	14	844	1	0	0	1.06779	22.21	8	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	PRECHCYN	20.8	1	14	844	1	0	0	1.07043	22.26	6.5	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	STRAWBRY	20.8	1	14	844	1	0	0	1.0652	22.16	2.5	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	GIL-CT1	18	2	14	141	1.05	0	0	1.05	18.9	22.2	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	GIL-CT2	18	2	14	141	1.05	0	0	1.05	18.9	22.2	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	GIL-CT3	18	2	14	141	1.05	0	0	1.05	18.9	22.2	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	GIL-CT4	18	2	14	141	1.05	0	0	1.05	18.9	22.2	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	GIL-CT5	18	2	14	141	1.05	0	0	1.05	18.9	22.2	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	GIL-CT6	18	2	14	141	1.05	0	0	1.05	18.9	22.2	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	GIL-CT7	18	2	14	141	1.05	0	0	1.05	18.9	22.2	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	GIL-CT8	18	2	14	141	1.05	0	0	1.05	18.9	22.2	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	GIL-ST1	18	2	14	141	1.05	0	0	1.05	18.9	23	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	GIL-ST2	18	2	14	141	1.05	0	0	1.05	18.9	23	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	GIL-ST3	18	2	14	141	1.05	0	0	1.05	18.9	23	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	GIL-ST4	18	2	14	141	1.05	0	0	1.05	18.9	23.1	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	WPCC5ST1	16.5	2	14	141	1.05	0	0	1.05	17.32	10.2	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	WPCC5CT1	15	2	14	141	1.05	0	0	1.05	15.75	9.8	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	WPCC5CT2	15	2	14	141	1.05	0	0	1.05	15.75	8.7	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	ARABY 11	12.5	1	14	847	1	0	0	1.07855	13.48	-6	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	ASARCO	12.5	1	14	845	1	0	0	1.09071	13.63	-6.8	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	BALDMT 3	12.5	1	14	842	1	0	0	1.05805	13.23	-6.9	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	BALDMT11	12.5	1	14	842	1	0	0	1.05836	13.23	-6.8	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	CAPBUT 3	12.5	1	14	842	1	0	0	1.0548	13.18	-2.2	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	CAPBUT11	12.5	1	14	842	1	0	0	1.05255	13.16	-2.1	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	COCNIN15	12.5	1	14	843	1	0	0	1.07459	13.43	1.6	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	COCNIN21	12.5	1	14	843	1	0	0	1.06022	13.25	1.4	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	DONEYPRK	12.5	1	14	843	1	0	0	1.09138	13.64	1.5	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	ELDEN 3	12.5	1	14	843	1	0	0	1.07107	13.39	1.6	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	ELDEN 11	12.5	1	14	843	1	0	0	1.11224	13.9	2.3	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	HAYFLD 1	12.5	1	14	842	1	0	0	1.05201	13.15	-2.5	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	MCGUIR11	12.5	1	14	842	1	0	0	1.07068	13.38	-4.9	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	MITTRY	12.5	1	14	847	1	0	0	1.05057	13.13	-3.1	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	PIONER19	12.5	1	14	145	1	0	0	1.0647	13.31	-10.3	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	SANDVG 3	12.5	1	14	843	1	0	0	1.06332	13.29	1.9	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	SANDVG11	12.5	1	14	843	1	0	0	1.06709	13.34	2.1	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	SNMANUL3	12.5	1	14	845	1	0	0	1.07202	13.4	1.4	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	SNMANUL4	12.5	1	14	845	1	0	0	1.07202	13.4	1.4	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	SNMANULT	12.5	1	14	845	1	0	0	1.07082	13.39	0.9	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	SWITZR11	12.5	1	14	843	1	0	0	1.06013	13.25	1	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	SWITZR19	12.5	1	14	843	1	0	0	1.06192	13.27	2.1	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	TUSAYAN	12.5	1	14	843	1	0	0	1.1031	13.79	-11.1	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	WHTSPR 3	12.5	1	14	842	1	0	0	1.05012	13.13	-4.3	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	WILIAMS	12.5	1	14	843	1	0	0	1.06145	13.27	-1.3	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	WNSLOW 3	12.5	1	14	844	1	0	0	1.10103	13.76	9.6	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	WNSLOW11	12.5	1	14	844	1	0	0	1.09378	13.67	9.1	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU

0	BASE CASE	WOODMT11	12.5	1	14	843	1	0	0	1.06621	13.33	-0.1	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	AVERY T	12.47	1	14	145	1	0	0	1.0581	13.19	8.9	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	CASGRA2T	12.47	1	14	845	1	0	0	1.06119	13.23	2.5	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	COCON 4T	12.47	1	14	843	1	0	0	1.13752	14.18	3.9	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	COCON12T	12.47	1	14	843	1	0	0	1.05096	13.11	4.3	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	LONEPK7T	12.47	1	14	144	1	0	0	1.06352	13.26	5.4	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	MEADOW9T	12.47	1	14	142	1	0	0	1.06408	13.27	5.7	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	PLMVLY T	12.47	1	14	147	1	0	0	1.0967	13.68	10.3	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	PNPK 3T	12.47	1	14	143	1	0	0	1.07724	13.43	8.5	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	PNPK 6T	12.47	1	14	143	1	0	0	1.0775	13.44	8.6	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	SUNYSL1T	12.47	1	14	144	1	0	0	1.05708	13.18	5	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	SURPR12T	12.47	1	14	146	1	0	0	1.09682	13.68	10.1	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	VERDE 3T	12.47	1	14	842	1	0	0	1.05195	13.12	3.9	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	VERDE10T	12.47	1	14	842	1	0	0	1.05329	13.13	4	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	WHTNK 5T	12.47	1	14	147	1	0	0	1.0816	13.49	7.9	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	WHTNK 8T	12.47	1	14	147	1	0	0	1.08153	13.49	7.9	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	AGUILA	12	1	14	841	1	0	0	1.08579	13.03	0	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	PALOMA 2	12	1	14	148	1	0	0	1.0511	12.61	4.4	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	UTTING	12	1	14	846	1	0	0	1.08495	13.02	3.4	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	ASHFORK	4.2	1	14	843	1	0	0	1.05483	4.43	-0.6	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	CEMENT 1	4.2	1	14	842	1	0	0	1.0703	4.5	0.2	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	CEMENT 2	4.2	1	14	842	1	0	0	1.0703	4.5	0.2	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	ORMESAPS	4.2	1	14	842	1	0	0	1.05249	4.42	3.9	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	CHINOWLS	2.4	1	14	842	1	0	0	1.06673	2.56	-4.8	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	SEV	69	1	14	811	1.025	1.2	0.8	1.05046	72.48	-3.2	0	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
19	Open Line CHOLLA 500.00-SAGUARO 500.0	SALOME	69	1	14	846	1	0	0	0.89829	61.98	-8.3	-0.0022	-0.25	LOW EMERGENCY VOLTAGE LT 0.9000 PU
19	Open Line CHOLLA 500.00-SAGUARO 500.0	VCKSBGTP	69	1	14	846	1	0	0	0.86962	60	-10.5	-0.0024	-0.27	LOW EMERGENCY VOLTAGE LT 0.9000 PU
19	Open Line CHOLLA 500.00-SAGUARO 500.0	VICKSBRG	69	1	14	846	1	0	0	0.85536	59.02	-11.3	-0.0025	-0.29	LOW EMERGENCY VOLTAGE LT 0.9000 PU
19	Open Line CHOLLA 500.00-SAGUARO 500.0	WHY	69	1	14	148	1	0	0	0.89973	62.08	8.2	-0.0017	-0.19	LOW EMERGENCY VOLTAGE LT 0.9000 PU
19	Open Line CHOLLA 500.00-SAGUARO 500.0	WHY	20.8	1	14	148	1	0	0	0.75594	15.72	6.6	-0.0022	-0.29	LOW EMERGENCY VOLTAGE LT 0.9000 PU
19	Open Line CHOLLA 500.00-SAGUARO 500.0	KIRK JCT	12.5	1	14	842	1	0	0	0.87361	10.92	-12.7	-0.0081	-0.92	LOW EMERGENCY VOLTAGE LT 0.9000 PU
19	Open Line CHOLLA 500.00-SAGUARO 500.0	SARVAL 3	12.5	1	14	147	1	0	0	0.89838	11.23	-21.4	-0.0032	-0.36	LOW EMERGENCY VOLTAGE LT 0.9000 PU
19	Open Line CHOLLA 500.00-SAGUARO 500.0	VALNCA 3	12	1	14	148	1	0	0	0.8898	10.68	-19.2	-0.0031	-0.34	LOW EMERGENCY VOLTAGE LT 0.9000 PU
23	Open Line JOJOBA 500.00-KYRENE 500.00	SALOME	69	1	14	846	1	0	0	0.89107	61.48	-8.8	-0.0095	-1.05	LOW EMERGENCY VOLTAGE LT 0.9000 PU
23	Open Line JOJOBA 500.00-KYRENE 500.00	VCKSBGTP	69	1	14	846	1	0	0	0.86194	59.47	-11	-0.0101	-1.15	LOW EMERGENCY VOLTAGE LT 0.9000 PU
23	Open Line JOJOBA 500.00-KYRENE 500.00	VICKSBRG	69	1	14	846	1	0	0	0.84748	58.48	-11.8	-0.0103	-1.2	LOW EMERGENCY VOLTAGE LT 0.9000 PU
23	Open Line JOJOBA 500.00-KYRENE 500.00	WHY	69	1	14	148	1	0	0	0.89374	61.67	10.8	-0.0077	-0.86	LOW EMERGENCY VOLTAGE LT 0.9000 PU
23	Open Line JOJOBA 500.00-KYRENE 500.00	WHY	20.8	1	14	148	1	0	0	0.74823	15.56	9.1	-0.0099	-1.31	LOW EMERGENCY VOLTAGE LT 0.9000 PU
23	Open Line JOJOBA 500.00-KYRENE 500.00	KIRK JCT	12.5	1	14	842	1	0	0	0.8694	10.87	-14.1	-0.0123	-1.4	LOW EMERGENCY VOLTAGE LT 0.9000 PU
23	Open Line JOJOBA 500.00-KYRENE 500.00	PATTON	12.5	1	14	841	1	0	0	0.89159	11.14	-11.9	-0.014	-1.55	LOW EMERGENCY VOLTAGE LT 0.9000 PU
23	Open Line JOJOBA 500.00-KYRENE 500.00	SARVAL 3	12.5	1	14	147	1	0	0	0.88574	11.07	-22.4	-0.0159	-1.76	LOW EMERGENCY VOLTAGE LT 0.9000 PU
23	Open Line JOJOBA 500.00-KYRENE 500.00	SARVAL11	12.5	1	14	147	1	0	0	0.89122	11.14	-19.4	-0.0155	-1.71	LOW EMERGENCY VOLTAGE LT 0.9000 PU
23	Open Line JOJOBA 500.00-KYRENE 500.00	PERRYVIL	12	1	14	148	1	0	0	0.89454	10.73	-16.8	-0.0167	-1.84	LOW EMERGENCY VOLTAGE LT 0.9000 PU
23	Open Line JOJOBA 500.00-KYRENE 500.00	SADDLEMT	12	1	14	148	1	0	0	0.89064	10.69	-7.3	-0.0167	-1.84	LOW EMERGENCY VOLTAGE LT 0.9000 PU
23	Open Line JOJOBA 500.00-KYRENE 500.00	VALNCA 3	12	1	14	148	1	0	0	0.87611	10.51	-19.8	-0.0168	-1.88	LOW EMERGENCY VOLTAGE LT 0.9000 PU
23	Open Line JOJOBA 500.00-KYRENE 500.00	VICKSBRG	12	1	14	846	1	0	0	0.8958	10.75	-23.7	-0.0124	-1.36	LOW EMERGENCY VOLTAGE LT 0.9000 PU
27	Open Line SNTAROSA 230.00-DBG 230.00	SALOME	69	1	14	846	1	0	0	0.89903	62.03	-7.3	-0.0015	-0.17	LOW EMERGENCY VOLTAGE LT 0.9000 PU
27	Open Line SNTAROSA 230.00-DBG 230.00	VCKSBGTP	69	1	14	846	1	0	0	0.87041	60.06	-9.5	-0.0016	-0.18	LOW EMERGENCY VOLTAGE LT 0.9000 PU
27	Open Line SNTAROSA 230.00-DBG 230.00	VICKSBRG	69	1	14	846	1	0	0	0.85618	59.08	-10.3	-0.0016	-0.19	LOW EMERGENCY VOLTAGE LT 0.9000 PU
27	Open Line SNTAROSA 230.00-DBG 230.00	WHY	20.8	1	14	148	1	0	0	0.75682	15.74	7.9	-0.0013	-0.18	LOW EMERGENCY VOLTAGE LT 0.9000 PU
27	Open Line SNTAROSA 230.00-DBG 230.00	KIRK JCT	12.5	1	14	842	1	0	0	0.88065	11.01	-11.8	-0.0011	-0.12	LOW EMERGENCY VOLTAGE LT 0.9000 PU
27	Open Line SNTAROSA 230.00-DBG 230.00	VALNCA 3	12	1	14	148	1	0	0	0.89123	10.69	-18	-0.0016	-0.18	LOW EMERGENCY VOLTAGE LT 0.9000 PU
31	Open Line GILARIVR 230.00-GILABEND 230.0	GILABEND	230	1	14	148	1	0	0	0.89563	206	-14.6	-0.1288	-12.57	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
31	Open Line GILARIVR 230.00-GILABEND 230.0	GILABD 8	100	1	14	148	1	0	0	0.87382	87.38	-14.6	-0.1297	-12.93	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
31	Open Line GILARIVR 230.00-GILABEND 230.0	GILABD12	100	1	14	148	1	0	0	0.87382	87.38	-14.6	-0.1302	-12.97	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
31	Open Line GILARIVR 230.00-GILABEND 230.0	AGUACAL	69	1	14	148	1	0	0	0.84632	58.4	-16.7	-0.1115	-11.64	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
31	Open Line GILARIVR 230.00-GILABEND 230.0	AGUACATP	69	1	14	148	1	0	0	0.84669	58.42	-16.7	-0.1114	-11.63	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU

31	Open Line GILARIVR 230.00-GILABEND 230.0(	AJO	69	1	14	148	1	0	0	0.7642	52.73	-13.5	-0.1598	-17.29	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
31	Open Line GILARIVR 230.00-GILABEND 230.0(	AZTEC	69	1	14	148	1	0	0	0.8135	56.13	-17.9	-0.1074	-11.66	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
31	Open Line GILARIVR 230.00-GILABEND 230.0(	AZTECTAP	69	1	14	148	1	0	0	0.82079	56.63	-17.2	-0.1064	-11.48	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
31	Open Line GILARIVR 230.00-GILABEND 230.0(	BTRFLDTP	69	1	14	148	1	0	0	0.8862	61.15	-12.3	-0.1049	-10.59	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
31	Open Line GILARIVR 230.00-GILABEND 230.0(	BUNYAN	69	1	14	148	1	0	0	0.8522	58.8	-16.4	-0.127	-12.97	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
31	Open Line GILARIVR 230.00-GILABEND 230.0(	BUTERFLD	69	1	14	148	1	0	0	0.88643	61.16	-12.4	-0.105	-10.59	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
31	Open Line GILARIVR 230.00-GILABEND 230.0(	COTN CTR	69	1	14	148	1	0	0	0.8973	61.91	-10.5	-0.0853	-8.68	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
31	Open Line GILARIVR 230.00-GILABEND 230.0(	GILABEND	69	1	14	148	1	0	0	0.87381	60.29	-14.6	-0.1287	-12.84	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
31	Open Line GILARIVR 230.00-GILABEND 230.0(	GILLESPI	69	1	14	148	1	0	0	0.91942	63.44	-7.2	-0.055	-5.64	DEVIATION LT -4 PCT
31	Open Line GILARIVR 230.00-GILABEND 230.0(	GILLWEST	69	1	14	148	1	0	0	0.91937	63.44	-7.2	-0.0549	-5.63	DEVIATION LT -4 PCT
31	Open Line GILARIVR 230.00-GILABEND 230.0(	HARQUAHA	69	1	14	148	1	0	0	0.9126	62.97	-11.8	-0.052	-5.39	DEVIATION LT -4 PCT
31	Open Line GILARIVR 230.00-GILABEND 230.0(	HARQUATP	69	1	14	148	1	0	0	0.91307	63	-11.7	-0.0519	-5.38	DEVIATION LT -4 PCT
31	Open Line GILARIVR 230.00-GILABEND 230.0(	HORN	69	1	14	148	1	0	0	0.81494	56.23	-17.2	-0.1072	-11.62	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
31	Open Line GILARIVR 230.00-GILABEND 230.0(	HY1	69	1	14	148	1	0	0	0.84411	58.24	-16.8	-0.1034	-10.91	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
31	Open Line GILARIVR 230.00-GILABEND 230.0(	HYDER	69	1	14	148	1	0	0	0.84158	58.07	-16.8	-0.1037	-10.97	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
31	Open Line GILARIVR 230.00-GILABEND 230.0(	HYDERTAP	69	1	14	148	1	0	0	0.84165	58.07	-16.8	-0.1037	-10.97	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
31	Open Line GILARIVR 230.00-GILABEND 230.0(	PALOMA	69	1	14	148	1	0	0	0.85707	59.14	-15.7	-0.1289	-13.08	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
31	Open Line GILARIVR 230.00-GILABEND 230.0(	SADDLEMT	69	1	14	148	1	0	0	0.88501	61.07	-13.4	-0.0763	-7.94	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
31	Open Line GILARIVR 230.00-GILABEND 230.0(	SALOME	69	1	14	846	1	0	0	0.89663	61.87	-7.2	-0.0039	-0.43	LOW EMERGENCY VOLTAGE LT 0.9000 PU
31	Open Line GILARIVR 230.00-GILABEND 230.0(	VCKSBGTP	69	1	14	846	1	0	0	0.86786	59.88	-9.5	-0.0041	-0.48	LOW EMERGENCY VOLTAGE LT 0.9000 PU
31	Open Line GILARIVR 230.00-GILABEND 230.0(	VICKSBRG	69	1	14	846	1	0	0	0.85356	58.9	-10.3	-0.0043	-0.5	LOW EMERGENCY VOLTAGE LT 0.9000 PU
31	Open Line GILARIVR 230.00-GILABEND 230.0(	WHY	69	1	14	148	1	0	0	0.73099	50.44	-10.4	-0.1705	-18.91	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
31	Open Line GILARIVR 230.00-GILABEND 230.0(	AJO	20.8	1	14	148	1	0	0	0.76025	15.81	-17.9	-0.1742	-18.64	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
31	Open Line GILARIVR 230.00-GILABEND 230.0(	WHY	20.8	1	14	148	1	0	0	0.50704	10.55	-13.3	-0.2511	-33.12	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
31	Open Line GILARIVR 230.00-GILABEND 230.0(	KIRK JCT	12.5	1	14	842	1	0	0	0.88013	11	-11.9	-0.0016	-0.18	LOW EMERGENCY VOLTAGE LT 0.9000 PU
31	Open Line GILARIVR 230.00-GILABEND 230.0(	PATRSN11	12.5	1	14	148	1	0	0	0.89404	11.18	-7.9	-0.0403	-4.31	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
31	Open Line GILARIVR 230.00-GILABEND 230.0(	SARVAL 3	12.5	1	14	147	1	0	0	0.8886	11.11	-21.8	-0.013	-1.44	LOW EMERGENCY VOLTAGE LT 0.9000 PU
31	Open Line GILARIVR 230.00-GILABEND 230.0(	SARVAL11	12.5	1	14	147	1	0	0	0.89404	11.18	-18.8	-0.0127	-1.4	LOW EMERGENCY VOLTAGE LT 0.9000 PU
31	Open Line GILARIVR 230.00-GILABEND 230.0(	GILABD8T	12.47	1	14	148	1	0	0	0.87379	10.9	-14.6	-0.1297	-12.93	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
31	Open Line GILARIVR 230.00-GILABEND 230.0(	AZTEC	12	1	14	148	1	0	0	0.90053	10.81	-19.7	-0.1196	-11.72	DEVIATION LT -4 PCT
31	Open Line GILARIVR 230.00-GILABEND 230.0(	BUNYAN	12	1	14	148	1	0	0	0.89382	10.73	-18.8	-0.1342	-13.05	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
31	Open Line GILARIVR 230.00-GILABEND 230.0(	COTN CTR	12	1	14	148	1	0	0	0.93032	11.16	-13.6	-0.0895	-8.77	DEVIATION LT -4 PCT
31	Open Line GILARIVR 230.00-GILABEND 230.0(	GILABD11	12	1	14	148	1	0	0	0.88981	10.68	-17.9	-0.1372	-13.36	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
31	Open Line GILARIVR 230.00-GILABEND 230.0(	GILABD19	12	1	14	148	1	0	0	0.90214	10.83	-16.5	-0.1357	-13.07	DEVIATION LT -4 PCT
31	Open Line GILARIVR 230.00-GILABEND 230.0(	GILLWEST	12	1	14	148	1	0	0	0.94318	11.32	-11.8	-0.0584	-5.83	DEVIATION LT -4 PCT
31	Open Line GILARIVR 230.00-GILABEND 230.0(	HARQUAHA	12	1	14	148	1	0	0	0.91997	11.04	-15	-0.0537	-5.51	DEVIATION LT -4 PCT
31	Open Line GILARIVR 230.00-GILABEND 230.0(	HORN	12	1	14	148	1	0	0	0.81159	9.74	-20	-0.1229	-13.15	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
31	Open Line GILARIVR 230.00-GILABEND 230.0(	HYDER	12	1	14	148	1	0	0	0.85422	10.25	-18.5	-0.1166	-12.01	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
31	Open Line GILARIVR 230.00-GILABEND 230.0(	PALOMA 2	12	1	14	148	1	0	0	0.90775	10.89	-17.4	-0.1434	-13.64	DEVIATION LT -4 PCT
31	Open Line GILARIVR 230.00-GILABEND 230.0(	PALOMA10	12	1	14	148	1	0	0	0.86139	10.34	-18.7	-0.1393	-13.92	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
31	Open Line GILARIVR 230.00-GILABEND 230.0(	PERRYVIL	12	1	14	148	1	0	0	0.89306	10.72	-16.9	-0.0182	-2	LOW EMERGENCY VOLTAGE LT 0.9000 PU
31	Open Line GILARIVR 230.00-GILABEND 230.0(	SADDLEMT	12	1	14	148	1	0	0	0.82257	9.87	-16.1	-0.0848	-9.34	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
31	Open Line GILARIVR 230.00-GILABEND 230.0(	TONOPAH	12	1	14	148	1	0	0	0.94542	11.35	-12.6	-0.0413	-4.18	DEVIATION LT -4 PCT
31	Open Line GILARIVR 230.00-GILABEND 230.0(	VALNCA 3	12	1	14	148	1	0	0	0.86868	10.42	-21.1	-0.0242	-2.71	LOW EMERGENCY VOLTAGE LT 0.9000 PU
31	Open Line GILARIVR 230.00-GILABEND 230.0(	GILAB12T	12.47	1	14	148	1	0	0	0.8738	10.9	-14.6	-0.1302	-12.97	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
31	Open Line GILARIVR 230.00-GILABEND 230.0(	AGUACAL	2.4	1	14	148	1	0	0	0.8479	2.03	-16.7	-0.1117	-11.64	DEVIATION LT -4 PCT, VOLTAGE LT 0.9000 PU
32	Open Line CORONADO 500.00-SILVERKG 500	SALOME	69	1	14	846	1	0	0	0.89622	61.84	-9.4	-0.0043	-0.48	LOW EMERGENCY VOLTAGE LT 0.9000 PU
32	Open Line CORONADO 500.00-SILVERKG 500	VCKSBGTP	69	1	14	846	1	0	0	0.86742	59.85	-11.6	-0.0046	-0.53	LOW EMERGENCY VOLTAGE LT 0.9000 PU
32	Open Line CORONADO 500.00-SILVERKG 500	VICKSBRG	69	1	14	846	1	0	0	0.85311	58.86	-12.4	-0.0047	-0.55	LOW EMERGENCY VOLTAGE LT 0.9000 PU
32	Open Line CORONADO 500.00-SILVERKG 500	WHY	69	1	14	148	1	0	0	0.89805	61.97	6.9	-0.0034	-0.38	LOW EMERGENCY VOLTAGE LT 0.9000 PU
32	Open Line CORONADO 500.00-SILVERKG 500	WHY	20.8	1	14	148	1	0	0	0.75378	15.68	5.3	-0.0044	-0.58	LOW EMERGENCY VOLTAGE LT 0.9000 PU
32	Open Line CORONADO 500.00-SILVERKG 500	KIRK JCT	12.5	1	14	842	1	0	0	0.86875	10.86	-14	-0.013	-1.47	LOW EMERGENCY VOLTAGE LT 0.9000 PU
32	Open Line CORONADO 500.00-SILVERKG 500	PATTON	12.5	1	14	841	1	0	0	0.89638	11.2	-12.2	-0.0092	-1.02	LOW EMERGENCY VOLTAGE LT 0.9000 PU
32	Open Line CORONADO 500.00-SILVERKG 500	SARVAL 3	12.5	1	14	147	1	0	0	0.89537	11.19	-22.8	-0.0062	-0.69	LOW EMERGENCY VOLTAGE LT 0.9000 PU
32	Open Line CORONADO 500.00-SILVERKG 500	VALNCA 3	12	1	14	148	1	0	0	0.88691	10.64	-20.5	-0.006	-0.67	LOW EMERGENCY VOLTAGE LT 0.9000 PU
33	Open Line KYRENE 500.00-BROWNING 500.(	SALOME	69	1	14	846	1	0	0	0.89955	62.07	-7	-0.001	-0.11	LOW EMERGENCY VOLTAGE LT 0.9000 PU
33	Open Line KYRENE 500.00-BROWNING 500.(	VCKSBGTP	69	1	14	846	1	0	0	0.87096	60.1	-9.3	-0.001	-0.12	LOW EMERGENCY VOLTAGE LT 0.9000 PU

33	Open Line KYRENE 500.00-BROWNING 500.0	VICKSBRG	69	1	14	846	1	0	0	0.85674	59.12	-10	-0.0011	-0.12	LOW EMERGENCY VOLTAGE LT 0.9000 PU
33	Open Line KYRENE 500.00-BROWNING 500.0	WHY	20.8	1	14	148	1	0	0	0.75629	15.73	7.9	-0.0019	-0.25	LOW EMERGENCY VOLTAGE LT 0.9000 PU
33	Open Line KYRENE 500.00-BROWNING 500.0	KIRK JCT	12.5	1	14	842	1	0	0	0.88004	11	-11.8	-0.0017	-0.19	LOW EMERGENCY VOLTAGE LT 0.9000 PU
33	Open Line KYRENE 500.00-BROWNING 500.0	SARVAL 3	12.5	1	14	147	1	0	0	0.89991	11.25	-20.1	-0.0017	-0.19	LOW EMERGENCY VOLTAGE LT 0.9000 PU
33	Open Line KYRENE 500.00-BROWNING 500.0	VALNCA 3	12	1	14	148	1	0	0	0.89123	10.69	-17.8	-0.0016	-0.18	LOW EMERGENCY VOLTAGE LT 0.9000 PU
34	Open Line BROWNING 500.00-SILVERKG 500.	SALOME	69	1	14	846	1	0	0	0.8992	62.04	-7.7	-0.0013	-0.15	LOW EMERGENCY VOLTAGE LT 0.9000 PU
34	Open Line BROWNING 500.00-SILVERKG 500.	VCKSBGTP	69	1	14	846	1	0	0	0.87059	60.07	-9.9	-0.0014	-0.16	LOW EMERGENCY VOLTAGE LT 0.9000 PU
34	Open Line BROWNING 500.00-SILVERKG 500.	VICKSBRG	69	1	14	846	1	0	0	0.85636	59.09	-10.7	-0.0015	-0.17	LOW EMERGENCY VOLTAGE LT 0.9000 PU
34	Open Line BROWNING 500.00-SILVERKG 500.	WHY	20.8	1	14	148	1	0	0	0.75674	15.74	7.2	-0.0014	-0.19	LOW EMERGENCY VOLTAGE LT 0.9000 PU
34	Open Line BROWNING 500.00-SILVERKG 500.	KIRK JCT	12.5	1	14	842	1	0	0	0.87796	10.97	-12.3	-0.0038	-0.43	LOW EMERGENCY VOLTAGE LT 0.9000 PU
34	Open Line BROWNING 500.00-SILVERKG 500.	SARVAL 3	12.5	1	14	147	1	0	0	0.89974	11.25	-20.8	-0.0019	-0.21	LOW EMERGENCY VOLTAGE LT 0.9000 PU
34	Open Line BROWNING 500.00-SILVERKG 500.	VALNCA 3	12	1	14	148	1	0	0	0.8911	10.69	-18.5	-0.0018	-0.2	LOW EMERGENCY VOLTAGE LT 0.9000 PU
38	Open Line WESTWING 345.00-PINALWES 345	VCKSBGTP	69	1	14	846	1	0	0	0.8711	60.11	-9.1	-0.0009	-0.1	LOW EMERGENCY VOLTAGE LT 0.9000 PU
38	Open Line WESTWING 345.00-PINALWES 345	VICKSBRG	69	1	14	846	1	0	0	0.85689	59.13	-9.9	-0.0009	-0.11	LOW EMERGENCY VOLTAGE LT 0.9000 PU
38	Open Line WESTWING 345.00-PINALWES 345	KIRK JCT	12.5	1	14	842	1	0	0	0.87943	10.99	-11.7	-0.0023	-0.26	LOW EMERGENCY VOLTAGE LT 0.9000 PU
38	Open Line WESTWING 345.00-PINALWES 345	VALNCA 3	12	1	14	148	1	0	0	0.89158	10.7	-17.7	-0.0013	-0.14	LOW EMERGENCY VOLTAGE LT 0.9000 PU
39	Open Line PINALWES 345.00-SOUTH 345.00	TUSAYAN	12.5	1	14	843	1	0	0	1.10422	13.8	-11.4	0.00112	0.1	HIGH EMERGENCY VOLTAGE GT 1.1000 PU
42	Open Line LIBERTY 230.00-PHXWAPA 230.00	VICKSBRG	69	1	14	846	1	0	0	0.85695	59.13	-9.9	-0.0009	-0.1	LOW EMERGENCY VOLTAGE LT 0.9000 PU
43	Open Line LONE BUT 230.00-LIBERTY 230.00	SALOME	69	1	14	846	1	0	0	0.89961	62.07	-6.9	-0.0009	-0.1	LOW EMERGENCY VOLTAGE LT 0.9000 PU
43	Open Line LONE BUT 230.00-LIBERTY 230.00	VCKSBGTP	69	1	14	846	1	0	0	0.87102	60.1	-9.1	-0.001	-0.11	LOW EMERGENCY VOLTAGE LT 0.9000 PU
43	Open Line LONE BUT 230.00-LIBERTY 230.00	VICKSBRG	69	1	14	846	1	0	0	0.85681	59.12	-9.9	-0.001	-0.12	LOW EMERGENCY VOLTAGE LT 0.9000 PU
48	Open Line SNTAROSA 230.00-DBG 230.00	SALOME	69	1	14	846	1	0	0	0.89903	62.03	-7.3	-0.0015	-0.17	LOW EMERGENCY VOLTAGE LT 0.9000 PU
48	Open Line SNTAROSA 230.00-DBG 230.00	VCKSBGTP	69	1	14	846	1	0	0	0.87041	60.06	-9.5	-0.0016	-0.18	LOW EMERGENCY VOLTAGE LT 0.9000 PU
48	Open Line SNTAROSA 230.00-DBG 230.00	VICKSBRG	69	1	14	846	1	0	0	0.85618	59.08	-10.3	-0.0016	-0.19	LOW EMERGENCY VOLTAGE LT 0.9000 PU
48	Open Line SNTAROSA 230.00-DBG 230.00	WHY	20.8	1	14	148	1	0	0	0.75682	15.74	7.9	-0.0013	-0.18	LOW EMERGENCY VOLTAGE LT 0.9000 PU
48	Open Line SNTAROSA 230.00-DBG 230.00	KIRK JCT	12.5	1	14	842	1	0	0	0.88065	11.01	-11.8	-0.0011	-0.12	LOW EMERGENCY VOLTAGE LT 0.9000 PU
48	Open Line SNTAROSA 230.00-DBG 230.00	VALNCA 3	12	1	14	148	1	0	0	0.89123	10.69	-18	-0.0016	-0.18	LOW EMERGENCY VOLTAGE LT 0.9000 PU
68	Open Xfmr CASGRAPS 230.00/CASGRAPS 69	CASGRAPS	69	1	14	845	1	0	0	0.97908	67.56	-5.3	-0.0553	-5.34	DEVIATION LT -4 PCT
68	Open Xfmr CASGRAPS 230.00/CASGRAPS 69	SE8	69	1	14	845	1	0	0	0.97908	67.56	-5.3	-0.0504	-4.9	DEVIATION LT -4 PCT
68	Open Xfmr CASGRAPS 230.00/CASGRAPS 69	CASGRA2T	12.47	1	14	845	1	0	0	1	12.47	2.5	-0.0612	-5.77	DEVIATION LT -4 PCT
100	Open Line FAIRVIEW 69.00-SPEDROTP 69.00	MURAL	115	1	14	845	1	0	0	0.99851	114.83	4.2	0.04116	4.3	DEVIATION GT 4 PCT
100	Open Line FAIRVIEW 69.00-SPEDROTP 69.00	MURAL T3	100	1	14	845	1	0	0	1.04892	104.89	4	0.04641	4.63	DEVIATION GT 4 PCT
100	Open Line FAIRVIEW 69.00-SPEDROTP 69.00	DON LUIS	69	1	14	845	1	0	0	1.07011	73.84	2.6	0.05344	5.26	DEVIATION GT 4 PCT
100	Open Line FAIRVIEW 69.00-SPEDROTP 69.00	MURAL	69	1	14	845	1.02	0	0	1.07187	73.96	2.9	0.0533	5.23	DEVIATION GT 4 PCT
100	Open Line FAIRVIEW 69.00-SPEDROTP 69.00	PALOMNAS	69	1	14	845	1	0	0	1.06725	73.64	2.3	0.05365	5.29	DEVIATION GT 4 PCT
100	Open Line FAIRVIEW 69.00-SPEDROTP 69.00	SANPEDRO	69	1	14	845	1	0	0	1.06969	73.81	2.6	0.07483	7.52	DEVIATION GT 4 PCT
100	Open Line FAIRVIEW 69.00-SPEDROTP 69.00	SPEDROTP	69	1	14	845	1	0	0	1.06978	73.81	2.6	0.07482	7.52	DEVIATION GT 4 PCT
100	Open Line FAIRVIEW 69.00-SPEDROTP 69.00	DON LUIS	12.5	1	14	845	1	0	0	1.09266	13.66	-0.7	0.05539	5.34	DEVIATION GT 4 PCT
100	Open Line FAIRVIEW 69.00-SPEDROTP 69.00	MURAL 11	12.5	1	14	845	1.02	0	0	1.09521	13.69	1.6	0.05538	5.33	DEVIATION GT 4 PCT
100	Open Line FAIRVIEW 69.00-SPEDROTP 69.00	SANPEDR	12.5	1	14	845	1	0	0	1.0687	13.36	1	0.07542	7.59	DEVIATION GT 4 PCT
100	Open Line FAIRVIEW 69.00-SPEDROTP 69.00	MURALT3T	12.47	1	14	845	1	0	0	1.04866	13.08	4	0.0464	4.63	DEVIATION GT 4 PCT
100	Open Line FAIRVIEW 69.00-SPEDROTP 69.00	PALOMNAS	12.5	1	14	845	1	0	0	1.08852	13.61	1.1	0.05558	5.38	DEVIATION GT 4 PCT
101	Open Line MURAL 69.00-SPEDROTP 69.00	MURAL	115	1	14	845	1	0	0	1.00123	115.14	4.8	0.04388	4.58	DEVIATION GT 4 PCT
101	Open Line MURAL 69.00-SPEDROTP 69.00	MURAL T3	100	1	14	845	1	0	0	1.05203	105.2	4.6	0.04952	4.94	DEVIATION GT 4 PCT
101	Open Line MURAL 69.00-SPEDROTP 69.00	DON LUIS	69	1	14	845	1	0	0	1.07338	74.06	3.4	0.05672	5.58	DEVIATION GT 4 PCT
101	Open Line MURAL 69.00-SPEDROTP 69.00	MURAL	69	1	14	845	1.02	0	0	1.07514	74.18	3.7	0.05656	5.55	DEVIATION GT 4 PCT
101	Open Line MURAL 69.00-SPEDROTP 69.00	PALOMNAS	69	1	14	845	1	0	0	1.07054	73.87	3.1	0.05694	5.62	DEVIATION GT 4 PCT
101	Open Line MURAL 69.00-SPEDROTP 69.00	DON LUIS	12.5	1	14	845	1	0	0	1.09605	13.7	0.1	0.05878	5.67	DEVIATION GT 4 PCT
101	Open Line MURAL 69.00-SPEDROTP 69.00	MURAL 11	12.5	1	14	845	1.02	0	0	1.09861	13.73	2.4	0.05878	5.65	DEVIATION GT 4 PCT
101	Open Line MURAL 69.00-SPEDROTP 69.00	MURALT3T	12.47	1	14	845	1	0	0	1.05177	13.12	4.6	0.04951	4.94	DEVIATION GT 4 PCT
101	Open Line MURAL 69.00-SPEDROTP 69.00	PALOMNAS	12.5	1	14	845	1	0	0	1.09193	13.65	1.9	0.05898	5.71	DEVIATION GT 4 PCT
107	Open Line TOLTEC 69.00-MILLIGAN 69.00 #	SE9	69	1	14	845	1	0	0	0.98476	67.95	-4.3	-0.0424	-4.13	DEVIATION LT -4 PCT
107	Open Line TOLTEC 69.00-MILLIGAN 69.00 #	TOLTEC	69	1	14	845	1	0	0	0.97939	67.58	-5.3	-0.0537	-5.2	DEVIATION LT -4 PCT
107	Open Line TOLTEC 69.00-MILLIGAN 69.00 #	TOLTEC 3	12.5	1	14	845	1	0	0	0.97312	12.16	-10	-0.0544	-5.3	DEVIATION LT -4 PCT
112	Open Line CASGRAPS 69.00-SE8 69.00 #1	SE8	69	1	14	845	1	0	0	0.97894	67.55	-5.3	-0.0506	-4.91	DEVIATION LT -4 PCT

EXHIBIT ED3-9

NO	COMMENT	FROM NAME	FROM K\	TO NAME	TO KV	CKT	ST	AREA	ZONE	AMPS	MVA	N RATE	N PCT	E RATE	E PCT	UNIT	NOTES
0	BASE CASE	BLK MESA	230	BMA.3WP3	100	#1	1	14	163	111.94	45.3	40	113.25	44.8	101.1	MVA	NORMAL RATING VIOLATION
0	BASE CASE	BLK MESA	230	BMA.3WP4	100	#2	1	14	163	106.9	43.26	40	108.15	44.8	96.57	MVA	NORMAL RATING VIOLATION
0	BASE CASE	MESQUITE	230	MES-CT1	18	#1	1	14	910	420.41	168.1	164	102.5	220	76.41	MVA	NORMAL RATING VIOLATION
0	BASE CASE	MESQUITE	230	MES-CT2	18	#1	1	14	910	420.41	168.1	164	102.5	220	76.41	MVA	NORMAL RATING VIOLATION
0	BASE CASE	MESQUITE	230	MES-CT3	18	#1	1	14	910	420.41	168.1	164	102.5	220	76.41	MVA	NORMAL RATING VIOLATION
0	BASE CASE	MESQUITE	230	MES-CT4	18	#1	1	14	910	420.41	168.1	164	102.5	220	76.41	MVA	NORMAL RATING VIOLATION
0	BASE CASE	N.HAVASU	230	N.HAV3WP	100	#1	1	14	163	192.15	77.95	80	97.44	89.6	87	MVA	FLOW GT 95 PCT OF NORMAL RATING
0	BASE CASE	ROUNDVLY	230	ROUNDVLY	69	#1	1	14	843	40.68	16.68	13	128.28	13	128.3	MVA	NORMAL RATING VIOLATION
0	BASE CASE	SHIPROCK	230	KAYENTA	230	#1	1	14	191	992.64	408.63	1004.1	98.86	1104.5	89.87	Amps	FLOW GT 95 PCT OF NORMAL RATING
0	BASE CASE	SHIPROCK	230	KAYENTA	230	#1	1	14	191	992.64	408.63	1004.1	98.86	1104.5	89.87	Amps	FLOW GT 95 PCT OF NORMAL RATING
0	BASE CASE	SHIPROCK	230	SHIPROCK	345	#1	1	14	191	949.24	390.76	300	130.25	360	108.6	MVA	NORMAL RATING VIOLATION
0	BASE CASE	TS1	230	TS1	100	#1	1	14	146	446.41	181.67	188	96.63	188	96.63	MVA	FLOW GT 95 PCT OF NORMAL RATING
0	BASE CASE	CYPRUS	138	CYPRS SM	47.2	#1	1	14	160	295.36	72.07	62.5	115.32	70	103	MVA	NORMAL RATING VIOLATION
0	BASE CASE	DMP	138	DMP6	13.8	#1	1	14	160	214.17	52.32	50	104.63	65	80.49	MVA	NORMAL RATING VIOLATION
0	BASE CASE	NE.LOOP	138	NE.3WP2	100	#1	1	14	160	667.67	163.54	166.7	98.11	200	81.77	MVA	FLOW GT 95 PCT OF NORMAL RATING
0	BASE CASE	RANVISTO	138	RANVIST2	13.8	#1	1	14	160	195.59	47.86	50	95.72	65	73.63	MVA	FLOW GT 95 PCT OF NORMAL RATING
0	BASE CASE	RILLITO	138	RILLITO3	13.8	#1	1	14	160	198.73	48.64	50	97.28	65	74.83	MVA	FLOW GT 95 PCT OF NORMAL RATING
0	BASE CASE	WESTINA	138	WESTINA2	13.8	#1	1	14	160	220.24	53.77	50	107.53	65	82.72	MVA	NORMAL RATING VIOLATION
0	BASE CASE	EMPIRE	115	EMPIRE	12.47	#1	1	14	191	73.03	14.81	15	98.74	18.7	79.2	MVA	FLOW GT 95 PCT OF NORMAL RATING
0	BASE CASE	VALENCIA	115	VALNCIA2	13.2	#1	1	14	161	102.73	21.07	20	105.36	22.4	94.07	MVA	NORMAL RATING VIOLATION
0	BASE CASE	ASARCO	69	ASARCO	12.5	#1	1	14	845	38.75	4.69	3.1	151.37	0	0	MVA	NORMAL RATING VIOLATION
0	BASE CASE	BLKMSA34	69	BMA.3WP3	100	#1	1	14	163	373.13	43.6	40	109.01	44.8	97.33	MVA	NORMAL RATING VIOLATION
0	BASE CASE	BLKMSA34	69	BMA.3WP4	100	#2	1	14	163	356.34	41.64	40	104.1	44.8	92.95	MVA	NORMAL RATING VIOLATION
0	BASE CASE	CHINOWLS	69	CHINOWLS	2.4	#1	1	14	842	50.09	6.12	3	203.93	0	0	MVA	NORMAL RATING VIOLATION
0	BASE CASE	COPCANYN	69	COPCYN 3	12.5	#1	1	14	842	74.47	9.16	9.4	97.42	0	0	MVA	FLOW GT 95 PCT OF NORMAL RATING
0	BASE CASE	CORDES	69	CORDES	12.5	#1	1	14	842	48.85	6.04	6.3	95.85	0	0	MVA	FLOW GT 95 PCT OF NORMAL RATING
0	BASE CASE	KIRK JCT	69	KIRK JCT	12.5	#1	1	14	842	33.67	3.91	3.3	118.44	0	0	MVA	NORMAL RATING VIOLATION
0	BASE CASE	MORISTWN	69	MORISTWN	12.5	#1	1	14	841	92.81	10.75	9.4	114.33	0	0	MVA	NORMAL RATING VIOLATION
0	BASE CASE	ORMESAPS	69	ORMESAPS	4.2	#1	1	14	842	12.95	1.61	1.5	107.45	0	0	MVA	NORMAL RATING VIOLATION
0	BASE CASE	PERRYVIL	69	PERRYVIL	12	#1	1	14	148	116.76	13.21	9.4	140.55	0	0	MVA	NORMAL RATING VIOLATION
0	BASE CASE	PIMA	69	PIMA 2	12.5	#1	1	14	147	204.23	24.12	17	141.87	0	0	MVA	NORMAL RATING VIOLATION
0	BASE CASE	PIMA	69	PIMA 5	12.5	#1	1	14	147	208.78	24.65	17	145.03	0	0	MVA	NORMAL RATING VIOLATION
0	BASE CASE	PINAL	69	PINAL	21.6	#1	1	14	845	207.76	24.89	20	124.46	0	0	MVA	NORMAL RATING VIOLATION
0	BASE CASE	PLEASANT	69	PLEASANT	12.5	#1	1	14	146	191.16	22.56	16	141.03	0	0	MVA	NORMAL RATING VIOLATION
0	BASE CASE	POLAND	69	POLAND	12	#1	1	14	842	27.41	3.34	3	111.31	0	0	MVA	NORMAL RATING VIOLATION
0	BASE CASE	POLLOCK	69	POLLOCK	12	#1	1	14	843	37.08	4.5	1.5	300.31	0	0	MVA	NORMAL RATING VIOLATION
0	BASE CASE	RIOVISTE	69	RIOVST11	12.5	#1	1	14	146	163.24	19.55	20	97.76	0	0	MVA	FLOW GT 95 PCT OF NORMAL RATING
0	BASE CASE	RIOVISTW	69	RIOVST 3	12.5	#1	1	14	146	161.54	19.35	20	96.74	0	0	MVA	FLOW GT 95 PCT OF NORMAL RATING
0	BASE CASE	SARIVALN	69	SARVAL 3	12.5	#1	1	14	147	271.36	30.99	20	154.94	0	0	MVA	NORMAL RATING VIOLATION
0	BASE CASE	SARIVALS	69	SARVAL11	12.5	#1	1	14	147	203.78	23.27	20	116.33	0	0	MVA	NORMAL RATING VIOLATION
0	BASE CASE	SEARGANT	69	ORME RS	69	#1	1	14	809	1071.03	127.64	1100.3	97.34	1100.3	97.34	Amps	FLOW GT 95 PCT OF NORMAL RATING
0	BASE CASE	TENTHSTS	69	TENTHST8	12.5	#1	1	14	847	139.98	17.03	16	106.42	0	0	MVA	NORMAL RATING VIOLATION
0	BASE CASE	VALNCIA	69	VALNCA 3	12	#1	1	14	148	242.01	27.27	16	170.42	0	0	MVA	NORMAL RATING VIOLATION
0	BASE CASE	VICKSBRG	69	VICKSBRG	12	#1	1	14	846	186.2	19.09	9.4	203.07	0	0	MVA	NORMAL RATING VIOLATION
0	BASE CASE	VLYFARMS	69	VLYFARMS	12.5	#1	1	14	845	194.74	23.52	20	117.59	0	0	MVA	NORMAL RATING VIOLATION
0	BASE CASE	WATSON W	69	WATSON 3	12.5	#1	1	14	148	359.27	42.2	41	102.94	0	0	MVA	NORMAL RATING VIOLATION
0	BASE CASE	WHY	69	WHY	20.8	#1	1	14	148	51.6	5.56	3.1	179.33	0	0	MVA	NORMAL RATING VIOLATION
0	BASE CASE	SPR GEN1	19	SPRINGR	345	#1	1	14	160	12199.71	400.28	415	96.45	415	96.45	MVA	FLOW GT 95 PCT OF NORMAL RATING
0	BASE CASE	SPR GEN2	19	SPRINGR	345	#1	1	14	160	12199.71	400.28	415	96.45	415	96.45	MVA	FLOW GT 95 PCT OF NORMAL RATING
0	BASE CASE	AGUAFR 3	18	AF-STEAM	69	#1	1	14	804	5793.64	182.43	192	95.02	192	95.02	MVA	FLOW GT 95 PCT OF NORMAL RATING
0	BASE CASE	DAVISG5	13.8	DAVIS	69	#1	1	14	191	1344.05	32.99	30	109.95	30	110	MVA	NORMAL RATING VIOLATION
0	BASE CASE	KYRENE 4	13.8	KYRENEGT	69	#1	1	14	802	2631.49	61.37	62.5	98.2	62.5	98.2	MVA	FLOW GT 95 PCT OF NORMAL RATING
0	BASE CASE	WESTINA1	13.8	WESTINA	138	#1	1	14	160	1910.5	47.55	50	95.1	65	73.16	MVA	FLOW GT 95 PCT OF NORMAL RATING
0	BASE CASE	VALNCIA1	13.2	VALENCIA	115	#1	1	14	161	1153.25	26.37	20	131.83	22.4	117.7	MVA	NORMAL RATING VIOLATION
0	BASE CASE	CMPMOHAV	69	RIVIERA	69	#1	1	14	174	420.01	49.33	379.88	110.56	418.37	100.4	Amps	NORMAL RATING VIOLATION
19	Open Line CHOLLA 500.00-SAGUARO 500.00 #1	SHIPROCK	230	SHIPROCK	345	#1	1	14	191	1003.51	412.76	300	137.59	360	114.7	MVA	EMERGENCY RATING VIOLATION
23	Open Line JOJOBA 500.00-KYRENE 500.00 #1	TS1	230	TS1	100	#1	1	14	146	472.26	190.6	188	101.38	188	101.4	MVA	EMERGENCY RATING VIOLATION
23	Open Line JOJOBA 500.00-KYRENE 500.00 #1	TS1	69	TS1	100	#1	1	14	146	1493.06	179.29	188	95.37	188	95.37	MVA	FLOW GT 95 PCT OF EMERGENCY RATING
27	Open Line SNTAROSA 230.00-DBG 230.00 #1	CASGRAPS	230	CASGRA 2	100	#1	1	14	845	236.62	96.7	100	96.7	100	96.7	MVA	FLOW GT 95 PCT OF EMERGENCY RATING
27	Open Line SNTAROSA 230.00-DBG 230.00 #1	SHIPROCK	230	SHIPROCK	345	#1	1	14	191	952.77	392.19	300	130.73	360	108.9	MVA	EMERGENCY RATING VIOLATION

28	Open Line SNTAROSA 230.00-KNOX 230.00 #1	SHIPROCK	230	SHIPROCK	345	#1	1	14	191	952.11	391.92	300	130.64	360	108.9	MVA	EMERGENCY RATING VIOLATION
28	Open Line SNTAROSA 230.00-KNOX 230.00 #1	TS1	230	TS1	100	#1	1	14	146	449.66	182.97	188	97.33	188	97.33	MVA	FLOW GT 95 PCT OF EMERGENCY RATING
31	Open Line GILARIVR 230.00-GILABEND 230.00 #1	GILLESPI	69	PATTERSN	69	#1	1	14	148	616.2	67.71	532.17	115.79	532.17	115.8	Amps	EMERGENCY RATING VIOLATION
31	Open Line GILARIVR 230.00-GILABEND 230.00 #1	PATTERSN	69	JOJOBA	69	#1	1	14	148	704.73	79.26	532.17	132.43	532.17	132.4	Amps	EMERGENCY RATING VIOLATION
31	Open Line GILARIVR 230.00-GILABEND 230.00 #1	WHY	69	WHY	20.8	#1	1	14	148	77.15	6.74	3.1	217.42	0	217.4	MVA	NO EMERGENCY RATING, NORMAL RATING VIOLATION
32	Open Line CORONADO 500.00-SILVERKG 500.00 #1	SHIPROCK	230	KAYENTA	230	#1	1	14	191	1109.77	456.03	1004.1	110.53	1104.5	100.5	Amps	EMERGENCY RATING VIOLATION
32	Open Line CORONADO 500.00-SILVERKG 500.00 #1	SHIPROCK	230	KAYENTA	230	#1	1	14	191	1109.77	456.03	1004.1	110.53	1104.5	100.5	Amps	EMERGENCY RATING VIOLATION
32	Open Line CORONADO 500.00-SILVERKG 500.00 #1	SHIPROCK	230	SHIPROCK	345	#1	1	14	191	1062.61	436.65	300	145.55	360	121.3	MVA	EMERGENCY RATING VIOLATION
32	Open Line CORONADO 500.00-SILVERKG 500.00 #1	SPR GEN1	19	SPRINGR	345	#1	1	14	160	12237.38	401.51	415	96.75	415	96.75	MVA	FLOW GT 95 PCT OF EMERGENCY RATING
32	Open Line CORONADO 500.00-SILVERKG 500.00 #1	SPR GEN2	19	SPRINGR	345	#1	1	14	160	12237.38	401.51	415	96.75	415	96.75	MVA	FLOW GT 95 PCT OF EMERGENCY RATING
32	Open Line CORONADO 500.00-SILVERKG 500.00 #1	VALNCIA1	13.2	VALENCIA	115	#1	1	14	161	1211.52	27.7	20	138.5	22.4	123.7	MVA	EMERGENCY RATING VIOLATION
33	Open Line KYRENE 500.00-BROWNING 500.00 #1	SHIPROCK	230	SHIPROCK	345	#1	1	14	191	956.74	393.79	300	131.26	360	109.4	MVA	EMERGENCY RATING VIOLATION
34	Open Line BROWNING 500.00-SILVERKG 500.00 #1	SHIPROCK	230	SHIPROCK	345	#1	1	14	191	981.84	404	300	134.67	360	112.2	MVA	EMERGENCY RATING VIOLATION
48	Open Line SNTAROSA 230.00-DBG 230.00 #1	CASGRAPS	230	CASGRA 2	100	#1	1	14	845	236.62	96.7	100	96.7	100	96.7	MVA	FLOW GT 95 PCT OF EMERGENCY RATING
48	Open Line SNTAROSA 230.00-DBG 230.00 #1	SHIPROCK	230	SHIPROCK	345	#1	1	14	191	952.77	392.19	300	130.73	360	108.9	MVA	EMERGENCY RATING VIOLATION
49	Open Line SNTAROSA 230.00-KNOX 230.00 #1	SHIPROCK	230	SHIPROCK	345	#1	1	14	191	952.11	391.92	300	130.64	360	108.9	MVA	EMERGENCY RATING VIOLATION
49	Open Line SNTAROSA 230.00-KNOX 230.00 #1	TS1	230	TS1	100	#1	1	14	146	449.66	182.97	188	97.33	188	97.33	MVA	FLOW GT 95 PCT OF EMERGENCY RATING

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EXHIBIT ED3-9

ELECTRICAL DISTRICT NO. 3
PINAL COUNTY, ARIZONA

Electrical District No. 3

2007 TRANSMISSION PLAN

APPENDIX E
2017

EXHIBIT ED3-9

Docket No. E-01345A-08-0426

ED3 Line Impedances
2007 Configuration

Study Alt	Notes	Ckts	Conductor	From Bus #	From Bus	To Bus #	To Bus	Length in Miles	R	X	B	R	X
2012	dbl ckt	1	795 ACSS Tern Double Ckt		Santa Rosa		Avalea (sec 1)	1	0.002791	0.013378	0.000328	0.008295	0.034475
2012		1	795 ACSS Tern		Santa Rosa		Avalea (sec 2)	5	0.01385	0.06637	0.00162	0.07966	0.24756
									0.016641	0.079748	0.001948		
2012		1	795 ACSS Tern		Avalea		Sonny Dunn	1.5	0.004155	0.019911	0.000486	0.023898	0.074268
2012		1	795 ACSS Tern		Kelly		Sonny Dunn	2	0.00554	0.026548	0.000648	0.031864	0.099024
2012	sngl ckt	1	795 ACSS Drake Underbuild on WAPA 230kV		Santa Rosa	14020	Talla (Section 1)	4.7	0.0129485	0.0616969	0.0015369	0.0748146	0.2317288
2012		1	795 ACSS Tern		Santa Rosa	14020	Talla (Section 2)	2.2	0.006094	0.0292028	0.0007128	0.0350504	0.1089264
2012	dbl ckt	1	795 ACSS Tern Double Ckt		Santa Rosa	14020	Talla (Section 3)	1.03	0.00287473	0.01377934	0.00033784	0.01640996	0.05099736
									0.02191723	0.10467904	0.00258754		
2012		1	795 ACSS Tern	14020	Talla	14019	Maricopa West	3.16	0.0087532	0.04194584	0.00102384	0.05034512	0.15645792
2012		1	795 ACSS Tern		Hidden Valley Tap	14019	Maricopa West	8.84	0.0244868	0.11734216	0.00286416	0.14083888	0.43768608
2012		1	795 ACSS Tern		Pinal West	14019	Hidden Valley Tap	6	0.01662	0.079644	0.001944	0.095592	0.297072
2012	EXISTING	1	3/0 ACSR		Hidden Valley Tap	14017	Hidden Valley	1	0.015199	0.019076	0.00025871	0.02435	0.045626
2012 GEN SCENARIO		1	795 ACSS Tern		Pinal West	14016	Peters & Nall (sec 1)	7	0.01939	0.092918	0.002268	0.111524	0.346584
2012 GEN SCENARIO	dbl ckt	1	795 ACSS Tern Double Ckt		Pinal West	14016	Peters & Nall (sec 2)	1.07	0.00298637	0.01431446	0.00035096	0.00887565	0.03688825
2012		1	795 ACSS Tern		Pinal West		Farrell	10	0.0277	0.13274	0.00324	0.15932	0.49512
									0.02237637	0.10723246	0.00261896		
2012	dbl w SD	1	795 ACSS Tern Double Ckt		Santa Rosa	14016	Red River	1	0.002791	0.013378	0.000328	0.008295	0.034475
2012		1	795 ACSS Tern		Santa Rosa	14016	Red River	0.86	0.0023822	0.01141564	0.00027864	0.01370152	0.04258032
									0.0051732	0.02479364	0.00060664		
2012		1	795 ACSS Tern		Red River	14016	Peters & Nall (sec 1)	3.64	0.0100828	0.04831736	0.00117936	0.05799248	0.18022368
2012	dbl ckt	1	795 ACSS Tern Double Ckt		Red River	14016	Peters & Nall (sec 2)	1.07	0.00298637	0.01431446	0.00035096	0.00887565	0.03688825
									0.01306917	0.06263182	0.00153032		
2012	EXISTING	1	795 ACSR	14042	Maricopa	14012	Wingfield	5.3	0.014681	0.0703522	0.0017172	0.0844396	0.2624136
2012	EXISTING	1	795 ACSR	14012	Wingfield	14014	Caywood	9.9	0.027423	0.1314126	0.0032076	0.1577268	0.4901688
2012	REBUILD	1	795 ACSS Tern	14012	Wingfield	14013	Sexton	4	0.01108	0.053096	0.001296	0.063728	0.198048
2012	EXISTING	1	477 Aluminum	14010	Maricopa	14025	MarTap2	0.3	0.0013704	0.0041334	0.0000933	0.005319	0.0149865
2012	EXISTING	1	3/0 ACSR	14025	MarTap2	14011	Farrell	6.2	0.0942338	0.1182712	0.001604002	0.15097	0.2828812
2012		1	795 ACSS Tern Double Ckt	14020	Talla		Palmasano Tap (sec 1)	1.02	0.00284682	0.01364556	0.00033456	0.0084609	0.0351645
2012		1	795 ACSS Tern	14020	Talla		Palmasano Tap (sec 2)	2.04	0.0056508	0.02707896	0.00066096	0.03250128	0.10100448
2012		1	795 ACSS Tern	14020	Palmasano Tap		Kelly (sec 3)	2.5	0.0069775	0.033445	0.00082	0.0207375	0.0861875
									0.01547512	0.07416952	0.00181552		
2012		1	795 ACSS Tern Double Ckt	14020	Kelly		Palmasano Tap (sec 1)	2.5	0.0069775	0.033445	0.00082	0.0207375	0.0861875
2012		1	795 ACSS Tern	14020	Palmasano Tap		Palmasano (sec 2)	1.25	0.0034625	0.0165925	0.000405	0.019915	0.06189
									0.01044	0.0500375	0.001225		
2012		1	795 ACSS Tern		Palmasano		ED3 E	9	0.02493	0.119466	0.002916	0.143388	0.445608
2012		1	795 ACSS Tern		ED3 E		ED3 SE	3.5	0.009695	0.046459	0.001134	0.055762	0.173292
2012		1	795 ACSS Tern		ED3 SE		Sexton	2	0.00554	0.026548	0.000648	0.031864	0.099024
2012		1	795 ACSS Tern		ED3 E		Maricopa	7.3	0.020221	0.0969002	0.0023652	0.1163036	0.3614376
2012		1	795 ACSS Tern		ED3E		DBGEN	6	0.01662	0.079644	0.001944		
		1	1272 ACSR		CG WAPA		SEVWAPA	4	0.00063	0.00567	0.01206		

1/7/2008

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EXHIBIT ED3-9

ED3 Line Impedances
2007 Configuration

2012 Cases

Study Alt	Notes	Ckts	Conductor	From Bus #	From Bus	To Bus #	To Bus	Length in Miles	R	X	B	R	X
2012	dbl ckt	1	795 ACSS Tern Double Ckt		Santa Rosa		Avalea (sec 1)	1	0.002791	0.013378	0.000328	0.008295	0.034475
2012		1	795 ACSS Tern		Santa Rosa		Avalea (sec 2)	5	0.01385	0.06637	0.00162	0.07966	0.24756
									0.016641	0.079748	0.001948		
2012		1	795 ACSS Tern		Avalea		Sonny Dunn	1.5	0.004155	0.019911	0.000486	0.023898	0.074268
2012		1	795 ACSS Tern		Kelly		Sonny Dunn	2	0.00554	0.026548	0.000648	0.031864	0.099024
2012	sngl ckt	1	795 ACSS Drake Underbuild on WAPA 230kV		Santa Rosa	14020	Talla (Section 1)	4.7	0.0129485	0.0616969	0.0015369	0.0748146	0.2317288
2012		1	795 ACSS Tern		Santa Rosa	14020	Talla (Section 2)	2.2	0.006094	0.0292028	0.0007128	0.0350504	0.1089264
2012	dbl ckt	1	795 ACSS Tern Double Ckt		Santa Rosa	14020	Talla (Section 3)	1.03	0.00287473	0.01377934	0.00033784	0.01640996	0.05099736
									0.02191723	0.10467904	0.00258754		
2012		1	795 ACSS Tern	14020	Talla	14019	Maricopa West	3.16	0.0087532	0.04194584	0.00102384	0.05034512	0.15645792
2012		1	795 ACSS Tern		Hidden Valley Tap	14019	Maricopa West	8.84	0.0244868	0.11734216	0.00286416	0.14083888	0.43768608
2012	EXISTING	1	3/0 ACSR		Hidden Valley Tap	14017	Hidden Valley	1	0.015199	0.019076	0.00025871	0.02435	0.045626
2012		1	795 ACSS Tern		Hidden Valley Tap	14016	Peters & Nall (sec 1)	3.94	0.0109138	0.05229956	0.00127656	0.06277208	0.19507728
2012	dbl ckt	1	795 ACSS Tern Double Ckt		Hidden Valley Tap	14016	Peters & Nall (sec 2)	1.07	0.00298637	0.01431446	0.00035096	0.00887565	0.03688825
									0.01390017	0.06661402	0.00162752		
2012	dbl w SD	1	795 ACSS Tern Double Ckt		Santa Rosa	14016	Red River	1	0.002791	0.013378	0.000328	0.008295	0.034475
2012		1	795 ACSS Tern		Santa Rosa	14016	Red River	0.86	0.0023822	0.01141564	0.00027864	0.01370152	0.04258032
									0.0051732	0.02479364	0.00060664		
2012		1	795 ACSS Tern		Red River	14016	Peters & Nall (sec 1)	3.64	0.0100828	0.04831736	0.00117936	0.05799248	0.18022368
2012	dbl ckt	1	795 ACSS Tern Double Ckt		Red River	14016	Peters & Nall (sec 2)	1.07	0.00298637	0.01431446	0.00035096	0.00887565	0.03688825
									0.01306917	0.06263182	0.00153032		
2012	EXISTING	1	795 ACSR	14042	Maricopa	14012	Wingfield	5.3	0.014681	0.0703522	0.0017172	0.0844396	0.2624136
2012	EXISTING	1	795 ACSR	14012	Wingfield	14014	Caywood	9.9	0.027423	0.1314126	0.0032076	0.1577268	0.4901688
2012	REBUILD	1	795 ACSS Tern	14012	Wingfield	14013	Sexton	4	0.01108	0.053096	0.001296	0.063728	0.198048
2012	EXISTING	1	477 Aluminum	14010	Maricopa	14025	MarTap2	0.3	0.0013704	0.0041334	0.0000933	0.005319	0.0149865
2012	EXISTING	1	3/0 ACSR	14025	MarTap2	14011	Farrell	6.2	0.0942338	0.1182712	0.001604002	0.15097	0.2828812
2012		1	795 ACSS Tern Double Ckt	14020	Talla		Palmasano Tap (sec 1)	1.02	0.00284682	0.01364556	0.00033456	0.0084609	0.0351645
2012		1	795 ACSS Tern	14020	Talla		Palmasano Tap (sec 2)	2.04	0.0056508	0.02707896	0.00066096	0.03250128	0.10100448
2012		1	795 ACSS Tern	14020	Palmasano Tap		Kelly (sec 3)	2.5	0.0069775	0.033445	0.00082	0.0207375	0.0861875
									0.01547512	0.07416952	0.00181552		
2012		1	795 ACSS Tern Double Ckt	14020	Kelly		Palmasano Tap (sec 1)	2.5	0.0069775	0.033445	0.00082	0.0207375	0.0861875
2012		1	795 ACSS Tern	14020	Palmasano Tap		Palmasano (sec 2)	1.25	0.0034625	0.0165925	0.000405	0.019915	0.06189
									0.01044	0.0500375	0.001225		
2012		1	795 ACSS Tern		Palmasano		ED3 E	9	0.02493	0.119466	0.002916	0.143388	0.445608
2012		1	795 ACSS Tern		ED3 E		ED3 SE	3.5	0.009695	0.046459	0.001134	0.055762	0.173292
2012		1	795 ACSS Tern		ED3 SE		Sexton	2	0.00554	0.026548	0.000648	0.031864	0.099024
2012		1	795 ACSS Tern		ED3 E		Maricopa	7.3	0.020221	0.0969002	0.0023652	0.1163036	0.3614376

2012 GENERATION Cases

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EXHIBIT ED3-9

ED3 Line Impedances
2007 Configuration

		1	1272 ACSR		SEVWAPA		EMPIRE	13	0.00206	0.01844	0.0392		
		2	2-1272ACSR		SANTA ROSA		SEVWAPA	20	0.00159	0.02692	0.06241		

EXHIBIT ED3-9

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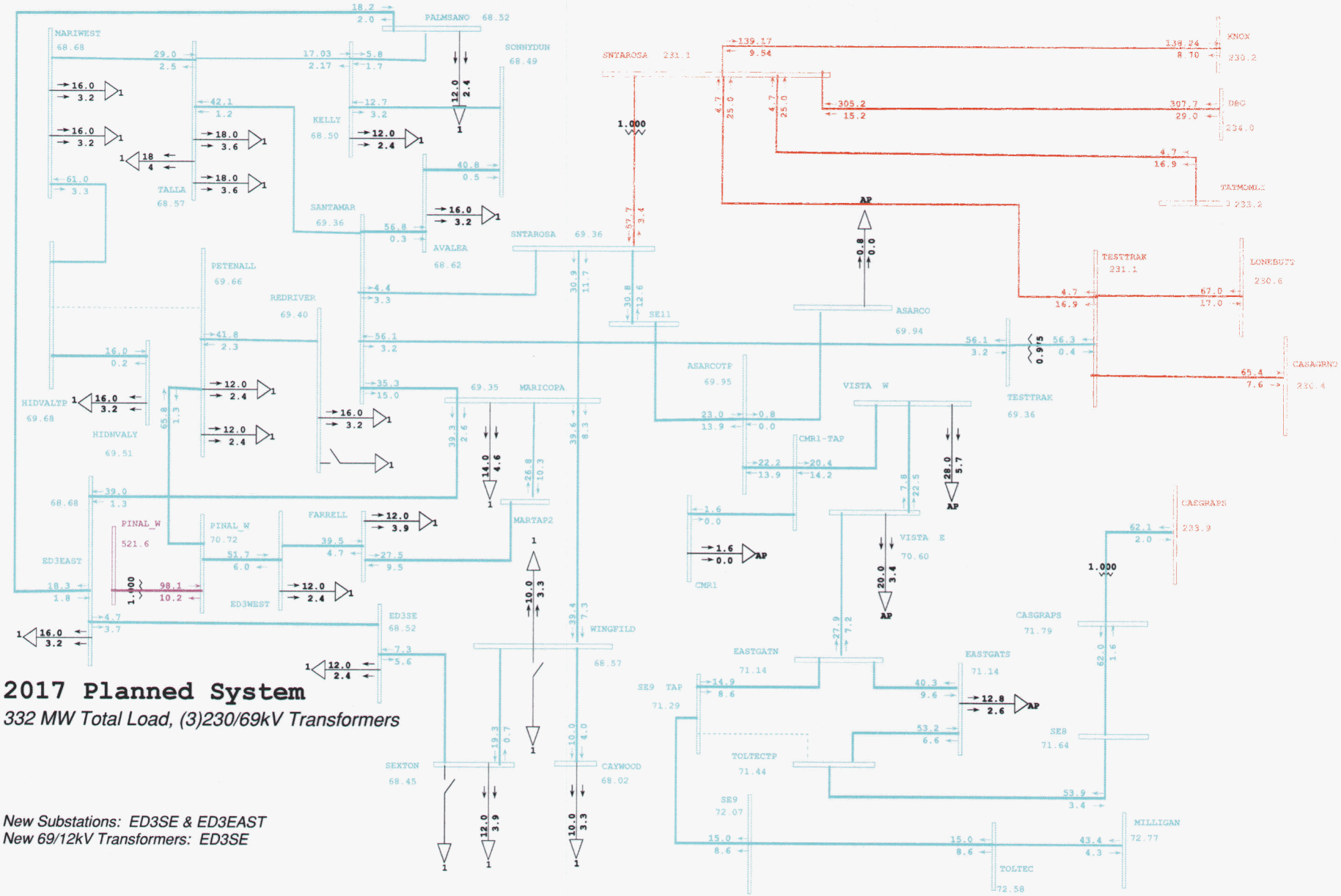

General Electric International, Inc. PSLF Program Mon Jan 07 11:07:30 2008 c:\data\docs07\ed3\2007 planning study\2017\ed3_2017_base.sav

ED3_2017_base.sav from CATS 2016 Base Case ED3/mle 09/24/2007

2007 ED3 Ten Year Transmission Plan

ED3 Load = 332MW, 100MW local generation

MW/MVAR

17ed3.drw

Rating = 1

NO	COMMENT	BUS NAME	BASE K\	TYPE	AREA	ZONE	VSCHED	VMAX	VMIN	PU VOLT	VOLTAGE	DEVIATN	NOTES
0	BASE CASE	ARLINTON	500	1	14	892	1.07	0	0	1.06281	531.41	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	CHOLLA	500	1	14	141	1	0	0	1.05727	528.63	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	CORONADO	500	1	14	892	1	0	0	1.06273	531.36	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	DRPP	500	1	14	141	1	0	0	1.05049	525.24	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	FCW	500	1	14	141	1	0	0	1.05016	525.08	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	FOURCORN	500	1	14	141	1	0	0	1.05016	525.08	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	GILARIVR	500	1	14	140	1.07	0	0	1.06905	534.53	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	HARQJNCT	500	1	14	141	1	0	0	1.06022	530.11	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	HARQUAHA	500	1	14	910	1.07	0	0	1.06173	530.86	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	HASSYAMP	500	1	14	892	1.07	0	0	1.06263	531.31	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	JOJOBA	500	1	14	892	1.07	0	0	1.06093	530.47	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	MEAD	500	1	14	191	1	0	0	1.06002	530.01	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	MESQUITE	500	1	14	910	1.07	0	0	1.06247	531.24	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	NAVAJO	500	1	14	141	1	0	0	1.06379	531.89	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	PALOVRDE	500	1	14	910	1.07	0	0	1.06314	531.57	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	REDHAWK	500	1	14	140	1.07	0	0	1.0629	531.45	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	RME	500	1	14	141	1	0	0	1.06107	530.54	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	SECNOL	500	1	14	141	1	0	0	1.06137	530.68	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	GILA	230	1	14	191	1	1.05	0.95	1.06961	246.01	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	NGL-E	230	1	14	191	1	0	0	1.07604	247.49	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	NGL-W	230	1	14	191	1	0	0	1.07604	247.49	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	CACTUS14	100	1	14	143	1	0	0	1.06904	106.9	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	GAVLNPK1	100	1	14	145	1	0	0	1.07599	107.6	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	LINCSTT2	100	1	14	142	1	1.05	0.95	1.07691	107.69	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	LONEPK 7	100	1	14	144	1	0	0	1.06899	106.9	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	MEADOWB9	100	1	14	142	1	0	0	1.08787	108.79	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	MILLGN 2	100	1	14	845	1	0	0	1.05623	105.62	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	PLM VLY2	100	1	14	147	1	0	0	1.0869	108.69	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	PLMVLY	100	1	14	147	1	0	0	1.0869	108.69	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	PNPK T3	100	1	14	143	1	0	0	1.08443	108.44	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	PNPK T6	100	1	14	143	1	0	0	1.08492	108.49	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	SNMANUEL	100	1	14	845	1	0	0	1.08753	108.75	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	SURPRI12	100	1	14	146	1	0	0	1.08627	108.63	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	TS2	100	1	14	146	1	0	0	1.07409	107.41	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	WHTNK T5	100	1	14	147	1	0	0	1.08635	108.63	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	$CORONAD	69	1	14	848	1	0	0	1.0613	73.23	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	BUNYAN	69	1	14	148	1	0	0	1.06321	73.36	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	COTNWOOD	69	1	14	842	1	0	0	1.05336	72.68	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	DON LUIS	69	1	14	845	1	0	0	1.05076	72.5	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	MILLIGAN	69	1	14	845	1	0	0	1.05456	72.76	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	MURAL	69	1	14	845	1	0	0	1.05328	72.68	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	SE10	69	1	14	845	1	0	0	1.05143	72.55	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	SE12	69	1	14	845	1	0	0	1.05197	72.59	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	ST.JOHNS	69	1	14	848	1	0	0	1.05112	72.53	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	TOLTEC	69	1	14	845	1	0	0	1.05186	72.58	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	TUBACITY	69	1	14	843	1	0	0	1.05049	72.48	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	SNMANUEL	46	1	14	845	1	0	0	1.08761	50.03	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	LEUPPJCT	20.8	1	14	844	1	0	0	1.05808	22.01	0	HIGH NORMAL VOLTAGE GT 0.0000 PU

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0	BASE CASE	GIL-CT1	18	2	14	141	1.05	0	0	1.05	18.9	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	GIL-CT2	18	2	14	141	1.05	0	0	1.05	18.9	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	GIL-CT3	18	2	14	141	1.05	0	0	1.05	18.9	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	GIL-CT4	18	2	14	141	1.05	0	0	1.05	18.9	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	GIL-CT5	18	2	14	141	1.05	0	0	1.05	18.9	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	GIL-CT6	18	2	14	141	1.05	0	0	1.05	18.9	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	GIL-CT7	18	2	14	141	1.05	0	0	1.05	18.9	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	GIL-CT8	18	2	14	141	1.05	0	0	1.05	18.9	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	GIL-ST1	18	2	14	141	1.05	0	0	1.05	18.9	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	GIL-ST2	18	2	14	141	1.05	0	0	1.05	18.9	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	GIL-ST3	18	2	14	141	1.05	0	0	1.05	18.9	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	GIL-ST4	18	2	14	141	1.05	0	0	1.05	18.9	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	WPCC5ST1	16.5	2	14	149	1.05	0	0	1.05	17.32	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	GRIFFTH1	16	2	14	191	1.035	0	0	1.07713	17.23	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	GRIFFTH2	16	2	14	191	1.035	0	0	1.07713	17.23	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	GRIFFTH3	16	2	14	191	1.035	0	0	1.07688	17.23	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	SOPOINT1	16	2	14	191	1.035	0	0	1.06806	17.09	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	SOPOINT2	16	2	14	191	1.035	0	0	1.06806	17.09	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	SOPOINT3	16	2	14	191	1.035	0	0	1.06814	17.09	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	WPCC5CT1	15	2	14	149	1.05	0	0	1.05	15.75	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	WPCC5CT2	15	2	14	149	1.05	0	0	1.05	15.75	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	HARTT	13.8	1	14	160	1	0	0	1.10428	15.24	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	ARABY 11	12.5	1	14	847	1	0	0	1.06939	13.37	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	ASARCO	12.5	1	14	845	1	0	0	1.10186	13.77	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	CAMERON	12.5	1	14	843	1	0	0	1.05681	13.21	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	CAPBUT 3	12.5	1	14	842	1	0	0	1.10924	13.87	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	CAPBUT11	12.5	1	14	842	1	0	0	1.1097	13.87	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	COCNIN15	12.5	1	14	843	1	0	0	1.06184	13.27	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	COPCYN 3	12.5	1	14	842	1	0	0	1.0524	13.15	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	COPCYN11	12.5	1	14	842	1	0	0	1.05145	13.14	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	COTNWD11	12.5	1	14	842	1	0	0	1.05243	13.16	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	DON LUIS	12.5	1	14	845	1	0	0	1.06982	13.37	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	EASTGT 3	12.5	1	14	845	1	0	0	1.057	13.21	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	ELDEN 3	12.5	1	14	843	1	0	0	1.06042	13.26	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	ELDEN 11	12.5	1	14	843	1	0	0	1.05608	13.2	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	LINWST43	12.5	1	14	142	1	0	0	1.05046	13.13	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	LINWST51	12.5	1	14	142	1	0	0	1.05046	13.13	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	MILLIGAN	12.5	1	14	845	1	0	0	1.0694	13.37	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	MURAL 11	12.5	1	14	845	1	0	0	1.05162	13.15	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	SANDVG 3	12.5	1	14	843	1	0	0	1.05336	13.17	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	SANDVG11	12.5	1	14	843	1	0	0	1.05805	13.23	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	SHOWLW12	12.5	1	14	844	1	0	0	1.05196	13.15	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	SHOWLW20	12.5	1	14	844	1	0	0	1.06675	13.33	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	SNMANUL1	12.5	1	14	845	1	0	0	1.05879	13.23	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	SNMANUL2	12.5	1	14	845	1	0	0	1.05807	13.23	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	SNMANUL3	12.5	1	14	845	1	0	0	1.08865	13.61	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	SNMANUL4	12.5	1	14	845	1	0	0	1.08865	13.61	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	SNMANULT	12.5	1	14	845	1	0	0	1.08753	13.59	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	SWITZR11	12.5	1	14	843	1	0	0	1.05384	13.17	0	HIGH NORMAL VOLTAGE GT 0.0000 PU

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0	BASE CASE	SWITZR19	12.5	1	14	843	1	0	0	1.05231	13.15	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	TUBACITY	12.5	1	14	843	1	0	0	1.1247	14.06	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	TUSAYAN	12.5	1	14	843	1	1.05	0.95	1.26483	15.81	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	WHTSPR 3	12.5	1	14	842	1	0	0	1.05386	13.17	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	WIKNBG11	12.5	1	14	841	1	0	0	1.06104	13.26	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	WNSLOW 3	12.5	1	14	844	1	0	0	1.07485	13.44	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	WPHX 17	12.5	1	14	142	1	0	0	1.06789	13.35	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	CACTS14T	12.47	1	14	143	1	0	0	1.06899	13.33	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	CASGRA2T	12.47	1	14	845	1	0	0	1.0689	13.33	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	COCON 4T	12.47	1	14	843	1	0	0	1.12327	14.01	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	GAVNPK1T	12.47	1	14	145	1	0	0	1.07592	13.42	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	LINCST2T	12.47	1	14	142	1	0	0	1.07686	13.43	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	LONEPK7T	12.47	1	14	144	1	0	0	1.06894	13.33	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	MEADOW9T	12.47	1	14	142	1	0	0	1.0878	13.56	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	MILLGN2T	12.47	1	14	845	1	0	0	1.05623	13.17	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	PLMVLY T	12.47	1	14	147	1	0	0	1.08683	13.55	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	PLMVLY2T	12.47	1	14	147	1	0	0	1.08683	13.55	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	PNPK 3T	12.47	1	14	143	1	0	0	1.08436	13.52	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	PNPK 6T	12.47	1	14	143	1	0	0	1.08484	13.53	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	SURPR12T	12.47	1	14	146	1	0	0	1.08619	13.54	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	TS2 T	12.47	1	14	147	1	0	0	1.07402	13.39	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	WHTNK 5T	12.47	1	14	147	1	0	0	1.08627	13.55	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	AGUILA	12	1	14	841	1	0	0	1.05534	12.66	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	AZTEC	12	1	14	148	1	0	0	1.11897	13.43	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	BUNYAN	12	1	14	148	1	0	0	1.1163	13.4	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	HYDER	12	1	14	148	1	0	0	1.06718	12.81	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	PALOMA 2	12	1	14	148	1	0	0	1.10799	13.3	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	UTTING	12	1	14	846	1	0	0	1.06269	12.75	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	CEMENT 1	4.2	1	14	842	1	0	0	1.06492	4.47	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
0	BASE CASE	CEMENT 2	4.2	1	14	842	1	0	0	1.06492	4.47	0	HIGH NORMAL VOLTAGE GT 0.0000 PU
8	Open Line WINGFILD 69.00-CAYWOOD 69.0(	ASARCO	12.5	1	14	845	1	0	0	1.10342	13.79	0.14	HIGH EMERGENCY VOLTAGE GT 1.1000 PU
11	Open Line MARICOPA 69.00-MARTAP2 69.0(	ASARCO	12.5	1	14	845	1	0	0	1.1032	13.79	0.12	HIGH EMERGENCY VOLTAGE GT 1.1000 PU
12	Open Line MARTAP2 69.00-FARRELL 69.00	ASARCO	12.5	1	14	845	1	0	0	1.1032	13.79	0.12	HIGH EMERGENCY VOLTAGE GT 1.1000 PU
19	Open Line CHOLLA 500.00-SAGUARO 500.0(	BASELIN	69	1	14	148	1	0	0	0.89916	62.04	-1.52	LOW EMERGENCY VOLTAGE LT 0.9000 PU
19	Open Line CHOLLA 500.00-SAGUARO 500.0(	K685-BZ	69	1	14	148	1	1.1	0.9	0.88219	60.87	-1.57	LOW EMERGENCY VOLTAGE LT 0.9000 PU
19	Open Line CHOLLA 500.00-SAGUARO 500.0(	PERRYVIL	69	1	14	148	1	0	0	0.86763	59.87	-1.61	LOW EMERGENCY VOLTAGE LT 0.9000 PU
19	Open Line CHOLLA 500.00-SAGUARO 500.0(	PERYVLTP	69	1	14	148	1	0	0	0.88061	60.76	-1.56	LOW EMERGENCY VOLTAGE LT 0.9000 PU
19	Open Line CHOLLA 500.00-SAGUARO 500.0(	SALOME	69	1	14	846	1	0	0	0.86237	59.5	-1.32	LOW EMERGENCY VOLTAGE LT 0.9000 PU
19	Open Line CHOLLA 500.00-SAGUARO 500.0(	VALNCIA	69	1	14	148	1	0	0	0.87619	60.46	-1.59	LOW EMERGENCY VOLTAGE LT 0.9000 PU
19	Open Line CHOLLA 500.00-SAGUARO 500.0(	VCKSBGTP	69	1	14	846	1	0	0	0.84233	58.12	-1.43	LOW EMERGENCY VOLTAGE LT 0.9000 PU
19	Open Line CHOLLA 500.00-SAGUARO 500.0(	VICKSBRG	69	1	14	846	1	0	0	0.82632	57.02	-1.5	LOW EMERGENCY VOLTAGE LT 0.9000 PU
19	Open Line CHOLLA 500.00-SAGUARO 500.0(	FT.HUACH	47.2	1	14	160	1	0	0	0.89729	42.35	-1.78	LOW EMERGENCY VOLTAGE LT 0.9000 PU
19	Open Line CHOLLA 500.00-SAGUARO 500.0(	PRECHCYN	20.8	1	14	844	1	0	0	0.61771	12.85	-1.78	LOW EMERGENCY VOLTAGE LT 0.9000 PU
19	Open Line CHOLLA 500.00-SAGUARO 500.0(	WHY	20.8	1	14	148	1	0	0	0.79145	16.46	-1.37	LOW EMERGENCY VOLTAGE LT 0.9000 PU
19	Open Line CHOLLA 500.00-SAGUARO 500.0(	BASELN 2	12	1	14	148	1	0	0	0.8973	10.77	-1.59	LOW EMERGENCY VOLTAGE LT 0.9000 PU
19	Open Line CHOLLA 500.00-SAGUARO 500.0(	BASELN11	12	1	14	148	1	0	0	0.8813	10.58	-1.64	LOW EMERGENCY VOLTAGE LT 0.9000 PU
19	Open Line CHOLLA 500.00-SAGUARO 500.0(	PERRYVIL	12	1	14	148	1	0	0	0.8123	9.75	-2.05	LOW EMERGENCY VOLTAGE LT 0.9000 PU
19	Open Line CHOLLA 500.00-SAGUARO 500.0(	POLLOCK	12	1	14	843	1	0	0	0.89541	10.74	-2.2	LOW EMERGENCY VOLTAGE LT 0.9000 PU
19	Open Line CHOLLA 500.00-SAGUARO 500.0(	VALNCA 3	12	1	14	148	1	0	0	0.82409	9.89	-1.99	LOW EMERGENCY VOLTAGE LT 0.9000 PU

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19	Open Line CHOLLA 500.00-SAGUARO 500.00	VALNCA11	12	1	14	148	1	0	0	0.82521	9.9	-1.94	LOW EMERGENCY VOLTAGE LT 0.9000 PU
19	Open Line CHOLLA 500.00-SAGUARO 500.00	VICKSBRG	12	1	14	846	1	0	0	0.86688	10.4	-1.74	LOW EMERGENCY VOLTAGE LT 0.9000 PU
21	Open Line TESTTRAK 230.00-CASAGRND 230.	CASAGRND	230	1	14	191	1	0	0	0.90117	207.27	-10.05	DEVIATION LT -4 PCT
21	Open Line TESTTRAK 230.00-CASAGRND 230.	CASAGRND	115	1	14	191	1	0	0	0.90117	103.64	-9.86	DEVIATION LT -4 PCT
21	Open Line TESTTRAK 230.00-CASAGRND 230.	EMPIRE	115	1	14	191	1	0	0	0.94427	108.59	-6.05	DEVIATION LT -4 PCT
21	Open Line TESTTRAK 230.00-CASAGRND 230.	THORNTON	115	1	14	191	1	0	0	0.90389	103.95	-9.48	DEVIATION LT -4 PCT
21	Open Line TESTTRAK 230.00-CASAGRND 230.	CASAGRND	12.47	1	14	191	1	0	0	0.91556	11.42	-10.23	DEVIATION LT -4 PCT
21	Open Line TESTTRAK 230.00-CASAGRND 230.	EMPIRE	12.47	1	14	191	1	0	0	0.95507	11.91	-6.63	DEVIATION LT -4 PCT
27	Open Line SNTAROSA 230.00-DBG 230.00 #	K685-BZ	69	1	14	148	1	1.1	0.9	0.89223	61.56	-0.45	LOW EMERGENCY VOLTAGE LT 0.9000 PU
27	Open Line SNTAROSA 230.00-DBG 230.00 #	PERRYVIL	69	1	14	148	1	0	0	0.87777	60.57	-0.46	LOW EMERGENCY VOLTAGE LT 0.9000 PU
27	Open Line SNTAROSA 230.00-DBG 230.00 #	PERYVLTP	69	1	14	148	1	0	0	0.89052	61.45	-0.45	LOW EMERGENCY VOLTAGE LT 0.9000 PU
27	Open Line SNTAROSA 230.00-DBG 230.00 #	SALOME	69	1	14	846	1	0	0	0.87057	60.07	-0.38	LOW EMERGENCY VOLTAGE LT 0.9000 PU
27	Open Line SNTAROSA 230.00-DBG 230.00 #	VALNCIA	69	1	14	148	1	0	0	0.88628	61.15	-0.46	LOW EMERGENCY VOLTAGE LT 0.9000 PU
27	Open Line SNTAROSA 230.00-DBG 230.00 #	VCKSBGTP	69	1	14	846	1	0	0	0.85101	58.72	-0.41	LOW EMERGENCY VOLTAGE LT 0.9000 PU
27	Open Line SNTAROSA 230.00-DBG 230.00 #	VICKSBRG	69	1	14	846	1	0	0	0.83526	57.63	-0.43	LOW EMERGENCY VOLTAGE LT 0.9000 PU
27	Open Line SNTAROSA 230.00-DBG 230.00 #	PRECHCYN	20.8	1	14	844	1	0	0	0.62809	13.06	-0.13	LOW EMERGENCY VOLTAGE LT 0.9000 PU
27	Open Line SNTAROSA 230.00-DBG 230.00 #	WHY	20.8	1	14	148	1	0	0	0.79946	16.63	-0.37	LOW EMERGENCY VOLTAGE LT 0.9000 PU
27	Open Line SNTAROSA 230.00-DBG 230.00 #	BASELN11	12	1	14	148	1	0	0	0.89178	10.7	-0.47	LOW EMERGENCY VOLTAGE LT 0.9000 PU
27	Open Line SNTAROSA 230.00-DBG 230.00 #	PERRYVIL	12	1	14	148	1	0	0	0.82445	9.89	-0.59	LOW EMERGENCY VOLTAGE LT 0.9000 PU
27	Open Line SNTAROSA 230.00-DBG 230.00 #	VALNCA 3	12	1	14	148	1	0	0	0.836	10.03	-0.57	LOW EMERGENCY VOLTAGE LT 0.9000 PU
27	Open Line SNTAROSA 230.00-DBG 230.00 #	VALNCA11	12	1	14	148	1	0	0	0.83684	10.04	-0.56	LOW EMERGENCY VOLTAGE LT 0.9000 PU
27	Open Line SNTAROSA 230.00-DBG 230.00 #	VICKSBRG	12	1	14	846	1	0	0	0.8778	10.53	-0.5	LOW EMERGENCY VOLTAGE LT 0.9000 PU
28	Open Line SNTAROSA 230.00-KNOX 230.00	ASARCO	12.5	1	14	845	1	0	0	1.10364	13.8	0.16	HIGH EMERGENCY VOLTAGE GT 1.1000 PU
30	Open Line DBG 230.00-CASGRAPS 230.00 #	PERRYVIL	12	1	14	148	1	0	0	0.82849	9.94	-0.1	LOW EMERGENCY VOLTAGE LT 0.9000 PU
32	Open Line CORONADO 500.00-SILVERKG 500.	BASELIN	69	1	14	148	1	0	0	0.89333	61.64	-2.16	LOW EMERGENCY VOLTAGE LT 0.9000 PU
32	Open Line CORONADO 500.00-SILVERKG 500.	K685-BZ	69	1	14	148	1	1.1	0.9	0.87627	60.46	-2.23	LOW EMERGENCY VOLTAGE LT 0.9000 PU
32	Open Line CORONADO 500.00-SILVERKG 500.	PERRYVIL	69	1	14	148	1	0	0	0.86165	59.45	-2.29	LOW EMERGENCY VOLTAGE LT 0.9000 PU
32	Open Line CORONADO 500.00-SILVERKG 500.	PERYVLTP	69	1	14	148	1	0	0	0.87476	60.36	-2.21	LOW EMERGENCY VOLTAGE LT 0.9000 PU
32	Open Line CORONADO 500.00-SILVERKG 500.	SALOME	69	1	14	846	1	0	0	0.85755	59.17	-1.87	LOW EMERGENCY VOLTAGE LT 0.9000 PU
32	Open Line CORONADO 500.00-SILVERKG 500.	VALNCIA	69	1	14	148	1	0	0	0.87024	60.05	-2.26	LOW EMERGENCY VOLTAGE LT 0.9000 PU
32	Open Line CORONADO 500.00-SILVERKG 500.	VCKSBGTP	69	1	14	846	1	0	0	0.83722	57.77	-2.03	LOW EMERGENCY VOLTAGE LT 0.9000 PU
32	Open Line CORONADO 500.00-SILVERKG 500.	VICKSBRG	69	1	14	846	1	0	0	0.82105	56.65	-2.13	LOW EMERGENCY VOLTAGE LT 0.9000 PU
32	Open Line CORONADO 500.00-SILVERKG 500.	FT.HUACH	47.2	1	14	160	1	0	0	0.89198	42.1	-2.36	LOW EMERGENCY VOLTAGE LT 0.9000 PU
32	Open Line CORONADO 500.00-SILVERKG 500.	PRECHCYN	20.8	1	14	844	1	0	0	0.61484	12.79	-2.24	LOW EMERGENCY VOLTAGE LT 0.9000 PU
32	Open Line CORONADO 500.00-SILVERKG 500.	WHY	20.8	1	14	148	1	0	0	0.78688	16.37	-1.94	LOW EMERGENCY VOLTAGE LT 0.9000 PU
32	Open Line CORONADO 500.00-SILVERKG 500.	KIRK JCT	12.5	1	14	842	1	0	0	0.89475	11.18	-2.49	LOW EMERGENCY VOLTAGE LT 0.9000 PU
32	Open Line CORONADO 500.00-SILVERKG 500.	BASELN 2	12	1	14	148	1	0	0	0.89122	10.69	-2.26	LOW EMERGENCY VOLTAGE LT 0.9000 PU
32	Open Line CORONADO 500.00-SILVERKG 500.	BASELN11	12	1	14	148	1	0	0	0.87512	10.5	-2.33	LOW EMERGENCY VOLTAGE LT 0.9000 PU
32	Open Line CORONADO 500.00-SILVERKG 500.	PERRYVIL	12	1	14	148	1	0	0	0.80509	9.66	-2.92	LOW EMERGENCY VOLTAGE LT 0.9000 PU
32	Open Line CORONADO 500.00-SILVERKG 500.	POLLOCK	12	1	14	843	1	0	0	0.88905	10.67	-2.89	LOW EMERGENCY VOLTAGE LT 0.9000 PU
32	Open Line CORONADO 500.00-SILVERKG 500.	SALOME 2	12	1	14	846	1	0	0	0.89779	10.77	-2.08	LOW EMERGENCY VOLTAGE LT 0.9000 PU
32	Open Line CORONADO 500.00-SILVERKG 500.	VALNCA 3	12	1	14	148	1	0	0	0.81702	9.8	-2.83	LOW EMERGENCY VOLTAGE LT 0.9000 PU
32	Open Line CORONADO 500.00-SILVERKG 500.	VALNCA11	12	1	14	148	1	0	0	0.81831	9.82	-2.76	LOW EMERGENCY VOLTAGE LT 0.9000 PU
32	Open Line CORONADO 500.00-SILVERKG 500.	VICKSBRG	12	1	14	846	1	0	0	0.86042	10.33	-2.47	LOW EMERGENCY VOLTAGE LT 0.9000 PU
33	Open Line KYRENE 500.00-BROWNING 500.0	K685-BZ	69	1	14	148	1	1.1	0.9	0.89292	61.61	-0.37	LOW EMERGENCY VOLTAGE LT 0.9000 PU
33	Open Line KYRENE 500.00-BROWNING 500.0	PERRYVIL	69	1	14	148	1	0	0	0.87849	60.62	-0.38	LOW EMERGENCY VOLTAGE LT 0.9000 PU
33	Open Line KYRENE 500.00-BROWNING 500.0	PERYVLTP	69	1	14	148	1	0	0	0.89123	61.49	-0.37	LOW EMERGENCY VOLTAGE LT 0.9000 PU
33	Open Line KYRENE 500.00-BROWNING 500.0	SALOME	69	1	14	846	1	0	0	0.87177	60.15	-0.25	LOW EMERGENCY VOLTAGE LT 0.9000 PU
33	Open Line KYRENE 500.00-BROWNING 500.0	VALNCIA	69	1	14	148	1	0	0	0.88699	61.2	-0.38	LOW EMERGENCY VOLTAGE LT 0.9000 PU

33	Open Line KYRENE 500.00-BROWNING 500.0	VCKSBGTP	69	1	14	846	1	0	0	0.85227	58.81	-0.27	LOW EMERGENCY VOLTAGE LT 0.9000 PU
33	Open Line KYRENE 500.00-BROWNING 500.0	VICKSBRG	69	1	14	846	1	0	0	0.83656	57.72	-0.28	LOW EMERGENCY VOLTAGE LT 0.9000 PU
33	Open Line KYRENE 500.00-BROWNING 500.0	WHY	20.8	1	14	148	1	0	0	0.79921	16.62	-0.4	LOW EMERGENCY VOLTAGE LT 0.9000 PU
33	Open Line KYRENE 500.00-BROWNING 500.0	BASELN11	12	1	14	148	1	0	0	0.89247	10.71	-0.4	LOW EMERGENCY VOLTAGE LT 0.9000 PU
33	Open Line KYRENE 500.00-BROWNING 500.0	PERRYVIL	12	1	14	148	1	0	0	0.82532	9.9	-0.48	LOW EMERGENCY VOLTAGE LT 0.9000 PU
33	Open Line KYRENE 500.00-BROWNING 500.0	VALNCA 3	12	1	14	148	1	0	0	0.83683	10.04	-0.47	LOW EMERGENCY VOLTAGE LT 0.9000 PU
33	Open Line KYRENE 500.00-BROWNING 500.0	VALNCA11	12	1	14	148	1	0	0	0.83766	10.05	-0.46	LOW EMERGENCY VOLTAGE LT 0.9000 PU
33	Open Line KYRENE 500.00-BROWNING 500.0	VICKSBRG	12	1	14	846	1	0	0	0.87938	10.55	-0.32	LOW EMERGENCY VOLTAGE LT 0.9000 PU
34	Open Line BROWNING 500.00-SILVERKG 500.(	K685-BZ	69	1	14	148	1	1.1	0.9	0.89132	61.5	-0.55	LOW EMERGENCY VOLTAGE LT 0.9000 PU
34	Open Line BROWNING 500.00-SILVERKG 500.(	PERRYVIL	69	1	14	148	1	0	0	0.87684	60.5	-0.57	LOW EMERGENCY VOLTAGE LT 0.9000 PU
34	Open Line BROWNING 500.00-SILVERKG 500.(	PERYVLTP	69	1	14	148	1	0	0	0.88962	61.38	-0.55	LOW EMERGENCY VOLTAGE LT 0.9000 PU
34	Open Line BROWNING 500.00-SILVERKG 500.(	SALOME	69	1	14	846	1	0	0	0.86983	60.02	-0.47	LOW EMERGENCY VOLTAGE LT 0.9000 PU
34	Open Line BROWNING 500.00-SILVERKG 500.(	VALNCIA	69	1	14	148	1	0	0	0.88537	61.09	-0.56	LOW EMERGENCY VOLTAGE LT 0.9000 PU
34	Open Line BROWNING 500.00-SILVERKG 500.(	VCKSBGTP	69	1	14	846	1	0	0	0.85022	58.67	-0.5	LOW EMERGENCY VOLTAGE LT 0.9000 PU
34	Open Line BROWNING 500.00-SILVERKG 500.(	VICKSBRG	69	1	14	846	1	0	0	0.83446	57.58	-0.53	LOW EMERGENCY VOLTAGE LT 0.9000 PU
34	Open Line BROWNING 500.00-SILVERKG 500.(	PRECHCYN	20.8	1	14	844	1	0	0	0.62576	13.02	-0.5	LOW EMERGENCY VOLTAGE LT 0.9000 PU
34	Open Line BROWNING 500.00-SILVERKG 500.(	WHY	20.8	1	14	148	1	0	0	0.79835	16.61	-0.51	LOW EMERGENCY VOLTAGE LT 0.9000 PU
34	Open Line BROWNING 500.00-SILVERKG 500.(	BASELN11	12	1	14	148	1	0	0	0.89084	10.69	-0.58	LOW EMERGENCY VOLTAGE LT 0.9000 PU
34	Open Line BROWNING 500.00-SILVERKG 500.(	PERRYVIL	12	1	14	148	1	0	0	0.82335	9.88	-0.72	LOW EMERGENCY VOLTAGE LT 0.9000 PU
34	Open Line BROWNING 500.00-SILVERKG 500.(	VALNCA 3	12	1	14	148	1	0	0	0.83492	10.02	-0.7	LOW EMERGENCY VOLTAGE LT 0.9000 PU
34	Open Line BROWNING 500.00-SILVERKG 500.(	VALNCA11	12	1	14	148	1	0	0	0.83579	10.03	-0.68	LOW EMERGENCY VOLTAGE LT 0.9000 PU
34	Open Line BROWNING 500.00-SILVERKG 500.(	VICKSBRG	12	1	14	846	1	0	0	0.87681	10.52	-0.61	LOW EMERGENCY VOLTAGE LT 0.9000 PU
35	Open Line HASSYAMP 500.00-JOJOBA 500.0(	SALOME	69	1	14	846	1	0	0	0.87088	60.09	-0.35	LOW EMERGENCY VOLTAGE LT 0.9000 PU
35	Open Line HASSYAMP 500.00-JOJOBA 500.0(	VCKSBGTP	69	1	14	846	1	0	0	0.85133	58.74	-0.38	LOW EMERGENCY VOLTAGE LT 0.9000 PU
35	Open Line HASSYAMP 500.00-JOJOBA 500.0(	VICKSBRG	69	1	14	846	1	0	0	0.8356	57.66	-0.39	LOW EMERGENCY VOLTAGE LT 0.9000 PU
35	Open Line HASSYAMP 500.00-JOJOBA 500.0(	PRECHCYN	20.8	1	14	844	1	0	0	0.62804	13.06	-0.14	LOW EMERGENCY VOLTAGE LT 0.9000 PU
35	Open Line HASSYAMP 500.00-JOJOBA 500.0(	AZTEC	12	1	14	148	1	0	0	1.12286	13.47	0.35	HIGH EMERGENCY VOLTAGE GT 1.1000 PU
35	Open Line HASSYAMP 500.00-JOJOBA 500.0(	BUNYAN	12	1	14	148	1	0	0	1.11864	13.42	0.21	HIGH EMERGENCY VOLTAGE GT 1.1000 PU
35	Open Line HASSYAMP 500.00-JOJOBA 500.0(	PALOMA 2	12	1	14	148	1	0	0	1.11011	13.32	0.19	HIGH EMERGENCY VOLTAGE GT 1.1000 PU
35	Open Line HASSYAMP 500.00-JOJOBA 500.0(	VICKSBRG	12	1	14	846	1	0	0	0.8782	10.54	-0.46	LOW EMERGENCY VOLTAGE LT 0.9000 PU
38	Open Line WESTWING 345.00-PINALWES 345.	K685-BZ	69	1	14	148	1	1.1	0.9	0.89293	61.61	-0.37	LOW EMERGENCY VOLTAGE LT 0.9000 PU
38	Open Line WESTWING 345.00-PINALWES 345.	PERRYVIL	69	1	14	148	1	0	0	0.87847	60.61	-0.38	LOW EMERGENCY VOLTAGE LT 0.9000 PU
38	Open Line WESTWING 345.00-PINALWES 345.	PERYVLTP	69	1	14	148	1	0	0	0.89121	61.49	-0.37	LOW EMERGENCY VOLTAGE LT 0.9000 PU
38	Open Line WESTWING 345.00-PINALWES 345.	SALOME	69	1	14	846	1	0	0	0.87123	60.11	-0.31	LOW EMERGENCY VOLTAGE LT 0.9000 PU
38	Open Line WESTWING 345.00-PINALWES 345.	VALNCIA	69	1	14	148	1	0	0	0.88698	61.2	-0.38	LOW EMERGENCY VOLTAGE LT 0.9000 PU
38	Open Line WESTWING 345.00-PINALWES 345.	VCKSBGTP	69	1	14	846	1	0	0	0.8517	58.77	-0.33	LOW EMERGENCY VOLTAGE LT 0.9000 PU
38	Open Line WESTWING 345.00-PINALWES 345.	VICKSBRG	69	1	14	846	1	0	0	0.83598	57.68	-0.35	LOW EMERGENCY VOLTAGE LT 0.9000 PU
38	Open Line WESTWING 345.00-PINALWES 345.	PRECHCYN	20.8	1	14	844	1	0	0	0.62813	13.07	-0.13	LOW EMERGENCY VOLTAGE LT 0.9000 PU
38	Open Line WESTWING 345.00-PINALWES 345.	WHY	20.8	1	14	148	1	0	0	0.7999	16.64	-0.32	LOW EMERGENCY VOLTAGE LT 0.9000 PU
38	Open Line WESTWING 345.00-PINALWES 345.	BASELN11	12	1	14	148	1	0	0	0.89252	10.71	-0.39	LOW EMERGENCY VOLTAGE LT 0.9000 PU
38	Open Line WESTWING 345.00-PINALWES 345.	PERRYVIL	12	1	14	148	1	0	0	0.82529	9.9	-0.49	LOW EMERGENCY VOLTAGE LT 0.9000 PU
38	Open Line WESTWING 345.00-PINALWES 345.	VALNCA 3	12	1	14	148	1	0	0	0.83682	10.04	-0.47	LOW EMERGENCY VOLTAGE LT 0.9000 PU
38	Open Line WESTWING 345.00-PINALWES 345.	VALNCA11	12	1	14	148	1	0	0	0.83765	10.05	-0.46	LOW EMERGENCY VOLTAGE LT 0.9000 PU
38	Open Line WESTWING 345.00-PINALWES 345.	VICKSBRG	12	1	14	846	1	0	0	0.87867	10.54	-0.4	LOW EMERGENCY VOLTAGE LT 0.9000 PU
40	Open Line SNTAROSA 230.00-TESTTRAK 230.	K685-BZ	69	1	14	148	1	1.1	0.9	0.89515	61.77	-0.13	LOW EMERGENCY VOLTAGE LT 0.9000 PU
40	Open Line SNTAROSA 230.00-TESTTRAK 230.	PERRYVIL	69	1	14	148	1	0	0	0.88072	60.77	-0.13	LOW EMERGENCY VOLTAGE LT 0.9000 PU
40	Open Line SNTAROSA 230.00-TESTTRAK 230.	PERYVLTP	69	1	14	148	1	0	0	0.89341	61.65	-0.12	LOW EMERGENCY VOLTAGE LT 0.9000 PU
40	Open Line SNTAROSA 230.00-TESTTRAK 230.	SALOME	69	1	14	846	1	0	0	0.87288	60.23	-0.12	LOW EMERGENCY VOLTAGE LT 0.9000 PU
40	Open Line SNTAROSA 230.00-TESTTRAK 230.	VALNCIA	69	1	14	148	1	0	0	0.88922	61.36	-0.13	LOW EMERGENCY VOLTAGE LT 0.9000 PU

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40	Open Line SNTAROSA 230.00-TESTTRAK 230.	VCKSBGTP	69	1	14	846	1	0	0	0.85345	58.89	-0.13	LOW EMERGENCY VOLTAGE LT 0.9000 PU
40	Open Line SNTAROSA 230.00-TESTTRAK 230.	VICKSBRG	69	1	14	846	1	0	0	0.83778	57.81	-0.13	LOW EMERGENCY VOLTAGE LT 0.9000 PU
40	Open Line SNTAROSA 230.00-TESTTRAK 230.	BASELN11	12	1	14	148	1	0	0	0.89484	10.74	-0.13	LOW EMERGENCY VOLTAGE LT 0.9000 PU
40	Open Line SNTAROSA 230.00-TESTTRAK 230.	PERRYVIL	12	1	14	148	1	0	0	0.82798	9.94	-0.16	LOW EMERGENCY VOLTAGE LT 0.9000 PU
40	Open Line SNTAROSA 230.00-TESTTRAK 230.	VALNCA 3	12	1	14	148	1	0	0	0.83945	10.07	-0.16	LOW EMERGENCY VOLTAGE LT 0.9000 PU
40	Open Line SNTAROSA 230.00-TESTTRAK 230.	VALNCA11	12	1	14	148	1	0	0	0.84022	10.08	-0.15	LOW EMERGENCY VOLTAGE LT 0.9000 PU
40	Open Line SNTAROSA 230.00-TESTTRAK 230.	VICKSBRG	12	1	14	846	1	0	0	0.88086	10.57	-0.15	LOW EMERGENCY VOLTAGE LT 0.9000 PU
42	Open Line LIBERTY 230.00-PHXWAPA 230.00	K685-BZ	69	1	14	148	1	1.1	0.9	0.89455	61.72	-0.19	LOW EMERGENCY VOLTAGE LT 0.9000 PU
42	Open Line LIBERTY 230.00-PHXWAPA 230.00	PERRYVIL	69	1	14	148	1	0	0	0.8801	60.73	-0.2	LOW EMERGENCY VOLTAGE LT 0.9000 PU
42	Open Line LIBERTY 230.00-PHXWAPA 230.00	PERYVLTP	69	1	14	148	1	0	0	0.8928	61.6	-0.19	LOW EMERGENCY VOLTAGE LT 0.9000 PU
42	Open Line LIBERTY 230.00-PHXWAPA 230.00	SALOME	69	1	14	846	1	0	0	0.87243	60.2	-0.17	LOW EMERGENCY VOLTAGE LT 0.9000 PU
42	Open Line LIBERTY 230.00-PHXWAPA 230.00	VALNCIA	69	1	14	148	1	0	0	0.88861	61.31	-0.2	LOW EMERGENCY VOLTAGE LT 0.9000 PU
42	Open Line LIBERTY 230.00-PHXWAPA 230.00	VCKSBGTP	69	1	14	846	1	0	0	0.85296	58.85	-0.18	LOW EMERGENCY VOLTAGE LT 0.9000 PU
42	Open Line LIBERTY 230.00-PHXWAPA 230.00	VICKSBRG	69	1	14	846	1	0	0	0.83728	57.77	-0.19	LOW EMERGENCY VOLTAGE LT 0.9000 PU
42	Open Line LIBERTY 230.00-PHXWAPA 230.00	WHY	20.8	1	14	148	1	0	0	0.80135	16.67	-0.14	LOW EMERGENCY VOLTAGE LT 0.9000 PU
42	Open Line LIBERTY 230.00-PHXWAPA 230.00	BASELN11	12	1	14	148	1	0	0	0.89422	10.73	-0.2	LOW EMERGENCY VOLTAGE LT 0.9000 PU
42	Open Line LIBERTY 230.00-PHXWAPA 230.00	PERRYVIL	12	1	14	148	1	0	0	0.82724	9.93	-0.25	LOW EMERGENCY VOLTAGE LT 0.9000 PU
42	Open Line LIBERTY 230.00-PHXWAPA 230.00	VALNCA 3	12	1	14	148	1	0	0	0.83874	10.06	-0.24	LOW EMERGENCY VOLTAGE LT 0.9000 PU
42	Open Line LIBERTY 230.00-PHXWAPA 230.00	VALNCA11	12	1	14	148	1	0	0	0.83952	10.07	-0.24	LOW EMERGENCY VOLTAGE LT 0.9000 PU
42	Open Line LIBERTY 230.00-PHXWAPA 230.00	VICKSBRG	12	1	14	846	1	0	0	0.88025	10.56	-0.22	LOW EMERGENCY VOLTAGE LT 0.9000 PU
44	Open Xfmr PINAL_W 500.00/PINALWES 345.0	K685-BZ	69	1	14	148	1	1.1	0.9	0.89537	61.78	-0.1	LOW EMERGENCY VOLTAGE LT 0.9000 PU
44	Open Xfmr PINAL_W 500.00/PINALWES 345.0	PERRYVIL	69	1	14	148	1	0	0	0.88094	60.78	-0.1	LOW EMERGENCY VOLTAGE LT 0.9000 PU
44	Open Xfmr PINAL_W 500.00/PINALWES 345.0	VALNCIA	69	1	14	148	1	0	0	0.88944	61.37	-0.1	LOW EMERGENCY VOLTAGE LT 0.9000 PU
44	Open Xfmr PINAL_W 500.00/PINALWES 345.0	HARTT	13.8	1	14	160	1	0	0	1.10541	15.25	0.1	HIGH EMERGENCY VOLTAGE GT 1.1000 PU
44	Open Xfmr PINAL_W 500.00/PINALWES 345.0	BASELN11	12	1	14	148	1	0	0	0.89505	10.74	-0.11	LOW EMERGENCY VOLTAGE LT 0.9000 PU
44	Open Xfmr PINAL_W 500.00/PINALWES 345.0	PERRYVIL	12	1	14	148	1	0	0	0.82825	9.94	-0.13	LOW EMERGENCY VOLTAGE LT 0.9000 PU
44	Open Xfmr PINAL_W 500.00/PINALWES 345.0	VALNCA 3	12	1	14	148	1	0	0	0.83971	10.08	-0.13	LOW EMERGENCY VOLTAGE LT 0.9000 PU
44	Open Xfmr PINAL_W 500.00/PINALWES 345.0	VALNCA11	12	1	14	148	1	0	0	0.84048	10.09	-0.12	LOW EMERGENCY VOLTAGE LT 0.9000 PU
48	Open Line SNTAROSA 230.00-DBG 230.00 #	K685-BZ	69	1	14	148	1	1.1	0.9	0.89223	61.56	-0.45	LOW EMERGENCY VOLTAGE LT 0.9000 PU
48	Open Line SNTAROSA 230.00-DBG 230.00 #	PERRYVIL	69	1	14	148	1	0	0	0.87777	60.57	-0.46	LOW EMERGENCY VOLTAGE LT 0.9000 PU
48	Open Line SNTAROSA 230.00-DBG 230.00 #	PERYVLTP	69	1	14	148	1	0	0	0.89052	61.45	-0.45	LOW EMERGENCY VOLTAGE LT 0.9000 PU
48	Open Line SNTAROSA 230.00-DBG 230.00 #	SALOME	69	1	14	846	1	0	0	0.87057	60.07	-0.38	LOW EMERGENCY VOLTAGE LT 0.9000 PU
48	Open Line SNTAROSA 230.00-DBG 230.00 #	VALNCIA	69	1	14	148	1	0	0	0.88628	61.15	-0.46	LOW EMERGENCY VOLTAGE LT 0.9000 PU
48	Open Line SNTAROSA 230.00-DBG 230.00 #	VCKSBGTP	69	1	14	846	1	0	0	0.85101	58.72	-0.41	LOW EMERGENCY VOLTAGE LT 0.9000 PU
48	Open Line SNTAROSA 230.00-DBG 230.00 #	VICKSBRG	69	1	14	846	1	0	0	0.83526	57.63	-0.43	LOW EMERGENCY VOLTAGE LT 0.9000 PU
48	Open Line SNTAROSA 230.00-DBG 230.00 #	PRECHCYN	20.8	1	14	844	1	0	0	0.62809	13.06	-0.13	LOW EMERGENCY VOLTAGE LT 0.9000 PU
48	Open Line SNTAROSA 230.00-DBG 230.00 #	WHY	20.8	1	14	148	1	0	0	0.79946	16.63	-0.37	LOW EMERGENCY VOLTAGE LT 0.9000 PU
48	Open Line SNTAROSA 230.00-DBG 230.00 #	BASELN11	12	1	14	148	1	0	0	0.89178	10.7	-0.47	LOW EMERGENCY VOLTAGE LT 0.9000 PU
48	Open Line SNTAROSA 230.00-DBG 230.00 #	PERRYVIL	12	1	14	148	1	0	0	0.82445	9.89	-0.59	LOW EMERGENCY VOLTAGE LT 0.9000 PU
48	Open Line SNTAROSA 230.00-DBG 230.00 #	VALNCA 3	12	1	14	148	1	0	0	0.836	10.03	-0.57	LOW EMERGENCY VOLTAGE LT 0.9000 PU
48	Open Line SNTAROSA 230.00-DBG 230.00 #	VALNCA11	12	1	14	148	1	0	0	0.83684	10.04	-0.56	LOW EMERGENCY VOLTAGE LT 0.9000 PU
48	Open Line SNTAROSA 230.00-DBG 230.00 #	VICKSBRG	12	1	14	846	1	0	0	0.8778	10.53	-0.5	LOW EMERGENCY VOLTAGE LT 0.9000 PU
49	Open Line SNTAROSA 230.00-KNOX 230.00	ASARCO	12.5	1	14	845	1	0	0	1.10364	13.8	0.16	HIGH EMERGENCY VOLTAGE GT 1.1000 PU
50	Open Line DBG 230.00-CASGRAPS 230.00 #	PERRYVIL	12	1	14	148	1	0	0	0.82849	9.94	-0.1	LOW EMERGENCY VOLTAGE LT 0.9000 PU
63	Open Line SNTAROSA 230.00-TESTTRAK 230.	K685-BZ	69	1	14	148	1	1.1	0.9	0.89515	61.77	-0.13	LOW EMERGENCY VOLTAGE LT 0.9000 PU
63	Open Line SNTAROSA 230.00-TESTTRAK 230.	PERRYVIL	69	1	14	148	1	0	0	0.88072	60.77	-0.13	LOW EMERGENCY VOLTAGE LT 0.9000 PU
63	Open Line SNTAROSA 230.00-TESTTRAK 230.	PERYVLTP	69	1	14	148	1	0	0	0.89341	61.65	-0.12	LOW EMERGENCY VOLTAGE LT 0.9000 PU
63	Open Line SNTAROSA 230.00-TESTTRAK 230.	SALOME	69	1	14	846	1	0	0	0.87288	60.23	-0.12	LOW EMERGENCY VOLTAGE LT 0.9000 PU
63	Open Line SNTAROSA 230.00-TESTTRAK 230.	VALNCIA	69	1	14	148	1	0	0	0.88922	61.36	-0.13	LOW EMERGENCY VOLTAGE LT 0.9000 PU

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63	Open Line SNTAROSA 230.00-TESTTRAK 230.	VCKSBGTP	69	1	14	846	1	0	0	0.85345	58.89	-0.13	LOW EMERGENCY VOLTAGE LT 0.9000 PU
63	Open Line SNTAROSA 230.00-TESTTRAK 230.	VICKSBRG	69	1	14	846	1	0	0	0.83778	57.81	-0.13	LOW EMERGENCY VOLTAGE LT 0.9000 PU
63	Open Line SNTAROSA 230.00-TESTTRAK 230.	BASELN11	12	1	14	148	1	0	0	0.89484	10.74	-0.13	LOW EMERGENCY VOLTAGE LT 0.9000 PU
63	Open Line SNTAROSA 230.00-TESTTRAK 230.	PERRYVIL	12	1	14	148	1	0	0	0.82798	9.94	-0.16	LOW EMERGENCY VOLTAGE LT 0.9000 PU
63	Open Line SNTAROSA 230.00-TESTTRAK 230.	VALNCA 3	12	1	14	148	1	0	0	0.83945	10.07	-0.16	LOW EMERGENCY VOLTAGE LT 0.9000 PU
63	Open Line SNTAROSA 230.00-TESTTRAK 230.	VALNCA11	12	1	14	148	1	0	0	0.84022	10.08	-0.15	LOW EMERGENCY VOLTAGE LT 0.9000 PU
63	Open Line SNTAROSA 230.00-TESTTRAK 230.	VICKSBRG	12	1	14	846	1	0	0	0.88086	10.57	-0.15	LOW EMERGENCY VOLTAGE LT 0.9000 PU
68	Open Xfmr CASGRAPS 230.00/CASGRAPS 69	CASGRA2T	12.47	1	14	845	1	0	0	1	12.47	-6.45	DEVIATION LT -4 PCT
96	Open Line DON LUIS 69.00-MURAL 69.00 #1	FAIRVIEW	69	1	14	845	1	0	0	1.05824	73.02	4.16	DEVIATION GT 4 PCT
96	Open Line DON LUIS 69.00-MURAL 69.00 #1	AGUAPRTA	34.5	1	14	845	1	0	0	1.09023	37.61	4.16	DEVIATION GT 4 PCT
96	Open Line DON LUIS 69.00-MURAL 69.00 #1	FAIRVIEW	34.5	1	14	845	1	0	0	1.09009	37.61	4.16	DEVIATION GT 4 PCT
96	Open Line DON LUIS 69.00-MURAL 69.00 #1	FAIRVW11	12.5	1	14	845	1	0	0	1.08525	13.57	4.33	DEVIATION GT 4 PCT
96	Open Line DON LUIS 69.00-MURAL 69.00 #1	SANPEDR	12.5	1	14	845	1	0	0	1.06925	13.37	4.01	DEVIATION GT 4 PCT
100	Open Line FAIRVIEW 69.00-SPEDROTP 69.00	MURAL	115	1	14	845	1	1.05	0.95	1.03069	118.53	4.61	DEVIATION GT 4 PCT
100	Open Line FAIRVIEW 69.00-SPEDROTP 69.00	MURAL T3	100	1	14	845	1	0	0	1.03084	103.08	4.98	DEVIATION GT 4 PCT
100	Open Line FAIRVIEW 69.00-SPEDROTP 69.00	DON LUIS	69	1	14	845	1	0	0	1.11022	76.61	5.66	DEVIATION GT 4 PCT, VOLTAGE GT 1.1000 PU
100	Open Line FAIRVIEW 69.00-SPEDROTP 69.00	MURAL	69	1	14	845	1	0	0	1.11253	76.76	5.62	DEVIATION GT 4 PCT, VOLTAGE GT 1.1000 PU
100	Open Line FAIRVIEW 69.00-SPEDROTP 69.00	PALOMNAS	69	1	14	845	1	0	0	1.10679	76.37	5.7	DEVIATION GT 4 PCT, VOLTAGE GT 1.1000 PU
100	Open Line FAIRVIEW 69.00-SPEDROTP 69.00	SANPEDRO	69	1	14	845	1	0	0	1.11004	76.59	7.81	DEVIATION GT 4 PCT, VOLTAGE GT 1.1000 PU
100	Open Line FAIRVIEW 69.00-SPEDROTP 69.00	SPEDROTP	69	1	14	845	1	0	0	1.11013	76.6	7.81	DEVIATION GT 4 PCT, VOLTAGE GT 1.1000 PU
100	Open Line FAIRVIEW 69.00-SPEDROTP 69.00	HARTT	13.8	1	14	160	1	0	0	1.10546	15.26	0.11	HIGH EMERGENCY VOLTAGE GT 1.1000 PU
100	Open Line FAIRVIEW 69.00-SPEDROTP 69.00	DON LUIS	12.5	1	14	845	1	0	0	1.13168	14.15	5.78	DEVIATION GT 4 PCT, VOLTAGE GT 1.1000 PU
100	Open Line FAIRVIEW 69.00-SPEDROTP 69.00	MURAL 11	12.5	1	14	845	1	0	0	1.1119	13.9	5.73	DEVIATION GT 4 PCT, VOLTAGE GT 1.1000 PU
100	Open Line FAIRVIEW 69.00-SPEDROTP 69.00	PALOMNAS	12.5	1	14	845	1	0	0	1.09769	13.72	5.82	DEVIATION GT 4 PCT
100	Open Line FAIRVIEW 69.00-SPEDROTP 69.00	SANPEDR	12.5	1	14	845	1	0	0	1.10904	13.86	7.88	DEVIATION GT 4 PCT, VOLTAGE GT 1.1000 PU
100	Open Line FAIRVIEW 69.00-SPEDROTP 69.00	MURALT3T	12.47	1	14	845	1	0	0	1.03059	12.85	4.98	DEVIATION GT 4 PCT
101	Open Line MURAL 69.00-SPEDROTP 69.00	MURAL	115	1	14	845	1	1.05	0.95	1.03434	118.95	4.98	DEVIATION GT 4 PCT
101	Open Line MURAL 69.00-SPEDROTP 69.00	MURAL T3	100	1	14	845	1	0	0	1.0348	103.48	5.38	DEVIATION GT 4 PCT
101	Open Line MURAL 69.00-SPEDROTP 69.00	DON LUIS	69	1	14	845	1	0	0	1.11464	76.91	6.08	DEVIATION GT 4 PCT, VOLTAGE GT 1.1000 PU
101	Open Line MURAL 69.00-SPEDROTP 69.00	MURAL	69	1	14	845	1	0	0	1.11693	77.07	6.04	DEVIATION GT 4 PCT, VOLTAGE GT 1.1000 PU
101	Open Line MURAL 69.00-SPEDROTP 69.00	PALOMNAS	69	1	14	845	1	0	0	1.11123	76.68	6.13	DEVIATION GT 4 PCT, VOLTAGE GT 1.1000 PU
101	Open Line MURAL 69.00-SPEDROTP 69.00	HARTT	13.8	1	14	160	1	0	0	1.10558	15.26	0.12	HIGH EMERGENCY VOLTAGE GT 1.1000 PU
101	Open Line MURAL 69.00-SPEDROTP 69.00	DON LUIS	12.5	1	14	845	1	0	0	1.13627	14.2	6.21	DEVIATION GT 4 PCT, VOLTAGE GT 1.1000 PU
101	Open Line MURAL 69.00-SPEDROTP 69.00	MURAL 11	12.5	1	14	845	1	0	0	1.11638	13.95	6.16	DEVIATION GT 4 PCT, VOLTAGE GT 1.1000 PU
101	Open Line MURAL 69.00-SPEDROTP 69.00	PALOMNAS	12.5	1	14	845	1	0	0	1.10217	13.78	6.25	DEVIATION GT 4 PCT, VOLTAGE GT 1.1000 PU
101	Open Line MURAL 69.00-SPEDROTP 69.00	MURALT3T	12.47	1	14	845	1	0	0	1.03455	12.9	5.38	DEVIATION GT 4 PCT
109	Open Line VISTA E 69.00-VISTA W 69.00 #1	ASARCO	69	1	14	845	1	0	0	0.97296	67.13	-4.01	DEVIATION LT -4 PCT
109	Open Line VISTA E 69.00-VISTA W 69.00 #1	ASARCOTP	69	1	14	845	1	0	0	0.97299	67.14	-4.01	DEVIATION LT -4 PCT
109	Open Line VISTA E 69.00-VISTA W 69.00 #1	CMR1	69	1	14	845	1	0	0	0.96456	66.55	-5.32	DEVIATION LT -4 PCT
109	Open Line VISTA E 69.00-VISTA W 69.00 #1	CMR1-TAP	69	1	14	845	1	0	0	0.96469	66.56	-5.32	DEVIATION LT -4 PCT
109	Open Line VISTA E 69.00-VISTA W 69.00 #1	EASTGATN	69	1	14	845	1	0	0	1.0748	74.16	4.25	DEVIATION GT 4 PCT
109	Open Line VISTA E 69.00-VISTA W 69.00 #1	EASTGATS	69	1	14	845	1	0	0	1.07469	74.15	4.24	DEVIATION GT 4 PCT
109	Open Line VISTA E 69.00-VISTA W 69.00 #1	SE9 TAP	69	1	14	845	1	0	0	1.07473	74.16	4.02	DEVIATION GT 4 PCT
109	Open Line VISTA E 69.00-VISTA W 69.00 #1	VISTA E	69	1	14	845	1	0	0	1.0842	74.81	5.97	DEVIATION GT 4 PCT
109	Open Line VISTA E 69.00-VISTA W 69.00 #1	VISTA W	69	1	14	845	1	0	0	0.95874	66.15	-6.28	DEVIATION LT -4 PCT
109	Open Line VISTA E 69.00-VISTA W 69.00 #1	ASARCO	12.5	1	14	845	1	0	0	1.05753	13.22	-4.02	DEVIATION LT -4 PCT
109	Open Line VISTA E 69.00-VISTA W 69.00 #1	EASTGT 3	12.5	1	14	845	1	0	0	1.10376	13.8	4.42	DEVIATION GT 4 PCT, VOLTAGE GT 1.1000 PU
109	Open Line VISTA E 69.00-VISTA W 69.00 #1	EASTGT11	12.5	1	14	845	1	0	0	1.06594	13.32	4.33	DEVIATION GT 4 PCT
109	Open Line VISTA E 69.00-VISTA W 69.00 #1	VISTA 3	12.5	1	14	845	1	0	0	1.10159	13.77	6.14	DEVIATION GT 4 PCT, VOLTAGE GT 1.1000 PU

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109	Open Line VISTA E 69.00-VISTA W 69.00 #1	VISTA 11	12.5	1	14	845	1	0	0	0.93342	11.67	-6.65	DEVIATION LT -4 PCT	
110	Open Line VLYFARMS 69.00-SE6 69.00 #1	TUSAYAN	12.5	1	14	843	1	1.05	0.95	1.26621	15.83	0.11	HIGH EMERGENCY VOLTAGE GT 1.1000 PU	
110	Open Line VLYFARMS 69.00-SE6 69.00 #1	AZTEC	12	1	14	148	1	0	0	1.12013	13.44	0.1	HIGH EMERGENCY VOLTAGE GT 1.1000 PU	
113	Open Line EASTGATN 69.00-VISTA E 69.00 #	VISTA E	69	1	14	845	1	0	0	0.97888	67.54	-4.32	DEVIATION LT -4 PCT	
113	Open Line EASTGATN 69.00-VISTA E 69.00 #	VISTA W	69	1	14	845	1	0	0	0.97881	67.54	-4.32	DEVIATION LT -4 PCT	
113	Open Line EASTGATN 69.00-VISTA E 69.00 #	VISTA 3	12.5	1	14	845	1	0	0	0.99162	12.4	-4.46	DEVIATION LT -4 PCT	
113	Open Line EASTGATN 69.00-VISTA E 69.00 #	VISTA 11	12.5	1	14	845	1	0	0	0.95423	11.93	-4.57	DEVIATION LT -4 PCT	
121	Open Line TALLA 69.00-KELLY 69.00 #1	ASARCO	12.5	1	14	845	1	0	0	1.10352	13.79	0.15	HIGH EMERGENCY VOLTAGE GT 1.1000 PU	
121	Open Line TALLA 69.00-KELLY 69.00 #1	TALLALD1	12.5	1	14	800	1	0	0	0.95197	11.9	-4.4	DEVIATION LT -4 PCT	
121	Open Line TALLA 69.00-KELLY 69.00 #1	TALLA	69	1	14	800	1.1	1.1	1.025	0.95196	65.68	-4.21	DEVIATION LT -4 PCT	
121	Open Line TALLA 69.00-KELLY 69.00 #1	TALLALD2	12.5	1	14	800	1	0	0	0.95197	11.9	-4.4	DEVIATION LT -4 PCT	
121	Open Line TALLA 69.00-KELLY 69.00 #1	TALLALD3	12.5	1	14	800	1	0	0	0.95197	11.9	-4.4	DEVIATION LT -4 PCT	
124	Open Line PINAL_W 69.00-PETENALL 69.00	K685-BZ	69	1	14	148	1	1.1	0.9	0.89538	61.78	-0.1	LOW EMERGENCY VOLTAGE LT 0.9000 PU	
124	Open Line PINAL_W 69.00-PETENALL 69.00	PERRYVIL	69	1	14	148	1	0	0	0.88094	60.78	-0.1	LOW EMERGENCY VOLTAGE LT 0.9000 PU	
124	Open Line PINAL_W 69.00-PETENALL 69.00	VALNCIA	69	1	14	148	1	0	0	0.88945	61.37	-0.1	LOW EMERGENCY VOLTAGE LT 0.9000 PU	
124	Open Line PINAL_W 69.00-PETENALL 69.00	BASELN11	12	1	14	148	1	0	0	0.89507	10.74	-0.11	LOW EMERGENCY VOLTAGE LT 0.9000 PU	
124	Open Line PINAL_W 69.00-PETENALL 69.00	PERRYVIL	12	1	14	148	1	0	0	0.82825	9.94	-0.13	LOW EMERGENCY VOLTAGE LT 0.9000 PU	
124	Open Line PINAL_W 69.00-PETENALL 69.00	VALNCA 3	12	1	14	148	1	0	0	0.83972	10.08	-0.13	LOW EMERGENCY VOLTAGE LT 0.9000 PU	
124	Open Line PINAL_W 69.00-PETENALL 69.00	VALNCA11	12	1	14	148	1	0	0	0.84048	10.09	-0.12	LOW EMERGENCY VOLTAGE LT 0.9000 PU	
124	Open Line PINAL_W 69.00-PETENALL 69.00	VICKSBRG	12	1	14	846	1	0	0	0.88125	10.58	-0.11	LOW EMERGENCY VOLTAGE LT 0.9000 PU	
125	Open Line PINAL_W 69.00-HIDVALTP 69.00 #	K685-BZ	69	1	14	148	1	1.1	0.9	0.89481	61.74	-0.16	LOW EMERGENCY VOLTAGE LT 0.9000 PU	
125	Open Line PINAL_W 69.00-HIDVALTP 69.00 #	PERRYVIL	69	1	14	148	1	0	0	0.88037	60.75	-0.17	LOW EMERGENCY VOLTAGE LT 0.9000 PU	
125	Open Line PINAL_W 69.00-HIDVALTP 69.00 #	PERYVLTP	69	1	14	148	1	0	0	0.89307	61.62	-0.16	LOW EMERGENCY VOLTAGE LT 0.9000 PU	
125	Open Line PINAL_W 69.00-HIDVALTP 69.00 #	SALOME	69	1	14	846	1	0	0	0.87273	60.22	-0.14	LOW EMERGENCY VOLTAGE LT 0.9000 PU	
125	Open Line PINAL_W 69.00-HIDVALTP 69.00 #	VALNCIA	69	1	14	148	1	0	0	0.88888	61.33	-0.17	LOW EMERGENCY VOLTAGE LT 0.9000 PU	
125	Open Line PINAL_W 69.00-HIDVALTP 69.00 #	VCKSBGTP	69	1	14	846	1	0	0	0.85328	58.88	-0.15	LOW EMERGENCY VOLTAGE LT 0.9000 PU	
125	Open Line PINAL_W 69.00-HIDVALTP 69.00 #	VICKSBRG	69	1	14	846	1	0	0	0.83761	57.79	-0.15	LOW EMERGENCY VOLTAGE LT 0.9000 PU	
125	Open Line PINAL_W 69.00-HIDVALTP 69.00 #	WHY	20.8	1	14	148	1	0	0	0.80134	16.67	-0.14	LOW EMERGENCY VOLTAGE LT 0.9000 PU	
125	Open Line PINAL_W 69.00-HIDVALTP 69.00 #	BASELN11	12	1	14	148	1	0	0	0.89448	10.73	-0.17	LOW EMERGENCY VOLTAGE LT 0.9000 PU	
125	Open Line PINAL_W 69.00-HIDVALTP 69.00 #	PERRYVIL	12	1	14	148	1	0	0	0.82757	9.93	-0.21	LOW EMERGENCY VOLTAGE LT 0.9000 PU	
125	Open Line PINAL_W 69.00-HIDVALTP 69.00 #	VALNCA 3	12	1	14	148	1	0	0	0.83905	10.07	-0.21	LOW EMERGENCY VOLTAGE LT 0.9000 PU	
125	Open Line PINAL_W 69.00-HIDVALTP 69.00 #	VALNCA11	12	1	14	148	1	0	0	0.83983	10.08	-0.2	LOW EMERGENCY VOLTAGE LT 0.9000 PU	
125	Open Line PINAL_W 69.00-HIDVALTP 69.00 #	VICKSBRG	12	1	14	846	1	0	0	0.88065	10.57	-0.18	LOW EMERGENCY VOLTAGE LT 0.9000 PU	
125	Open Line PINAL_W 69.00-HIDVALTP 69.00 #	HIDNVALY	69	1	14	800	1	0	0	0.95708	66.04	-5	DEVIATION LT -4 PCT	
125	Open Line PINAL_W 69.00-HIDVALTP 69.00 #	HIDVLY1	12.5	1	14	800	1	0	0	0.95941	11.99	-5.31	DEVIATION LT -4 PCT	
125	Open Line PINAL_W 69.00-HIDVALTP 69.00 #	HIDVALTP	69	1	14	800	1	0	0	0.95972	66.22	-4.96	DEVIATION LT -4 PCT	
126	Open Line PINAL_W 69.00-ED3WEST 69.00	FARRELL	69	1	14	800	1	0	0	0.97579	67.33	-4.21	DEVIATION LT -4 PCT	
126	Open Line PINAL_W 69.00-ED3WEST 69.00	FARREL1	12.5	1	14	800	1	0	0	0.95033	11.88	-4.45	DEVIATION LT -4 PCT	
126	Open Line PINAL_W 69.00-ED3WEST 69.00	ED3WEST	69	1	14	800	1	0	0	0.97519	67.29	-4.52	DEVIATION LT -4 PCT	
126	Open Line PINAL_W 69.00-ED3WEST 69.00	ED3WEST	12.5	1	14	800	1	0	0	0.98336	12.29	-4.63	DEVIATION LT -4 PCT	

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NO	COMMENT	FROM NAME	FROM K	TO NAME	TO KV	CKT	ST	AREA	ZONE	AMPS	MVA	N RATE	N PCT	E RATE	E PCT	UNIT	NOTES
0	BASE CASE	KYRENE	500	JOJOBA	500	#1	1	14	892	2391.54	2134.07	1999.94	119.58	2520.94	94.87	Amps	NORMAL RATING VIOLATION
0	BASE CASE	RUDD	500	RUDD 4	100	#4	1	14	892	665.06	594.87	598	99.48	700	84.98	MVA	FLOW GT 95 PCT OF NORMAL RATING
0	BASE CASE	SAGUARO	500	CHOLLA	500	#1	1	14	844	1002.8	904.09	1025.95	97.74	1538.06	65.2	Amps	FLOW GT 95 PCT OF NORMAL RATING
0	BASE CASE	GREEN-SW	345	GREEN-SW	230	#1	1	14	170	241.65	146.96	150	97.97	193	76.15	MVA	FLOW GT 95 PCT OF NORMAL RATING
0	BASE CASE	BLK MESA	230	BMA.3WP2	100	#1	1	14	163	222.28	87.36	75	116.48	84	104	MVA	NORMAL RATING VIOLATION
0	BASE CASE	BLK MESA	230	BMA.3WP3	100	#1	1	14	163	137.29	53.96	40	134.89	44.8	120.44	MVA	NORMAL RATING VIOLATION
0	BASE CASE	BLK MESA	230	BMA.3WP4	100	#2	1	14	163	131.11	51.53	40	128.83	44.8	115.02	MVA	NORMAL RATING VIOLATION
0	BASE CASE	GRIFFITH	230	GRIFFITH	69	#1	1	14	162	334.2	136.73	80	170.91	89.6	152.6	MVA	NORMAL RATING VIOLATION
0	BASE CASE	HILLTOP	230	HLT.3WP1	100	#1	1	14	162	328.27	131.85	80	164.81	89.6	147.15	MVA	NORMAL RATING VIOLATION
0	BASE CASE	HILLTOP	230	HLT.3WP2	100	#1	1	14	162	328.27	131.85	80	164.81	89.6	147.15	MVA	NORMAL RATING VIOLATION
0	BASE CASE	KYRENE	230	CORBELL	230	#1	1	14	812	1596.76	637.38	1599.01	99.86	1599.01	99.86	Amps	FLOW GT 95 PCT OF NORMAL RATING
0	BASE CASE	MESQUITE	230	MESQUITE	500	#1	1	14	910	3362.51	1357.79	1200	113.15	0	0	MVA	NORMAL RATING VIOLATION
0	BASE CASE	ORME	230	ORME RS	69	#1	1	14	809	482.36	189.5	186.7	101.5	209.8	90.32	MVA	NORMAL RATING VIOLATION
0	BASE CASE	ORME	230	ORME RS	69	#2	1	14	809	480.8	188.88	186.7	101.17	209.6	90.12	MVA	NORMAL RATING VIOLATION
0	BASE CASE	ORME	230	ORME RS	69	#3	1	14	809	457.17	179.6	186.7	96.2	225.8	79.54	MVA	FLOW GT 95 PCT OF NORMAL RATING
0	BASE CASE	ORME	230	ORME RS	69	#4	1	14	809	457.17	179.6	186.7	96.2	225.8	79.54	MVA	FLOW GT 95 PCT OF NORMAL RATING
0	BASE CASE	RIVIERA	230	RIVIERA	69	#1	1	14	170	260	104.6	100	104.6	112	93.4	MVA	NORMAL RATING VIOLATION
0	BASE CASE	RIVIERA	230	RIVIERA	69	#2	1	14	170	254.86	102.54	100	102.54	112	91.55	MVA	NORMAL RATING VIOLATION
0	BASE CASE	RUDD	230	RUDD 4	100	#4	1	14	892	1445.78	569.67	598	95.26	700	81.38	MVA	FLOW GT 95 PCT OF NORMAL RATING
0	BASE CASE	SAHUARIT	230	SAHUARIT	24.9	#1	1	14	170	67.22	27.12	25	108.47	28	96.85	MVA	NORMAL RATING VIOLATION
0	BASE CASE	SHIPROCK	230	KAYENTA	230	#1	1	14	191	956.63	397.05	1004.09	95.27	1355.52	70.57	Amps	FLOW GT 95 PCT OF NORMAL RATING
0	BASE CASE	SHIPROCK	230	KAYENTA	230	#1	1	14	191	956.63	397.05	1004.09	95.27	1104.5	86.61	Amps	FLOW GT 95 PCT OF NORMAL RATING
0	BASE CASE	SLRC	230	SLRC-ST1	21	#1	1	14	191	782.51	326.53	340	96.04	340	96.04	MVA	FLOW GT 95 PCT OF NORMAL RATING
0	BASE CASE	TS6	230	TS6 2	100	#1	1	14	144	454.84	179.99	188	95.74	188	95.74	MVA	FLOW GT 95 PCT OF NORMAL RATING
0	BASE CASE	WESTWNGE	230	WESTWG11	100	#1	1	14	146	488.81	194.17	188	103.28	188	103.28	MVA	NORMAL RATING VIOLATION
0	BASE CASE	WESTWNGE	230	WESTWG14	100	#2	1	14	146	488.84	194.18	187	103.84	187	103.84	MVA	NORMAL RATING VIOLATION
0	BASE CASE	WHITETNK	230	WHITETNK	69	#3	1	14	810	712.56	279.11	280	99.68	317.9	87.8	MVA	FLOW GT 95 PCT OF NORMAL RATING
0	BASE CASE	WILOWLKE	230	YAVAPAI	230	#1	1	14	842	748.24	297.91	769.88	97.19	890.12	84.06	Amps	FLOW GT 95 PCT OF NORMAL RATING
0	BASE CASE	CYPRUS	138	CYPRS SM	47.2	#1	1	14	160	329.45	81.06	62.5	129.7	70	115.8	MVA	NORMAL RATING VIOLATION
0	BASE CASE	DMP	138	DMP6	13.8	#1	1	14	160	238.79	58.46	50	116.92	65	89.94	MVA	NORMAL RATING VIOLATION
0	BASE CASE	KINO	138	KINO	13.8	#1	1	14	160	194.12	47.63	50	95.26	65	73.28	MVA	FLOW GT 95 PCT OF NORMAL RATING
0	BASE CASE	N. LOOP	138	RILLITO	138	#1	1	14	160	1298.86	317.75	1301.13	99.83	1301.13	99.83	Amps	FLOW GT 95 PCT OF NORMAL RATING
0	BASE CASE	NE.LOOP	138	NE.3WP2	100	#1	1	14	160	753.4	184.41	166.7	110.62	200	92.21	MVA	NORMAL RATING VIOLATION
0	BASE CASE	RANVISTO	138	RANVIST2	13.8	#1	1	14	160	246.43	60.42	50	120.84	65	92.95	MVA	NORMAL RATING VIOLATION
0	BASE CASE	RILLITO	138	RILLITO2	13.8	#1	1	14	160	211.49	51.81	50	103.62	65	79.71	MVA	NORMAL RATING VIOLATION
0	BASE CASE	RILLITO	138	RILLITO3	13.8	#1	1	14	160	222.74	54.57	50	109.14	65	83.95	MVA	NORMAL RATING VIOLATION
0	BASE CASE	ROBERTS	138	ROBERTS2	13.8	#1	1	14	160	208.99	51.25	50	102.49	65	78.84	MVA	NORMAL RATING VIOLATION
0	BASE CASE	SONOITA	138	SONOITA2	13.2	#1	1	14	161	79.33	19.25	20	96.23	22.4	85.92	MVA	FLOW GT 95 PCT OF NORMAL RATING
0	BASE CASE	VAIL	138	VAIL1	13.8	#1	1	14	160	447.71	110.43	100	110.43	120	92.03	MVA	NORMAL RATING VIOLATION
0	BASE CASE	VALNCIA	138	VALNCIA1	13.2	#1	1	14	161	122.26	29.75	20	148.76	22.4	132.82	MVA	NORMAL RATING VIOLATION
0	BASE CASE	VALNCIA	138	VALNCIA2	13.2	#1	1	14	161	96.16	23.4	20	117.01	22.4	104.47	MVA	NORMAL RATING VIOLATION
0	BASE CASE	WESTINA	138	WESTINA1	13.8	#1	1	14	160	217.22	53.11	50	106.22	65	81.7	MVA	NORMAL RATING VIOLATION
0	BASE CASE	WESTINA	138	WESTINA2	13.8	#1	1	14	160	239.59	58.58	50	117.15	65	90.12	MVA	NORMAL RATING VIOLATION
0	BASE CASE	BOOTHILL	115	BOOTHILL	20.8	#1	1	14	845	18.42	3.66	3.1	118.02	0	0	MVA	NORMAL RATING VIOLATION
0	BASE CASE	EMPIRE	115	EMPIRE	12.47	#1	1	14	191	73.34	14.68	15	97.88	18.7	78.51	MVA	FLOW GT 95 PCT OF NORMAL RATING
0	BASE CASE	HGC1	100	HARQUAHA	500	#1	1	14	910	2215.4	390.08	400	97.52	0	0	MVA	FLOW GT 95 PCT OF NORMAL RATING
0	BASE CASE	HGC2	100	HARQUAHA	500	#1	1	14	910	2215.4	390.08	400	97.52	0	0	MVA	FLOW GT 95 PCT OF NORMAL RATING
0	BASE CASE	HGC3	100	HARQUAHA	500	#1	1	14	910	2215.4	390.08	400	97.52	0	0	MVA	FLOW GT 95 PCT OF NORMAL RATING
0	BASE CASE	PNPK T3	100	PNPKAPS	230	#1	1	14	143	952.56	178.92	187	95.68	188	95.17	MVA	FLOW GT 95 PCT OF NORMAL RATING
0	BASE CASE	PNPK T3	100	PINNPK W	69	#1	1	14	143	952.44	178.9	187	95.67	188	95.16	MVA	FLOW GT 95 PCT OF NORMAL RATING
0	BASE CASE	PNPK T6	100	PNPKAPS	230	#1	1	14	143	947.49	178.05	187	95.21	188	94.71	MVA	FLOW GT 95 PCT OF NORMAL RATING
0	BASE CASE	PNPK T6	100	PINNPK E	69	#1	1	14	143	947.38	178.02	187	95.2	188	94.69	MVA	FLOW GT 95 PCT OF NORMAL RATING
0	BASE CASE	WESTWG11	100	WESTWING	69	#1	1	14	146	1067.92	188.46	188	100.24	188	100.24	MVA	NORMAL RATING VIOLATION
0	BASE CASE	WESTWG14	100	WESTWING	69	#2	1	14	146	1067.95	188.53	187	100.82	187	100.82	MVA	NORMAL RATING VIOLATION
0	BASE CASE	AGUILA	69	AGUILA	12	#1	1	14	841	86.97	10.16	9.4	108.13	0	0	MVA	NORMAL RATING VIOLATION
0	BASE CASE	ARABY N	69	ARABY 3	12.5	#1	1	14	847	196.08	23.7	20	118.51	0	0	MVA	NORMAL RATING VIOLATION
0	BASE CASE	BLKMESA1	69	BMA.3WP1	100	#1	1	14	163	650.47	74.25	75	99.01	84	88.4	MVA	FLOW GT 95 PCT OF NORMAL RATING
0	BASE CASE	BLKMESA2	69	BMA.3WP2	100	#1	1	14	163	740.94	82.23	75	109.64	84	97.89	MVA	NORMAL RATING VIOLATION
0	BASE CASE	BLKMSA34	69	BMA.3WP3	100	#1	1	14	163	457.63	50.67	40	126.66	44.8	113.09	MVA	NORMAL RATING VIOLATION

0	BASE CASE	BLKMSA34	69	BMA.3WP4	100	#2	1	14	163	437.05	48.39	40	120.97	44.8	108.01	MVA	NORMAL RATING VIOLATION
0	BASE CASE	BUCKEYE	69	BUCKEYE	12	#1	1	14	148	131.07	15.25	9.4	162.18	0	0	MVA	NORMAL RATING VIOLATION
0	BASE CASE	CAVE CRK	69	CAVE CRK	12.5	#1	1	14	143	157.28	19.07	20	95.33	0	0	MVA	FLOW GT 95 PCT OF NORMAL RATING
0	BASE CASE	CHERYL N	69	CHERYL 3	12.5	#1	1	14	144	160.57	19.51	20	97.54	0	0	MVA	FLOW GT 95 PCT OF NORMAL RATING
0	BASE CASE	CHINOWLS	69	CHINOWLS	2.4	#1	1	14	842	48.93	5.83	3	194.31	0	0	MVA	NORMAL RATING VIOLATION
0	BASE CASE	CITRUS 2	69	HUNT	69	#1	1	14	811	999.6	117.1	920.41	108.6	1014.97	98.49	Amps	NORMAL RATING VIOLATION
0	BASE CASE	CLDRWD	69	CLDRWD 3	12.5	#1	1	14	145	333.22	40.48	41	98.73	0	0	MVA	FLOW GT 95 PCT OF NORMAL RATING
0	BASE CASE	CMPMOHAV	69	RIVIERA	69	#1	1	14	174	498.94	58.31	379.88	131.34	418.37	119.26	Amps	NORMAL RATING VIOLATION
0	BASE CASE	CORDES	69	CORDES	12.5	#1	1	14	842	56.32	6.78	6.3	107.68	0	0	MVA	NORMAL RATING VIOLATION
0	BASE CASE	COTNWOOD	69	COTNWD19	12.5	#1	1	14	842	98.24	12.37	9.4	131.57	0	0	MVA	NORMAL RATING VIOLATION
0	BASE CASE	ESTRLLTA	69	ESTRLA11	12.5	#1	1	14	148	279.05	32	20	160.01	0	0	MVA	NORMAL RATING VIOLATION
0	BASE CASE	FLORENCE	69	QUAIL 3	69	#1	1	14	811	103.34	11.81	80.33	128.65	80.33	128.65	Amps	NORMAL RATING VIOLATION
0	BASE CASE	FOOTHILS	69	FOOTHL11	12.5	#1	1	14	847	259.31	31.18	16	194.9	0	0	MVA	NORMAL RATING VIOLATION
0	BASE CASE	FOOTHILS	69	FOOTHL19	12.5	#1	1	14	847	208.89	25.12	16	157.01	0	0	MVA	NORMAL RATING VIOLATION
0	BASE CASE	GLENN	69	AF-STEAM	69	#1	1	14	804	784.06	94.84	809.96	96.8	949.7	82.56	Amps	FLOW GT 95 PCT OF NORMAL RATING
0	BASE CASE	HARBOR W	69	LINCOLNE	69	#1	1	14	142	978.88	118.19	900.33	108.72	900.33	108.72	Amps	NORMAL RATING VIOLATION
0	BASE CASE	HILLTOP1	69	HLT.3WP1	100	#1	1	14	162	1093.82	122.23	80	152.78	89.6	136.41	MVA	NORMAL RATING VIOLATION
0	BASE CASE	HILLTOP2	69	HLT.3WP2	100	#1	1	14	162	1093.82	122.23	80	152.78	89.6	136.41	MVA	NORMAL RATING VIOLATION
0	BASE CASE	KIRK JCT	69	KIRK JCT	12.5	#1	1	14	842	37.59	4.53	3.3	137.15	0	0	MVA	NORMAL RATING VIOLATION
0	BASE CASE	MONTECRN	69	DEERVALE	69	#1	1	14	144	963	115.88	903.68	106.56	903.68	106.56	Amps	NORMAL RATING VIOLATION
0	BASE CASE	MOORE	69	AF-STEAM	69	#1	1	14	804	988.78	118.94	900.33	109.82	1070.19	92.39	Amps	NORMAL RATING VIOLATION
0	BASE CASE	OAKCREEK	69	OAKCRK 3	12.5	#1	1	14	842	88.71	10.84	9.4	115.34	0	0	MVA	NORMAL RATING VIOLATION
0	BASE CASE	OAKCREEK	69	OAKCRK11	12.5	#1	1	14	842	84.35	10.31	9.4	109.68	0	0	MVA	NORMAL RATING VIOLATION
0	BASE CASE	ORMESAPS	69	ORMESAPS	4.2	#1	1	14	842	13.18	1.61	1.5	107.08	0	0	MVA	NORMAL RATING VIOLATION
0	BASE CASE	PERRYVIL	69	PERRYVIL	12	#1	1	14	148	133.01	14.02	9.4	149.13	0	0	MVA	NORMAL RATING VIOLATION
0	BASE CASE	PINAL	69	PINAL	21.6	#1	1	14	845	251.49	29.33	20	146.67	0	0	MVA	NORMAL RATING VIOLATION
0	BASE CASE	PLEASANT	69	PLEASANT	12.5	#1	1	14	146	219.13	25.78	16	161.12	0	0	MVA	NORMAL RATING VIOLATION
0	BASE CASE	POLAND	69	POLAND	12	#1	1	14	842	30.95	3.64	3	121.29	0	0	MVA	NORMAL RATING VIOLATION
0	BASE CASE	POLLOCK	69	POLLOCK	12	#1	1	14	843	35.78	4.27	1.5	284.74	0	0	MVA	NORMAL RATING VIOLATION
0	BASE CASE	PRCITY	69	PRCITY 2	12.5	#1	1	14	842	137.26	16.44	16	102.77	0	0	MVA	NORMAL RATING VIOLATION
0	BASE CASE	SALOME	69	SALOME 2	12	#1	1	14	846	147.87	15.44	16	96.52	0	0	MVA	FLOW GT 95 PCT OF NORMAL RATING
0	BASE CASE	SANCARL4	69	HUMPHREY	69	#1	1	14	811	1233.48	146.16	809.96	152.29	949.7	129.88	Amps	NORMAL RATING VIOLATION
0	BASE CASE	SCHRADER	69	PACE	69	#1	1	14	813	2325.18	282.11	1750.46	132.83	1900.24	122.36	Amps	NORMAL RATING VIOLATION
0	BASE CASE	SEDONA	69	SEDONA 3	12.5	#1	1	14	842	121.41	14.99	9.4	159.51	0	0	MVA	NORMAL RATING VIOLATION
0	BASE CASE	SEDONA	69	SEDONA11	12.5	#1	1	14	842	81.2	10.03	9.4	106.68	0	0	MVA	NORMAL RATING VIOLATION
0	BASE CASE	SYNERGY	69	SUNLAKES	69	#1	1	14	813	951.72	108.96	900.33	105.71	1070.19	88.93	Amps	NORMAL RATING VIOLATION
0	BASE CASE	TENTHSTS	69	TENTHST8	12.5	#1	1	14	847	149.59	17.99	16	112.44	0	0	MVA	NORMAL RATING VIOLATION
0	BASE CASE	VALNCIA	69	VALNCA 3	12	#1	1	14	148	287.04	30.54	16	190.9	0	0	MVA	NORMAL RATING VIOLATION
0	BASE CASE	VALNCIA	69	VALNCA11	12	#1	1	14	148	257.93	27.45	16	171.53	0	0	MVA	NORMAL RATING VIOLATION
0	BASE CASE	VICKSBRG	69	VICKSBRG	12	#1	1	14	846	201.47	20.2	9.4	214.88	0	0	MVA	NORMAL RATING VIOLATION
0	BASE CASE	VLYFARMS	69	VLYFARMS	12.5	#1	1	14	845	197.33	23.89	20	119.46	0	0	MVA	NORMAL RATING VIOLATION
0	BASE CASE	WAFER	69	WOOD 1	69	#1	1	14	812	1692.93	198.72	1749.62	96.76	1900.24	89.09	Amps	FLOW GT 95 PCT OF NORMAL RATING
0	BASE CASE	WHY	69	WHY	20.8	#1	1	14	148	52.38	5.93	3.1	191.4	0	0	MVA	NORMAL RATING VIOLATION
0	BASE CASE	WILLIAMS	69	35.E5.0S	69	#1	1	14	811	228.04	26.75	194.96	116.97	194.96	116.97	Amps	NORMAL RATING VIOLATION
0	BASE CASE	WILLIS	69	PACE	69	#1	1	14	813	1932.39	231.16	1750.46	110.39	1900.24	101.69	Amps	NORMAL RATING VIOLATION
0	BASE CASE	WOOD 2	69	WOOD 1	69	#1	1	14	812	2011.91	238.68	1999.81	100.61	1999.81	100.61	Amps	NORMAL RATING VIOLATION
0	BASE CASE	WS4	69	COTBUKTP	69	#1	1	14	147	654.72	76.2	518.78	126.2	518.78	126.2	Amps	NORMAL RATING VIOLATION
0	BASE CASE	PALOVRD1	24	PALOVRDE	500	#1	1	14	141	34637.36	1485.08	1533	96.87	1533	96.87	MVA	FLOW GT 95 PCT OF NORMAL RATING
0	BASE CASE	PALOVRD2	24	PALOVRDE	500	#1	1	14	141	34647.82	1485.08	1533	96.87	1533	96.87	MVA	FLOW GT 95 PCT OF NORMAL RATING
0	BASE CASE	PALOVRD3	24	PALOVRDE	500	#1	1	14	141	34635.24	1485.08	1533	96.87	1533	96.87	MVA	FLOW GT 95 PCT OF NORMAL RATING
0	BASE CASE	DBG-ST1	18	DBG	230	#1	1	14	845	8416.55	265.03	250	106.01	0	0	MVA	NORMAL RATING VIOLATION
0	BASE CASE	DAVISG5	13.8	DAVIS	69	#1	1	14	191	1618.14	39.44	30	131.46	30	131.46	MVA	NORMAL RATING VIOLATION
0	BASE CASE	E.LPLD4	13.8	E. LOOP	138	#1	1	14	160	1928.02	48.17	50	96.34	65	74.1	MVA	FLOW GT 95 PCT OF NORMAL RATING
0	BASE CASE	HRSMS4	13.8	HORSMESA	115	#1	1	14	890	5090.16	121.67	125.4	97.02	125.4	97.02	MVA	FLOW GT 95 PCT OF NORMAL RATING
0	BASE CASE	RILLITO1	13.8	RILLITO	138	#1	1	14	160	1941.19	48.25	50	96.49	65	74.23	MVA	FLOW GT 95 PCT OF NORMAL RATING
0	BASE CASE	COPCYN 3	12.5	COPCANYN	69	#1	1	14	842	441.36	10.06	9.4	106.98	0	0	MVA	NORMAL RATING VIOLATION
0	BASE CASE	MURAL 11	12.5	MURAL	69	#1	1	14	845	464.04	10.57	9.4	112.4	0	0	MVA	NORMAL RATING VIOLATION
0	BASE CASE	SHOWLW12	12.5	SHOWLOW	69	#1	1	14	844	518.27	11.8	9.4	125.57	0	0	MVA	NORMAL RATING VIOLATION
0	BASE CASE	TUBACITY	12.5	TUBACITY	69	#1	1	14	843	426.1	10.38	9.4	110.38	0	0	MVA	NORMAL RATING VIOLATION
0	BASE CASE	TUSAYAN	12.5	TUSAYAN	69	#1	1	14	843	327.28	8.96	3.1	289.1	0	0	MVA	NORMAL RATING VIOLATION

EXHIBIT ED3-9

19	Open Line CHOLLA 500.00-SAGUARO 500.00	KYRENE	500	JOJOBA	500	#1	1	14	892	2499.05	2209.19	1999.94	124.96	2520.94	99.13	Amps	FLOW GT 95 PCT OF EMERGENCY RATING
19	Open Line CHOLLA 500.00-SAGUARO 500.00	KYRENE	230	CORBELL	230	#1	1	14	812	1632.93	646.02	1599.01	102.12	1599.01	102.12	Amps	EMERGENCY RATING VIOLATION
19	Open Line CHOLLA 500.00-SAGUARO 500.00	MESQUITE	230	MESQUITE	500	#1	1	14	910	3375.53	1359.82	1200	113.32	0	113.32	MVA	NO EMERGENCY RATING, NORMAL RATING VIOLATION
19	Open Line CHOLLA 500.00-SAGUARO 500.00	PNPK T3	100	PNPKAPS	230	#1	1	14	143	970.24	180.49	187	96.52	188	96.01	MVA	FLOW GT 95 PCT OF EMERGENCY RATING
19	Open Line CHOLLA 500.00-SAGUARO 500.00	PNPK T3	100	PINNPK W	69	#1	1	14	143	970.13	180.47	187	96.51	188	95.99	MVA	FLOW GT 95 PCT OF EMERGENCY RATING
19	Open Line CHOLLA 500.00-SAGUARO 500.00	PNPK T6	100	PNPKAPS	230	#1	1	14	143	965.06	179.61	187	96.05	188	95.54	MVA	FLOW GT 95 PCT OF EMERGENCY RATING
19	Open Line CHOLLA 500.00-SAGUARO 500.00	PNPK T6	100	PINNPK E	69	#1	1	14	143	964.95	179.59	187	96.04	188	95.53	MVA	FLOW GT 95 PCT OF EMERGENCY RATING
19	Open Line CHOLLA 500.00-SAGUARO 500.00	DBG-ST1	18	DBG	230	#1	1	14	845	8461.17	266.43	250	106.57	0	106.57	MVA	NO EMERGENCY RATING, NORMAL RATING VIOLATION
19	Open Line CHOLLA 500.00-SAGUARO 500.00	HRSMS4	13.8	HORSMESA	115	#1	1	14	890	5162.68	123.4	125.4	98.41	125.4	98.41	MVA	FLOW GT 95 PCT OF EMERGENCY RATING
21	Open Line TESTTRAK 230.00-CASAGRND 230.	KYRENE	230	CORBELL	230	#1	1	14	812	1603.19	639.81	1599.01	100.26	1599.01	100.26	Amps	EMERGENCY RATING VIOLATION
28	Open Line SNTAROSA 230.00-KNOX 230.00	KYRENE	500	JOJOBA	500	#1	1	14	892	2408.24	2147.09	1999.94	120.42	2520.94	95.53	Amps	FLOW GT 95 PCT OF EMERGENCY RATING
29	Open Line KYR-NEW 230.00-KNOX 230.00 #	KYRENE	230	CORBELL	230	#1	1	14	812	1607.41	641.99	1599.01	100.53	1599.01	100.53	Amps	EMERGENCY RATING VIOLATION
30	Open Line DBG 230.00-CASGRAPS 230.00 #	KYRENE	230	CORBELL	230	#1	1	14	812	1605.09	640.29	1599.01	100.38	1599.01	100.38	Amps	EMERGENCY RATING VIOLATION
32	Open Line CORONADO 500.00-SILVERKG 500.	KYRENE	500	JOJOBA	500	#1	1	14	892	2599.31	2290.04	1999.94	129.97	2520.94	103.11	Amps	EMERGENCY RATING VIOLATION
32	Open Line CORONADO 500.00-SILVERKG 500.	KYRENE	230	CORBELL	230	#1	1	14	812	1755.56	692.09	1599.01	109.79	1599.01	109.79	Amps	EMERGENCY RATING VIOLATION
32	Open Line CORONADO 500.00-SILVERKG 500.	MESQUITE	230	MESQUITE	500	#1	1	14	910	3380.52	1360.66	1200	113.39	0	113.39	MVA	NO EMERGENCY RATING, NORMAL RATING VIOLATION
32	Open Line CORONADO 500.00-SILVERKG 500.	SHIPROCK	230	KAYENTA	230	#1	1	14	191	1076.64	446.01	1004.09	107.23	1104.5	97.48	Amps	FLOW GT 95 PCT OF EMERGENCY RATING
32	Open Line CORONADO 500.00-SILVERKG 500.	WESTWNGE	230	WESTWG11	100	#1	1	14	146	498.65	195.73	188	104.11	188	104.11	MVA	EMERGENCY RATING VIOLATION
32	Open Line CORONADO 500.00-SILVERKG 500.	WESTWNGE	230	WESTWG14	100	#2	1	14	146	498.69	195.74	187	104.67	187	104.67	MVA	EMERGENCY RATING VIOLATION
32	Open Line CORONADO 500.00-SILVERKG 500.	HGC1	100	HARQUAHA	500	#1	1	14	910	2227.84	391.3	400	97.83	0	97.83	MVA	NO EMERGENCY RATING, GT 95 PCT OF NORMAL RATING
32	Open Line CORONADO 500.00-SILVERKG 500.	HGC2	100	HARQUAHA	500	#1	1	14	910	2227.84	391.3	400	97.83	0	97.83	MVA	NO EMERGENCY RATING, GT 95 PCT OF NORMAL RATING
32	Open Line CORONADO 500.00-SILVERKG 500.	HGC3	100	HARQUAHA	500	#1	1	14	910	2227.84	391.3	400	97.83	0	97.83	MVA	NO EMERGENCY RATING, GT 95 PCT OF NORMAL RATING
32	Open Line CORONADO 500.00-SILVERKG 500.	PNPK T3	100	PNPKAPS	230	#1	1	14	143	971.22	180.06	187	96.29	188	95.77	MVA	FLOW GT 95 PCT OF EMERGENCY RATING
32	Open Line CORONADO 500.00-SILVERKG 500.	PNPK T3	100	PINNPK W	69	#1	1	14	143	971.1	180.03	187	96.27	188	95.76	MVA	FLOW GT 95 PCT OF EMERGENCY RATING
32	Open Line CORONADO 500.00-SILVERKG 500.	PNPK T6	100	PNPKAPS	230	#1	1	14	143	966.07	179.19	187	95.82	188	95.31	MVA	FLOW GT 95 PCT OF EMERGENCY RATING
32	Open Line CORONADO 500.00-SILVERKG 500.	PNPK T6	100	PINNPK E	69	#1	1	14	143	965.95	179.17	187	95.81	188	95.3	MVA	FLOW GT 95 PCT OF EMERGENCY RATING
32	Open Line CORONADO 500.00-SILVERKG 500.	SCHRADER	69	PACE	69	#1	1	14	813	2362.47	283.3	1750.46	134.96	1900.24	124.33	Amps	EMERGENCY RATING VIOLATION
32	Open Line CORONADO 500.00-SILVERKG 500.	WILLIS	69	PACE	69	#1	1	14	813	1964.92	232.37	1750.46	112.25	1900.24	103.4	Amps	EMERGENCY RATING VIOLATION
32	Open Line CORONADO 500.00-SILVERKG 500.	DBG-ST1	18	DBG	230	#1	1	14	845	8480.27	266.71	250	106.68	0	106.68	MVA	NO EMERGENCY RATING, NORMAL RATING VIOLATION
32	Open Line CORONADO 500.00-SILVERKG 500.	HRSMS4	13.8	HORSMESA	115	#1	1	14	890	5161.25	123.37	125.4	98.38	125.4	98.38	MVA	FLOW GT 95 PCT OF EMERGENCY RATING
33	Open Line KYRENE 500.00-BROWNING 500.0	KYRENE	230	CORBELL	230	#1	1	14	812	1687.04	670.47	1599.01	105.51	1599.01	105.51	Amps	EMERGENCY RATING VIOLATION
34	Open Line BROWNING 500.00-SILVERKG 500.	KYRENE	500	JOJOBA	500	#1	1	14	892	2483.57	2206.05	1999.94	124.18	2520.94	98.52	Amps	FLOW GT 95 PCT OF EMERGENCY RATING
35	Open Line HASSYAMP 500.00-JOJOBA 500.0	WESTWNGE	230	WESTWG11	100	#1	1	14	146	493.26	195.46	188	103.97	188	103.97	MVA	EMERGENCY RATING VIOLATION
35	Open Line HASSYAMP 500.00-JOJOBA 500.0	WESTWNGE	230	WESTWG14	100	#2	1	14	146	493.3	195.47	187	104.53	187	104.53	MVA	EMERGENCY RATING VIOLATION
35	Open Line HASSYAMP 500.00-JOJOBA 500.0	WESTWG11	100	WESTWING	69	#1	1	14	146	1077.65	189.65	188	100.88	188	100.88	MVA	EMERGENCY RATING VIOLATION
35	Open Line HASSYAMP 500.00-JOJOBA 500.0	WESTWG14	100	WESTWING	69	#2	1	14	146	1077.68	189.72	187	101.45	187	101.45	MVA	EMERGENCY RATING VIOLATION
35	Open Line HASSYAMP 500.00-JOJOBA 500.0	WS4	69	COTBUKTP	69	#1	1	14	147	668.49	77.63	518.78	128.86	518.78	128.86	Amps	EMERGENCY RATING VIOLATION
36	Open Line COOLIDGE 230.00-SUN ARIZ 230.0	KYRENE	230	CORBELL	230	#1	1	14	812	1605.96	640.78	1599.01	100.43	1599.01	100.43	Amps	EMERGENCY RATING VIOLATION
38	Open Line WESTWING 345.00-PINALWES 345.	KYRENE	500	JOJOBA	500	#1	1	14	892	2423.68	2159.87	1999.94	121.19	2520.94	96.14	Amps	FLOW GT 95 PCT OF EMERGENCY RATING
38	Open Line WESTWING 345.00-PINALWES 345.	KYRENE	230	CORBELL	230	#1	1	14	812	1610.11	641.8	1599.01	100.69	1599.01	100.69	Amps	EMERGENCY RATING VIOLATION
38	Open Line WESTWING 345.00-PINALWES 345.	N. LOOP	138	RILLITO	138	#1	1	14	160	1312.98	320.67	1301.13	100.91	1301.13	100.91	Amps	EMERGENCY RATING VIOLATION
38	Open Line WESTWING 345.00-PINALWES 345.	N. LOOP	138	WESTINA	138	#1	1	14	160	1250.27	305.35	1301.13	96.09	1301.13	96.09	Amps	FLOW GT 95 PCT OF EMERGENCY RATING
40	Open Line SNTAROSA 230.00-TESTTRAK 230.	KYRENE	230	CORBELL	230	#1	1	14	812	1599.25	638.43	1599.01	100.01	1599.01	100.01	Amps	EMERGENCY RATING VIOLATION
42	Open Line LIBERTY 230.00-PHXWAPA 230.00	KYRENE	500	JOJOBA	500	#1	1	14	892	2396.88	2138.44	1999.94	119.85	2520.94	95.08	Amps	FLOW GT 95 PCT OF EMERGENCY RATING
44	Open Xfmr PINAL_W 500.00/PINALWES 345.0	N. LOOP	138	RILLITO	138	#1	1	14	160	1344.84	328.19	1301.13	103.36	1301.13	103.36	Amps	EMERGENCY RATING VIOLATION
44	Open Xfmr PINAL_W 500.00/PINALWES 345.0	N. LOOP	138	WESTINA	138	#1	1	14	160	1282.93	313.08	1301.13	98.6	1301.13	98.6	Amps	FLOW GT 95 PCT OF EMERGENCY RATING
49	Open Line SNTAROSA 230.00-KNOX 230.00	KYRENE	500	JOJOBA	500	#1	1	14	892	2408.24	2147.09	1999.94	120.42	2520.94	95.53	Amps	FLOW GT 95 PCT OF EMERGENCY RATING
50	Open Line DBG 230.00-CASGRAPS 230.00 #	KYRENE	230	CORBELL	230	#1	1	14	812	1605.09	640.29	1599.01	100.38	1599.01	100.38	Amps	EMERGENCY RATING VIOLATION
52	Open Line SAG.WEST 115.00-ED-5 115.00 #	KYRENE	230	CORBELL	230	#1	1	14	812	1600.13	638.58	1599.01	100.07	1599.01	100.07	Amps	EMERGENCY RATING VIOLATION
63	Open Line SNTAROSA 230.00-TESTTRAK 230.	KYRENE	230	CORBELL	230	#1	1	14	812	1599.25	638.43	1599.01	100.01	1599.01	100.01	Amps	EMERGENCY RATING VIOLATION
75	Open Line SAG.WEST 115.00-ED-5 115.00 #	KYRENE	230	CORBELL	230	#1	1	14	812	1600.13	638.58	1599.01	100.07	1599.01	100.07	Amps	EMERGENCY RATING VIOLATION
100	Open Line FAIRVIEW 69.00-SPEDROTP 69.00	MURAL 11	12.5	MURAL	69	#1	1	14	845	485.25	11.68	9.4	124.27	0	124.27	MVA	NO EMERGENCY RATING, NORMAL RATING VIOLATION
101	Open Line MURAL 69.00-SPEDROTP 69.00 #	MURAL 11	12.5	MURAL	69	#1	1	14	845	486.88	11.77	9.4	125.19	0	125.19	MVA	NO EMERGENCY RATING, NORMAL RATING VIOLATION
124	Open Line PINAL_W 69.00-PETENALL 69.00 #	KYRENE	500	JOJOBA	500	#1	1	14	892	2396.1	2137.25	1999.94	119.81	2520.94	95.05	Amps	FLOW GT 95 PCT OF EMERGENCY RATING
124	Open Line PINAL_W 69.00-PETENALL 69.00 #	FARRELL	69	MARTAP2	69	#1	1	14	800	363.48	44.3	301.23	120.67	334.7	108.6	Amps	EMERGENCY RATING VIOLATION
125	Open Line PINAL_W 69.00-HIDVALTP 69.00 #	KYRENE	500	JOJOBA	500	#1	1	14	892	2397.35	2137.76	1999.94	119.87	2520.94	95.1	Amps	FLOW GT 95 PCT OF EMERGENCY RATING
125	Open Line PINAL_W 69.00-HIDVALTP 69.00 #	FARRELL	69	MARTAP2	69	#1	1	14	800	372.53	45.3	301.23	123.67	334.7	111.3	Amps	EMERGENCY RATING VIOLATION

Docket No. E-01345A-08-0426

EXHIBIT
ED3-10
ADMITTED

Exhibit ED3-10

Santa Cruz Water and Power Districts Association

Ten-Year Plan 2008 – 2017

EXHIBIT ED3-10

ORIGINAL

Docket N

0000081357

50TP

SANTA CRUZ WATER & POWER DISTRICTS ASS

41630 W. Louis Johnson Dr., Maricopa, AZ 85239
Phone (520) 876-4982 • Fax (520) 424-3281

Central Arizona Irrigation and Drainage District
Maricopa-Stanfield Irrigation and Drainage District
Electrical District No. 3
Electrical District No. 4

Dan Thelander, President
Bryan Hartman, Vice-President
DeWitt Weddle, Vice-President
Mark Hamilton, Secretary/Treasurer
Grant R. Ward, General Manager
Paul R. Orme, General Counsel

January 31, 2008

Mr. Ernest Johnson
Director, Utilities Division
Arizona Corporation Commission
1210 West Washington Street
Phoenix, AZ 85007

Arizona Corporation Commission
DOCKETED
JAN 31 2008
DOCKETED BY nR

RE: Ten-Year Plan, Santa Cruz Water and Power Districts Association
Docket: E-00000D-07-0376

Dear Mr. Johnson:

The Santa Cruz Water and Power Districts Association ("SCWPDA") is an association formed through a series of intergovernmental agreements among the boards of Electrical District No. 3 of Pinal County, Electrical District No. 4 of Pinal County, Maricopa-Stanfield Irrigation & Drainage District, and Central Arizona Irrigation & Drainage District all political subdivisions located in Pinal County.

The total combined service area covers approximately 460 square miles across Pinal County. The SCWPDA was formed for the purposes of dealing in a unified manner with issues impacting Pinal County agriculture and the influence of population growth, such as that witnessed in the recently incorporated community of Maricopa. One of the key purposes of the Association is to facilitate adequate electrical transmission capacity to handle the rapidly increasing needs of the service areas of the member Districts.

Although the SCWPDA does not believe that is obligated to do so under A.R.S. §40-360.02, the enclosed Ten-Year Transmission Plans have been incorporated into the transmission capacity requirements for the 2008 - 2017 time period for the SCWPDA.

Please let me know if you have any questions or comments.

Sincerely,

Grant Ward
General Manager
Santa Cruz Water and Power Districts Association

Enclosures

cc: Ron McEachern, Electrical District No. 4
Mark L. Etherton, PDS Consulting
Dennis L. Delaney, K.R. Saline and Associates, PLC

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EXHIBIT ED3-10

Santa Cruz Water and Power Districts Association

Ten-Year Plan
2008 – 2017

General Information

This report is submitted to the Arizona Corporation Commission ("ACC") to provide information outlined in A.R.S. § 40-360.02 relating to power plant and transmission line siting requirements. Santa Cruz Water and Power Districts Association[1] ("SCWPDA") will continue to review regional transmission and generation additions through participation in the Southwest Area Transmission ("SWAT"), the Central Arizona Transmission Study High Voltage ("CATSHV") sub-regional transmission planning efforts, and the Southwest Public Power Resources Group[2] ("SPPR Group") resource planning efforts.

This report highlights projects in which SCWPDA and its participating districts anticipate participating either as owner(s) or via transmission service to meet the projected load growth for this ten-year period. All of the projects are expected to be included in the Ten-Year Plan of the sponsoring transmission providers operating in Pinal County[3]. The sponsoring transmission providers' will be filing all required technical studies associated with the projects. Historically, the districts of SCWPDA have been customers of the Western Area Power Administration ("Western") and the Arizona Public Service Company ("APS") transmission systems for the delivery of their contracted power resources. SCWPDA is participating in the Palo Verde – Southeast Valley 500kV ("SEV") Project and is active in the sub-regional planning forums associated with the SEV Project.

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1 The participating Districts in SCWPDA include Electrical District No. 3 of Pinal County, Electrical District No. 4 of Pinal County, Maricopa Stanfield Irrigation and Drainage District, and Central Arizona Irrigation and Drainage District.

2 Entities participating in the SPPR Group include: Aha Macav Power Services, Mohave Valley, CA; Ak-Chin Energy Services, Tempe, AZ; Anza Electric Cooperative, Anza, CA; Aquila Irrigation District, Aquila, AZ; Arizona Electric Power Cooperative, Benson, AZ; Avra Valley Irrigation & Drainage District, Marana, AZ; Buckeye Water Conservation & Drainage Dist., Buckeye, AZ; Central AZ Water Conservation District, Phoenix, AZ; Chandler Heights Conservation & Irrigation Dist., Chandler Heights, AZ; Duncan Valley Electric Cooperative, Duncan, AZ; Electrical District No. 2, Coolidge, AZ; Electrical District No. 3, Maricopa, AZ; Electrical District No. 4, Eloy, AZ; Electrical District No. 5 (Pinal County), Red Rock, AZ; Electrical District No. 5 (Maricopa County), Mesa, AZ; Electrical District No. 6, Queen Creek, AZ; Electrical District No. 7, Waddell, AZ; Electrical District No. 8, Gila Bend, AZ; Gila River Indian Community Utility Authority, Chandler, AZ; Graham County Electric Cooperative, Pima, AZ; Harquahala Valley Power District, Tonopah, AZ; Maricopa Water District, Waddell, AZ; McMullen Valley Power District, Salome, AZ; Mohave Electric Cooperative, Bullhead City, AZ; Navajo Tribal Utility Authority, Fort Defiance, AZ; Ocotillo Water & Conservation District, Ocotillo, AZ; Page Electrical Utility, Page, AZ; Queen Creek Irrigation District, Queen Creek, AZ; Roosevelt Irrigation District, Buckeye, AZ; Safford Electrical Utility, Safford, AZ; San Tan Irrigation District, Chandler Heights, AZ; Sulphur Springs Valley Electric Cooperative, Willcox, AZ; Tohono O'odham Utility Authority, Sells, AZ; Tonopah Irrigation District, Tonopah, AZ; Town of Thatcher, Thatcher, AZ; Trico Electric Cooperative, Marana, AZ; Valley Electric Association, Pahrump, NV; Wellton-Mohawk Irrigation and Drainage District, Wellton, AZ.

3 Please also reference the submittals of Western for 2008 and Salt River Project for 2008 for the transmission facilities that SCWPDA will continue to review for potential transmission capacity requirements.

Santa Cruz Water and Power Districts Association
Ten-Year Plan
2008-2017

Planned Transmission Facilities

Hassayampa – Pinal West 500 kV

Line Designation	Hassayampa – Pinal West 500 kV ***(Reference SRP Ten-Year Plan 2008 filing)***
Project Description	
Voltage	500 kV
Capacity	1500MVA
Origin	Hassayampa Switchyard
Termination	Pinal West Substation
Length	Approximately 51 Miles
Routing	Along the BLM established corridor parallel toexisting transmission facilities and/or natural gas pipelines.
Purpose	To provide access to resources from the Palo Verde area generation to the future (date to be determined) 500/69 kV station to be co-located at the Pinal West substation.
Schedule	
Construction Start	Proposed Fall 2007
In-Service	Proposed Summer 2008
Is Certificate Necessary	CEC Ordered in Case 124, Issued May 24, 2004

Santa Cruz Water and Power Districts Association
Ten-Year Plan
2008-2017

Planned Transmission Facilities

Pinal West – Pinal Central 500 kV

Line Designation	Pinal West – Pinal Central (formerly Pinal South) 500 kV ***(Reference SRP Ten-Year Plan 2008 filing)***
Project Description	
Voltage	500 kV
Capacity	1500MVA
Origin	Pinal West Substation
Intermediate Points	Santa Rosa 500 kV Substation, and/or Pinal Central 500 kV Substation (proposed)
Termination	Santa Rosa Substation, possibly Pinal Central
Length	Approximately 100 Miles
Routing	Various
Purpose	Provide additional deliveries into the SCWPDA local electric distribution system through potential new interconnections at the Santa Rosa Substation and Pinal Central Substation.
Schedule	
Construction Start	2010
In-Service	2011
Is Certificate Necessary	CEC Ordered in Case 126, Issued August 25, 2005

Santa Cruz Water and Power Districts Association
Ten-Year Plan
2008-2017

Planned Transmission Facilities

Western Parker-Davis Project 115 kV Upgrades to 230 kV

Line Designation	Western Parker-Davis ("P-D") Project 115 kV Upgrades to 230 kV ***(Reference Western Ten-Year Plan 2008 filing)***
Project Description	
Voltage	230 kV
Capacity	To be determined
Origin	Western Test Track 230 kV
Intermediate Points	Empire 230 kV
Termination	ED4 230 kV Substation
Length	Various
Routing	Various
Purpose	Expected to enhance reliability and access to additional power supply opportunities.
Schedule	
Construction Start	Refer to Western's P-D Upgrade Schedule
In-Service	Refer to Western's P-D Upgrade Schedule
Is Certificate Necessary	No. Western will upgrade existing 115 kV facilities to 230 kV.

Santa Cruz Water and Power Districts Association
Ten-Year Plan
2008-2017

Planned Transmission Facilities

Line Designation:	Santa Rosa Substation – ED5 Substation
Project Description:	
(a) Voltage	230 kV AC
(b) Capacity	To be determined.
(c) Origin	Santa Rosa 230kV Substation.
(d) Termination	ED5 Substation.
(e) Length	Approximately 38 miles.
(f) Routing	East and south from the Santa Rosa to the ED5 Substation.
Purpose:	This line is expected to be a joint project with participation by SPPR Group Participants. As a new transmission line within Pinal County, the 230 kV line will provide transmission capacity required to supplement limited transmission capacity to load serving entities in the Pinal County area and to increases access to the market and generation resources.
Schedule:	
(a) Construction Start	To be determined (TBD).
(b) In-Service Date	To be determined (TBD).
Is CEC Necessary:	An application for a Certificate of Environmental Compatibility will be filed once the project scope and timing have been determined.

Santa Cruz Water and Power Districts Association
Ten-Year Plan
2008-2017

Planned Transmission Facilities

Line Designation: ED5 to Pinal Central (Previously known as Pinal South)

Project Description:

(a) Voltage	230 kV AC
(b) Capacity	To be determined (TBD).
(c) Origin	ED5 Substation
(d) Termination	Pinal Central Substation
(e) Length	Approximately 18 miles
(f) Routing	East and north from the ED5 Substation site to the Pinal Central Substation Station Site.

Purpose: This line is expected to be a joint project with participation by SPPR Group Participants. As a new transmission line within Pinal County, the 230 kV line will provide transmission capacity required to supplement limited transmission capacity to load serving entities in the Pinal County area and to increases access to the market and generation resources.

Schedule:

(a) Construction Start	To be determined (TBD).
(b) In-Service Date	To be determined (TBD).

Is CEC Necessary: An application for a Certificate of Environmental Compatibility will be filed once the project scope and timing have been determined.

Santa Cruz Water and Power Districts Association
Ten-Year Plan
2008-2017

Planned Transmission Facilities

Line Designation: ED5 to Marana Substation.

Project Description:

(a) Voltage	230 kV AC
(b) Capacity	To be determined (TBD).
(c) Origin	ED5 Substation
(d) Termination	Marana Substation.
(e) Length	Approximately 28 miles
(f) Routing	East and South from the ED5 Substation site to the Marana Substation.

Purpose: This line is expected to be a joint project with participation by SPPR Group Participants. As a new transmission line within Pinal County, the 230 kV line will provide transmission capacity required to supplement limited transmission capacity to load serving entities in the Southeast Arizona and to increases access to the market and generation resources.

Schedule:

(a) Construction Start	To be determined (TBD).
(b) In-Service Date	To be determined (TBD).

Is CEC Necessary: An application for a Certificate of Environmental Compatibility will be filed once the project scope and timing have been determined.

Santa Cruz Water and Power Districts Association
Ten-Year Plan
2008-2017

Planned Transmission Facilities

Line Designation: Pinal Central (Previously known as Pinal South) to a new station 6 miles northeast of Pinal Central (circuit 1of 2).

Project Description:

(a) Voltage	230 kV AC
(b) Capacity	To be determined (TBD).
(c) Origin	Pinal Central Substation
(d) Termination	New station 6 miles northeast of Pinal Central
(e) Length	Approximately 6 miles
(f) Routing	East from the Pinal Central Substation site to a new station 6 miles northeast of Pinal South.

Purpose: This line is expected to be a joint project with participation by SPPR Group Participants. As a new transmission line within Pinal County, the 230 kV line will provide transmission capacity required to supplement limited transmission capacity to load serving entities in the Pinal County area and to increases access to the market and generation resources.

Schedule:

(a) Construction Start	To be determined (TBD).
(b) In-Service Date	To be determined (TBD).

Is CEC Necessary: An application for a Certificate of Environmental Compatibility will be filed once the project scope and timing have been determined.

Santa Cruz Water and Power Districts Association
Ten-Year Plan
2008-2017

Planned Transmission Facilities

Line Designation: Pinal Central (Previously known as Pinal South) to a new station 6 miles northeast of Pinal Central (circuit 2 of 2).

Project Description:

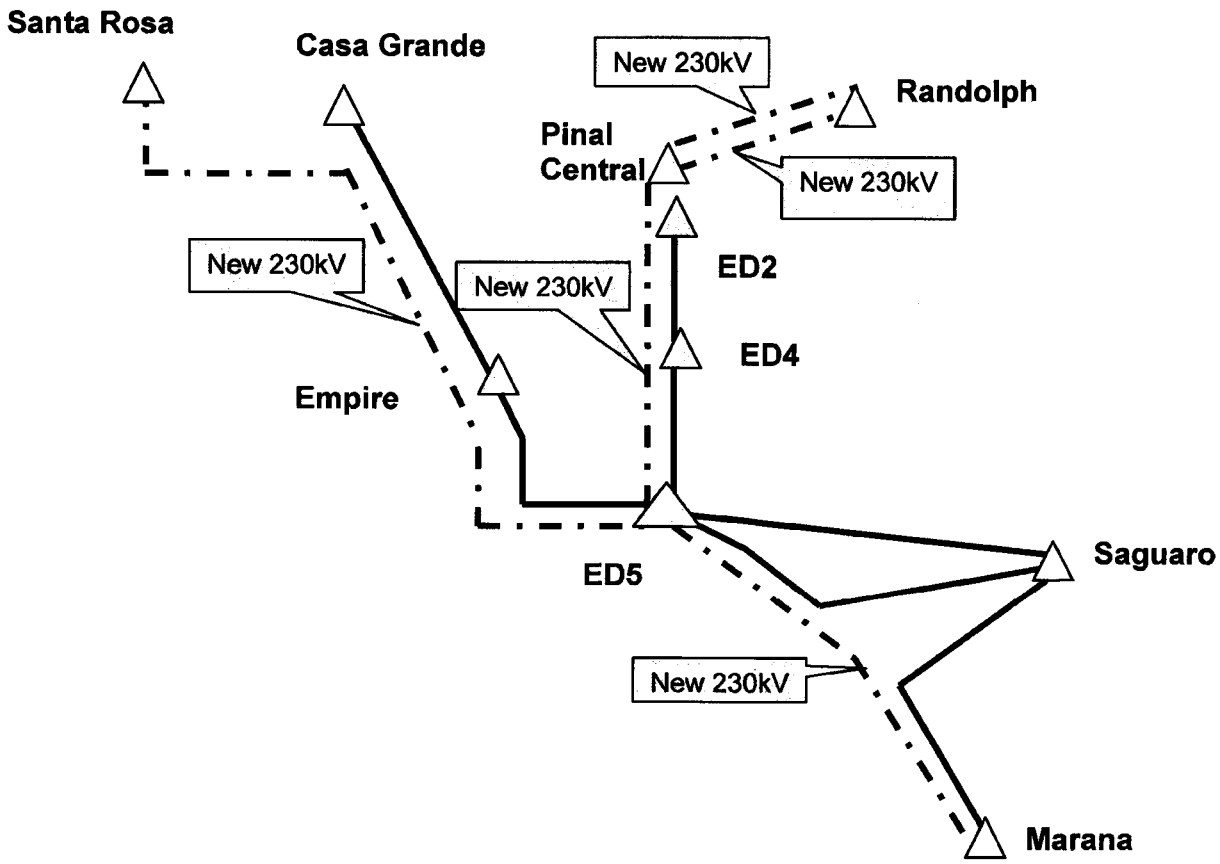
(a) Voltage	230 kV AC
(b) Capacity	To be determined (TBD).
(c) Origin	Pinal Central Substation
(d) Termination	New station 6 miles northeast of Pinal Central
(e) Length	Approximately 6 miles
(f) Routing	East from the Pinal Central Substation site to a new station 6 miles northeast of Pinal Central.

Purpose: This line is expected to be a joint project with participation by SPPR Group Participants. As a new transmission line within Pinal County, the 230 kV line will provide transmission capacity required to supplement limited transmission capacity to load serving entities in the Pinal County area and to increases access to the market and generation resources.

Schedule:

(a) Construction Start	To be determined (TBD).
(b) In-Service Date	To be determined (TBD).

Is CEC Necessary: An application for a Certificate of Environmental Compatibility will be filed once the project scope and timing have been determined.


Santa Rosa
Casa Grande
New 230kV
Randolph
Pinal
Central
New 230kV
New 230kV
New 230kV
ED2
ED4
Empire
ED5
Saguaro
New 230kV
Marana

Docket No. E-01345A-08-0426

EXHIBIT
ED3-11
ADMITTED

Exhibit ED3-11

Interconnection Agreement between ED3 and APS

(dated May 20, 2008)

Morgan, Lewis & Bockius LLP
1111 Pennsylvania Avenue, NW
Washington, DC 20004
Tel. 202.739.3000
Fax: 202.739.3001
www.morganlewis.com

Morgan Lewis
COUNSELORS AT LAW

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OFFICE OF THE
SECRETARY
2008 MAY 23 P 3: 32
FEDERAL ENERGY
REGULATORY COMMISSION

John D. McGrane
202.739.5621
jmcgrane@morganlewis.com

May 23, 2008

VIA HAND DELIVERY

Ms. Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20246

Re: Interconnection Agreement between Arizona Public Service Company and Electrical District No. 3 of Pinal County, Arizona

Dear Ms. Salas:

Pursuant to Section 205 of the Federal Power Act, 16 U.S.C. 824e (2000), and Section 35.12 of the Rules and Regulations of the Federal Energy Regulatory Commission ("FERC" or "Commission"), 18 C.F.R. § 35.12, Arizona Public Service Company ("APS") hereby submits for filing an original and five copies of an Interconnection Agreement between APS and Electrical District No. 3 of Pinal County, Arizona ("ED3"). The Interconnection Agreement covers the points of interconnection between the APS and ED3 transmission systems, including a new 230 kV interconnection at APS's Santa Rosa 230 kV Switchyard. APS respectfully requests that the Commission permit an effective date of May 24, 2008 for the Interconnection Agreement.

I. BACKGROUND AND DESCRIPTION OF FILING

A. APS

APS, a wholly-owned subsidiary of Pinnacle West Capital Corporation, is a public utility incorporated in the state of Arizona. APS engages in the generation, transmission, distribution and sale of electricity in interstate commerce, and owns facilities used for the sale and transmission of electric energy in interstate commerce. Presently, APS provides retail electric

services to more than one million customers in a service territory comprising 34,645 square miles in the Phoenix metropolitan area and throughout the state of Arizona.

B. ED3

ED3 is an electrical district organized and existing under the laws of the State of Arizona (Ariz. Rev. Stat. §§ 48-1701 to 48-1822), and engaged in providing retail electric service as authorized by law within Pinal County, Arizona. ED3 owns an electric transmission and distribution system located within Pinal County. ED3 is presently interconnected to the APS transmission system at two points of interconnection: (i) at the ED3 Santa Rosa 69 kV Switchyard; and (ii) at the ED3 Maricopa 69 kV Switchyard.

C. The Interconnection Agreement

The enclosed Interconnection Agreement, executed by APS and ED3 on May 23, 2008, provides for the interconnection of the ED3 Santa Rosa 69 kV Switchyard to the APS Santa Rosa 230 kV Switchyard ("230 kV Switchyard"), which are both located in Pinal County, Arizona, by creating a third point of interconnection between the APS and ED3 transmission systems.

The interconnection will be accomplished by the installation of a T1 Transformer and associated 230 kV facilities at the 230 kV Switchyard, which will connect the APS and ED3 transmission systems. Exhibit A to the Interconnection Agreement describes the interconnection facilities in further detail and Exhibit B sets forth a one-line diagram depicting the 230 kV Switchyard and interconnection facilities.

Under the Interconnection Agreement, ED3 will pay a one-time fee of $731,768.00, which is a Pro Rata Share[1] of the existing capital costs of the 230 kV Switchyard Common Facilities,[2] and ED3 will be responsible for a Pro Rata Share of the cost responsibility for

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[1] ED3's Pro Rata Share is calculated as a ratio of the 230 kV connections at the 230 kV Switchyard to which ED3 is entitled under the Interconnection Agreement to the total number of 230 kV connections in the 230 kV Switchyard.

[2] The "Common Facilities" are defined under the Interconnection Agreement to include the bus and interconnection facilities located at the 230 kV Switchyard, including site preparation (such as grading, drainage structures, surfacing, landscaping and weed abatement services), ground grid, cable trench, yard lighting, control house and equipment therein, AC and DC auxiliary power systems, auxiliary power cable, station lighting, main buses including foundations, circuit breakers, disconnect switches, structures, conductor insulators and hardware, CCVTs and protective relaying equipment including the Transformer Protection Facilities equipment for T1, communications and supervisory control components, and site security systems." The "Common Facilities" do not include facilities listed on Exhibit E of the Agreement.

operations, maintenance and replacement of the Commons Facilities, including any capital improvements. In return, APS will perform the installation, operations, maintenance and replacement of the interconnection facilities, and ED3 will receive certain "ownership-like rights" with respect to the 230 kV Switchyard, as set forth in Section 6 of the Interconnection Agreement (*e.g.*, the right to interconnect to the 230 kV Switchyard, the right to use the Common Facilities, *etc.*). The ownership, operation, maintenance and cost responsibilities of the parties with respect to the interconnection facilities and the 230 kV Switchyard are also summarized in Exhibit D to the Interconnection Agreement.

II. EFFECTIVE DATE AND REQUEST FOR WAIVER

APS requests waiver of the Commission's requirements to permit an effective date of May 24, 2008, for the Interconnection Agreement. The Commission will grant waiver of its prior notice requirements if good cause is shown and the agreement is filed prior to the commencement of service.[3] APS submits that good cause exists to grant the requested waiver because it will permit the Interconnection Agreement to become effective commensurate with the parties' anticipated in-service date of the interconnection facilities, and would be beneficial in meeting expected peak load needs during the summer. To the extent necessary, APS requests waiver of all other applicable Commission requirements to permit an effective date of May 24, 2008.

III. CONTENTS OF FILING

This filing contains an original and five copies of the following: (i) this transmittal letter; and (ii) the Interconnection Agreement between APS and ED3 in Order No. 614 format.[4]

IV. COMMUNICATIONS AND SERVICE

Correspondence and other communications regarding this filing should be directed to:

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[3] *See Central Hudson Gas & Elec. Corp.*, 60 FERC ¶ 61,106, *order on reh'g*, 61 FERC ¶ 61,089 (1992).

[4] *Designation of Electric Rate Schedule Sheets*, Order No. 614, FERC Stats. & Regs. ¶ 31,096 (2000).

John D. McGrane
Morgan, Lewis & Bockius LLP
1111 Pennsylvania Ave., N.W.
Washington, D.C. 20004
Tel: (202) 739-3000
jmcgrane@morganlewis.com

Suzanne K. McBride
Pinnacle West Capital Corporation
Suite 640
801 Pennsylvania Ave., NW
Washington, DC 20004
(202) 847-8134
suzanne.mcbride@pinnaclewest.com

A copy of this filing has been served on ED3 and the Arizona Corporation Commission.

V. STATEMENT ON EXPENSES OR COSTS

None of the costs related to this filing have been alleged in any administrative or judicial proceeding to be illegal, duplicative, or unnecessary costs that are demonstrably the product of discriminatory practices.

VI. CONCLUSION

APS respectfully requests that the Commission accept the enclosed Interconnection Agreement and grant all necessary waivers of its requirements to permit an effective date for the agreement of May 24, 2008.

If you have any questions related to this filing, please contact the undersigned.

Respectfully submitted,

John D. McGrane

Attorney for Arizona Public Service Company

Attachments

APS SANTA ROSA SUBSTATION

INTERCONNECTION AGREEMENT

Between

ARIZONA PUBLIC SERVICE COMPANY

And

ELECTRICAL DISTRICT NO. 3 of PINAL COUNTY

May 23, 2008

APS CONTRACT NO. 52044

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APS SANTA ROSA SUBSTATION INTERCONNECTION AGREEMENT

1. PARTIES

THIS AGREEMENT (the "Agreement") is made and entered into this 23rd day of May 2008, by and between ELECTRICAL DISTRICT No. 3 of Pinal County (hereinafter referred to as "ED3"), an electrical district organized and existing under Title 48 Arizona Revised Statutes, Chapter 12, as amended, and ARIZONA PUBLIC SERVICE COMPANY, a corporation organized and existing under the laws of the State of Arizona, hereinafter referred to as "APS". ED3 and APS each may be referred to as a "Party," or collectively as the "Parties."

2. RECITALS

This Agreement is made with reference to the following facts, among others:

2.1. WHEREAS, pursuant to APS Purchase and Construction Agreement 700513954, APS will sell to ED3, and install and operate on its behalf, the T1 Transformer and associated 230 kV facilities ("T1 Transformer") at the APS Santa Rosa 230 kV Switchyard ("Santa Rosa 230 kV Switchyard").

2.2. WHEREAS, utilizing the T1 Transformer, ED3 desires to interconnect the ED3 Santa Rosa 69 kV Switchyard to the Santa Rosa 230 kV Switchyard by creating a new Point of Interconnection ("POI") between the APS and ED3 transmission systems. This new POI will be the third POI between APS and ED3, as further described in Exhibit A and Exhibit B hereto.

2.3. WHEREAS, APS shall use its best efforts to install the T1 Transformer and energize the new POI under the terms and conditions of this Agreement to meet a projected ED3 in-service date of May 26, 2008.

3. AGREEMENT

In consideration of these premises, the mutual covenants and the mutual benefits to be realized hereunder, the Parties agree as follows:

3.1 The parties shall interconnect at the new 230 kV POI and two 69 kV POIs, as provided herein.

3.2 APS will perform the operations, maintenance and replacement of the T1 Transformer and all associated equipment on behalf of ED3 in accordance with this Agreement.

3.3 ED3 shall pay to APS a Pro-Rata share of the existing capital cost of the Santa Rosa 230 kV Switchyard Common Facilities as the one time fee set forth in Section 6.1 of this Agreement and shall also be responsible for a Pro-Rata Share of the cost responsibility for operations and maintenance (including replacement, as needed) of the Common Facilities, including any Capital Improvements. In consideration of such payments, APS grants to ED3 the Ownership-Like Rights set forth in Section 6 of this Agreement. APS shall make best efforts to provide an estimated amount of these Common Facilities next-year costs to ED3 by the 30th of September of each year.

3.4 ED3 shall have the right to leave the APS NERC Balancing Authority Area for another Balancing Authority Area. APS shall assist in ED3's movement to another Balancing Authority Area with ED3 being responsible for all costs associated with such a move.

4. DEFINITIONS

The following terms, whether in the singular or plural, when initially capitalized in this Agreement, or in appendices, or exhibits thereto, shall have the meanings specified:

4.1 **Agreement:** This APS Santa Rosa Substation Interconnection Agreement, including all exhibits and attachments hereto referenced herein, together with any amendments to which the Parties may agree in writing from time to time.

4.2 **Applicable Requirements:** Any standards, procedures or requirements, of (i) FERC, WECC or NERC, or (ii) any other Person that has the authority to control the operation of the APS transmission system, or (iii) any other Person with authority over the Common Facilities or on their operation or on APS or ED3 in any way that affects the Common Facilities or this Agreement; or (iv) any standards, procedures or other requirements adopted by APS in writing pursuant to any provision of this Agreement and in conformance with Good Utility Practice, in each case as amended from time to time and whether now existing or hereafter imposed or arising.

4.3 **Calendar Day:** Any day including Saturday, Sunday or a Federal Holiday.

4.4 **Capital Improvements:** The enlargement or improvement of any structures, facilities or equipment constituting a part of the Common Facilities; or the substitution thereof, irrespective of whether such replacement constitutes an enlargement or improvement of that which it replaces; which additions, improvements enlargements and replacements in accordance with sound accounting principles would be capitalized.

4.5 **Common Facilities:** The bus and interconnection facilities located at the APS Santa Rosa 230 kV Switchyard, including site preparation (such as grading, drainage structures, surfacing, landscaping and weed abatement services), ground grid, cable trench, yard lighting, control house and equipment therein, AC and DC auxiliary power systems, auxiliary power cable, station lighting, main buses including foundations, circuit breakers, disconnect switches, structures, conductor insulators and hardware, CCVTs and protective relaying equipment including the Transformer Protection Facilities equipment for T1, communications and supervisory control components, and site security systems, together with all capital replacements and improvements to any of the foregoing. Specifically excluded from Common Facilities are those items listed in Exhibit E, attached hereto, as Exhibit E may be revised from time to time.

4.6 **Direct Labor:** The payroll costs, exclusive of administrative and general costs and other similar markups, for employees in the direct employ of APS or ED3. Payroll costs shall include salaries and wages.

4.7 **Emergency Condition:** shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) is imminently likely (as determined in a non-discriminatory manner and in accordance with Good Utility Practice) to cause a material adverse effect on the security of, or damage to APS' Transmission System, Interconnection Facilities or the electric systems of others to which APS' Transmission System is directly connected; or (3) is imminently likely (as determined in a non-discriminatory manner and in accordance with Good Utility Practice) to cause a material adverse effect on the security of, or damage to, ED3's transmission facilities.

4.8 **FERC:** The Federal Energy Regulatory Commission, or its successor.

4.9 **Good Utility Practice:** Any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry within the operating area of the WECC region during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the WECC region.

4.10 **Hazardous Substances:** Any chemicals, materials or substances defined as or included in the definition of "hazardous substances", "hazardous wastes", "hazardous materials", "hazardous constituents", "restricted hazardous materials", "extremely hazardous substances", "toxic substances", "contaminants",

"pollutants", "toxic pollutants" or words of similar meaning and regulatory effect under any applicable Environmental , or any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any applicable Environmental law. For purposes of this Agreement, the term "Environmental" shall mean federal, state, and local regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders relating to pollution or protection of the environment, natural resources or human health and safety.

4.11 **Interconnection Facilities:** The existing APS facilities of bay 3 which are required to interconnect the APS Santa Rosa 230 kV Switchyard to the ED3 T1 Transformer, as described more fully in Exhibit A attached hereto, including any Capital Improvements made to the Interconnection Facilities, as may be added thereto from time to time. Such facilities shall include, but not be limited to, connection, switching and safety equipment.

4.12 **Law:** Any applicable governmental constitution, charter, act, statute, ordinance, code, rule, regulation, directive, interpretation, order, ruling, injunction, judgment or other executive, administrative, legislative or judicial action, as amended and in effect from time to time and whether now existing or hereafter enacted, adopted, promulgated, entered or otherwise arising.

4.13 **NERC:** The North American Electric Reliability Corporation, or its successor.

4.14 **Open Access Transmission Tariff (OATT):** The APS FERC-approved Tariff.

4.15 **Operating Emergency:** An unplanned event or circumstance which reduces or may reduce the capability of the Common Facilities that would otherwise be available to the Parties under normal operating conditions.

4.16 **Operating Work:** Any engineering, contract preparation, legal or regulatory work, purchasing, repair, supervision, recruitment, training, expediting, inspection, accounting, insurance, testing, protection, operation, use, management, retirement, reconstruction, maintenance, modification, relocation, and any work undertaken by APS that is required by this Agreement, Good Utility Practice or Applicable Requirements, or necessary for the safe and reliable operation of the Interconnection Facilities and associated facilities, and any work necessitated by an Emergency Condition including all work undertaken to make any Capital Improvements.

4.17 **Person:** Any natural person or legal entity of any kind, including any partnership, corporation, limited liability company, association, trust or governmental entity, officer, agency or body of any kind.

4.18 Point of Interconnection: ("POI") shall mean the point(s), as set forth in Exhibit A and shown in Exhibit B where the APS transmission system connects to the ED3 transmission system.

4.19 Pro-Rata Share: The ratio utilized for allocation of certain rights and obligations to the Parties. Such ratio shall equal the number of Terminations in the Santa Rosa 230 kV Switchyard to which ED3 is entitled under this Agreement (as of the date of execution of this Agreement, one 230 kV Termination as shown in Exhibit B) divided by the total number of Terminations in the Santa Rosa 230 kV Switchyard (as of the date of execution of this Agreement, eight 230 kV Terminations as shown in Exhibit B).

4.20 Removal Cost: The actual cost APS incurs for the removal of the ED3 T1 Transformer and associated interconnection facilities, which is calculated as the amount, if positive, of the costs of removal minus the salvage value of the removed equipment, if any.

4.21 Santa Rosa 230 kV Switchyard: The totality of the equipment and facilities installed by APS within the switchyard, which equipment and facilities are illustrated on Exhibit B, attached hereto and made apart hereof, as may be revised from time to time.

4.22 Secondary Systems: Control or power circuits that operate below 600 volts, AC or DC, including, but not limited to, any hardware, control or protective devices, cables, conductors, electric raceways, secondary equipment panels, transducers, batteries, chargers, and voltage and current transformers.

4.23 T1 Transformer: The ED3 owned 230/69/12 kV transformer installed in a space in Bay #3 of APS Santa Rosa 230 kV Switchyard or its successor transformer if replaced.

4.24 Termination: Each 230 kV connection at the Santa Rosa 230 kV Switchyard, as shown in Exhibit B, attached hereto, as such Exhibit may be revised from time to time. The 230 kV bus tie breaker is not considered a Termination.

4.25 Transformer Protection Facilities: The equipment required to protect the ED3 T1 transformer 230 kV interconnection. After installation, the Transformer Protection Facilities are included as part of Common Facilities.

4.26 WECC: The Western Electricity Coordinating Council, or its successor.

5. TERM, RENEWAL AND TERMINATION

5.1. **Effective Date:** Subject to all applicable Federal, State, and local requirements and to Section 5.2 hereof, this Agreement shall become immediately effective upon execution by the Parties and shall continue in effect for fifty (50) years from that date (the "Initial Term") and shall continue thereafter unless earlier terminated by either party upon five (5) years advance written notice.

5.2. **Termination Upon Default:** This Agreement may be terminated upon a Party's Default in accordance with the provisions of Section 18.

5.3. **Material Adverse Change:** In the event of a material change in circumstances or regulation that adversely affects the realization of the mutual economic benefits provided under this Agreement as executed, the Parties will negotiate in good faith such amendment or amendments to this Agreement as are necessary to adapt the terms of this Agreement to such change or regulation, while maintaining the relative economic balance of this Agreement. If the Parties are unable to reach agreement on such amendment(s) within sixty (60) Calendar Days after notice by a Party to commence negotiation, the Parties reserve and may exercise their rights under FERC rules and regulations.

5.4. **Survival:** The applicable provisions of this Agreement shall continue in effect after expiration, cancellation, or termination hereof to the extent necessary to provide for final billings, billing adjustments, and the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred prior to the effective date of termination of this Agreement.

5.5. **Disconnection and Removal:**

5.5.1. ED3 may terminate the 230 kV interconnection upon five (5) years' written notice. In such event, following the notice set forth in the preceding sentence and unless the Parties have negotiated a successor 230 kV interconnection arrangement, APS may disconnect the T1 Transformer and associated facilities. This termination of the 230 kV interconnection will not affect the 69 kV interconnections and will not in itself result in the termination of this Agreement.

5.5.2. On or before one year following termination of the 230 kV interconnection, or of this Agreement, as applicable, APS shall notify ED3 whether APS intends to physically remove the T1 Transformer and/or the 230 kV interconnection facilities or any part thereof, as applicable. If APS intends to physically remove T1 Transformer and/or the 230 kV interconnection facilities or any part thereof, then APS shall physically remove such facilities within two years from the date of notification of intent, and ED3 shall pay the Removal Cost. Failure to comply with the

notification requirements of this Section shall release ED3 from responsibility for Removal Cost.

5.5.3. If, in accordance with 5.5.2, APS decides to physically remove the T1 Transformer and/or the 230 kV interconnection facilities, APS shall render a bill to ED3 for the Removal Cost. ED3 shall pay the Removal Cost in accordance with Section 14. Such billing shall be initially based on APS' estimate of Removal Cost. Within thirty (30) Calendar Days following removal of the facilities, APS shall determine the recorded Removal Cost and provide ED3 with a final invoice.

5.5.4. If the amount paid for the Removal Cost is less than the amount due for the Removal Cost as determined from the actual recorded Removal Cost, APS will bill ED3 for the difference between the amount previously paid by ED3 and the amount which would have been paid based on the actual recorded costs, without interest, within thirty (30) Calendar Days of the date of such invoice.

5.5.5. If the amount paid for the Removal Cost is greater than the amount due for the Removal Cost as determined from the actual recorded Removal Cost, APS will refund ED3 for the difference between the amount previously paid by ED3 and the amount which would have been paid based on the actual recorded costs, without interest, within thirty (30) Calendar Days of the date of such invoice.

6. OWNERSHIP-LIKE RIGHTS AND OTHER RIGHTS GRANTED AND RESERVED

6.1. ED3 shall pay APS a one-time Common Facility fee in the amount of $731,768, within 60 days of the execution of this Agreement, and shall be responsible for a Pro Rata Share of the costs of Common Facilities as set forth in Section 7, in exchange for which APS grants ED3 the certain ownership-like rights in the Santa Rosa 230 kV Switchyard Common Facilities set forth in this Section 6 for the entire term of this Agreement or until the ED3 T1 Transformer interconnection is removed if this Agreement is to remain intact. No portion of these fees is refundable to ED3 in the event of termination of this Agreement or removal of the ED3 T1 Transformer interconnection if this Agreement remains intact.

6.2. APS grants to ED3, subject to the terms and conditions of this Agreement, the right to physically and electrically interconnect the T1 Transformer to the Santa Rosa 230 kV Switchyard and associated bus facilities at 230 kV voltage as described in Exhibit A and shown in Exhibit B attached hereto.

6.3. APS grants ED3 the exclusive right to use bay position #3 in the APS Santa Rosa 230 kV Switchyard for the term of this Agreement;

6.4. APS grants ED3 the non-exclusive use and benefit from the Common Facilities at no additional cost beyond those described in Sections 6.1 and 7.

6.5. APS grants to ED3, its successors and assigns, a non-exclusive easement on, over, and across the Santa Rosa 230 kV Switchyard for the purpose of locating the T1 Transformer and associated equipment and to interconnect the ED3 transmission system to the APS transmission system. T1 Transformer shall initially be constructed by APS pursuant to APS Purchase and Construction Agreement 700513954 in a space in Bay #3 at Santa Rosa 230 kV Switchyard and shall not be relocated or modified by ED3 without the consent of APS. Subject to the terms and conditions set forth in this Agreement, including, without limitation, any provisions relating to termination, the easement and all rights and privileges appurtenant thereto, whether express or implied, shall be binding upon and inure to the benefit of the heirs, representatives, successors and assigns of each of the Parties. The easement shall terminate without further act of any Party upon termination of this Agreement pursuant to Section 5 herein.

6.6. Removal of the T1 Transformer interconnection will terminate the easement and the ownership like rights in the 230kV switchyard.

6.7. ED3's right to use of the Common Facilities shall not be in excess of the rated capacity of the Common Facilities.

6.8. The rights granted to ED3 herein shall not be construed in any way to interfere with or impair the existing rights of APS to interconnect with, operate, maintain, expand, sell, or otherwise dispose of the Santa Rosa 230 kV Switchyard as APS may deem necessary or appropriate, provided such actions by APS or a subsequent owner are conducted and completed in a manner which maintains the integrity of ED3's facilities and ED3's ability to use the Common Facilities.

6.9. Nothing in this Agreement shall be deemed either expressly or implicitly to obligate APS to provide or make available any energy sales, energy purchases, transmission service, injection rights, control area services, distribution service or ancillary services using any part of the APS transmission system for ED3 or any third party, nor does APS undertake to act as a scheduling coordinator or in any other capacity for ED3 or any third party.

6.10. The availability of transmission service on the APS transmission system will be governed solely by and determined in accordance with the APS OATT. APS makes no promises, warranties or guarantees under this Agreement with respect to transmission service that is available under the OATT or any other tariff under which transmission service may be available in the region.

6.11. ED3 acknowledges and agrees that from time to time during the terms of this Agreement, APS or other entities may develop, construct and operate, or acquire and operate transmission or generating facilities in APS service territory; provided, however, that such actions by APS or other entity are conducted and completed in a manner which maintains the integrity of ED3's facilities, and ED3's easement and does not degrade or diminish ED3's right to use the Common Facilities as provided in this Agreement. ED3 acknowledges and agrees that APS has no obligation under this Agreement to disclose to ED3 any information with respect to third party developments or circumstances, including the identity or existence of any such Person or other facilities, except as may be otherwise required under this Agreement; provided, however, that as an interconnecting Party to the Santa Rosa 230 kV Switchyard, APS will ensure that ED3 will have a reasonable opportunity to review the required mitigation of any potential impacts, and to participate on a non-discriminatory basis in replacements, improvements or expansions with respect to future facilities at Santa Rosa 230 kV Switchyard.

7. OPERATION, MAINTENANCE AND REPLACEMENT

7.1. **General:** In carrying out the requirements of this Agreement, neither Party shall be required to take actions that would violate any provision of the reliability criteria, standards, guidelines and operating procedures of NERC and WECC; a Party's FERC tariff; ED3's service agreement for mandatory transmission service to APS or Applicable Requirements. APS shall be responsible for reporting and other informational requirements imposed by reliability criteria, standards, guidelines and operating procedures of NERC and WECC, FERC and any other Applicable Requirements. To the extent that any of the foregoing imposes any reporting or other compliance obligation on ED3 with respect to the Santa Rosa 230 kV Switchyard, APS will promptly make available to ED3 whatever information may be necessary to comply with the relevant Applicable Requirements.

7.1.1. Parties Obligations

7.1.1.1. Physical Operation, Maintenance and Replacement:

7.1.1.1.1. APS shall be responsible for the physical operation, maintenance and replacement of the Santa Rosa 230 kV Switchyard in its entirety, as well as any Capital Improvements to the Switchyard. APS will control the APS Transmission System, Santa Rosa 230 kV Switchyard, station batteries and all facilities in the 230 kV Switchyard including the Interconnection Facilities to the T1 Transformer, as described in

Exhibit A herein in accordance with Good Utility Practice and the provisions of this Agreement.

7.1.1.1.2. APS shall also be responsible for the physical operation, maintenance and, if requested by ED3, replacement of the T1 Transformer in accordance with Good Utility Practice and the provisions of this Agreement.

7.1.1.2. Cost Obligations - Common Facilities:

7.1.1.2.1. Each Party shall be responsible for its Pro-Rata Share of the costs of operation, maintenance, replacements and Capital Improvements of the Common Facilities (including but not limited to overhead expenses, applicable labor loading charges, and administrative and general expenses).

7.1.1.3. Cost Obligations - T1 Transformer:

7.1.1.3.1. So long as and to the extent it performs its operation, maintenance and replacement responsibilities in accordance with this Agreement, APS shall have no cost obligation under this Agreement regarding the T1 Transformer or associated equipment.

7.1.1.3.2. ED3 shall have complete cost responsibility for T1 Transformer and all associated equipment, including 230 kV metering equipment to be owned by APS. APS shall bill ED3 actual costs for Operations, Maintenance and Replacement (including but not limited to overhead expenses, applicable labor loading charges, and administrative and general expenses).

7.1.1.4 Cost Obligations – Other Facilities

7.1.1.4.1 Billing quality metering for the 69 kV Points of Interconnection described in Exhibit A and shown in Exhibit B are all owned, operated and maintained by APS.

7.1.1.4.2 APS shall be responsible for the cost of operations, maintenance and replacement for the meters identified in Exhibit A, part A.3.

7.1.1.4.3 ED3 shall be responsible for the cost of operations, maintenance and replacement for the meters identified in Exhibit A, part A.2.

7.1.1.4.4 Each Party shall own and be responsible for the 69 kV interconnection facilities located on its side of each of the POIs. (See Exhibit A, Sections A.2 and A.3.)

7.2. APS Communications: All responsibilities for communication between the Parties related to electrical operation of the facilities for normal and emergency conditions, inspection and testing, outage coordination, and protection equipment coordination shall be performed by APS in conjunction with ED3.

7.2.1. ED3 Communications: ED3 shall maintain operating communications with the APS System Operator. Operating communications shall include, but not be limited to, advising the APS System Operator promptly and in advance, of any paralleling with or separation from the Transmission System and any unscheduled shutdown, equipment clearance, and changes in levels of operating voltage or power factors.

7.2.2. Special Requirements: Both Parties shall provide, to the extent possible, all assistance requested by the other Party in the performance of its obligations hereunder, and, in so doing, shall comply with all applicable Law and regulations. Both Parties shall, from time to time after the execution of this Agreement, submit to the authorized representatives any special requirements it may have regarding accounting, records, or information in order that all required records may be maintained in the same manner throughout the maintenance of the Interconnection Facilities and Santa Rosa 230 kV Switchyard. Each Party shall reasonably accommodate said special requirements.

7.2.3. Coordination Concerning Load Shedding: ED3 shall coordinate with APS to develop and update a load shedding plan in accordance with Applicable Requirements, such plan to be completed within 180 days of execution of this Agreement.

7.2.4. Reactive Power Standards: Neither Party shall be obligated under this Agreement to provide or exchange reactive power with the other Party. Each Party shall cooperate with the other Party to minimize the unintended flow of reactive power between the APS and ED3 systems.

7.2.5. Switching and Tagging Rules: Each Party shall supply the other Party with a copy of its switching and tagging rules that are applicable to the other Party's activities. Each Party shall notify the other Party in advance of any changes in the switching and tagging rules. Such switching and

tagging rules shall be developed on a non-discriminatory basis. Each Party shall comply with the applicable switching and tagging rules, as amended from time to time, in obtaining clearances for work or for switching operations on equipment. Each Party shall ensure that its personnel are trained and knowledgeable of the other Party's switching, tagging, grounding and isolation procedures.

7.2.6. Transformer Protection Facilities:

7.2.6.1. Operation and Maintenance: Under APS Agreement 700513954, APS shall, at ED3's expense, purchase and install, Transformer Protection Facilities, including such protective and regulating devices as are required by Good Utility Practice and Applicable Requirements, or as are otherwise necessary to protect personnel and equipment and to minimize adverse effects to the Common Facilities arising from the T1 Transformer interconnection. These Transformer Protection Facilities become the property of APS after installation and the cost responsibility for maintenance and operation of this equipment is included under Common Facilities.

7.2.6.2. Other Modifications: In addition to the Transformer Protection Facilities discussed above, certain other modifications and/or additions to the Santa Rosa 230 kV Switchyard may be required for interconnection. All protective relays and schemes, additions or modifications must be compatible with existing protective relay schemes. APS shall make the final determination as to the necessary Transformer Protection Facilities and identify modifications and/or additions required. APS shall work cooperatively with ED3 to achieve an installation that meets the requirements of both Parties.

7.2.6.3. Inspection and Testing:

7.2.6.3.1. APS shall have the responsibility for the testing and/or inspection of all APS Santa Rosa 230 kV system protection facilities expected to affect the reliability of the Interconnection Facilities, the Common Facilities and the T1 Transformer and its associated equipment. ED3 shall have the right, but shall have no obligation or responsibility, to; (i) observe the APS tests and/or inspection of any of the APS Santa Rosa 230 kV system protection facilities or any other facilities and equipment whose performance may reasonably be expected to affect

the reliability of the Santa Rosa 230 kV Switchyard or the T1 Transformer; (ii) review the settings of the APS Santa Rosa 230 kV system protection facilities; and (iii) review the APS maintenance records relative to the APS Santa Rosa 230 kV system protection facilities. ED3 may exercise the foregoing rights as it deems necessary upon reasonable notice to APS. However, the exercise or non-exercise by ED3 of any of the foregoing rights of observation, review or inspection shall be construed neither as an endorsement nor confirmation of any aspect, feature, element, or condition of the APS Santa Rosa 230 kV system protection facilities or the operation thereof, nor as a warranty as to the fitness, safety, durability, or reliability of same.

7.2.7. Outages:

7.2.7.1. Outage Coordination: In accordance with Good Utility Practice and Applicable Requirements, the Parties agree to confer as necessary in order to communicate and coordinate the planning and scheduling of preventative maintenance outages, corrective maintenance outages, and other planned outages of the facilities for which they are responsible that may impact the facilities of the other Party. Absent an Operating Emergency, the Party scheduling the removal of a facility from service will, at least 72 hours in advance unless mutually agreed to by both Parties, schedule such removal on a date acceptable to both Parties, in accordance with Good Utility Practice and Applicable Requirements.

7.2.7.2. Outage Restoration:

7.2.7.2.1. Forced Outage - In the event of an unplanned outage of a Party's facility that adversely affects the other Party's facilities, the Party that owns or controls the facility out of service will use reasonable efforts to promptly restore that facility to service in accordance with Good Utility Practice.

7.2.7.2.2. Planned Outage - In the event of a planned outage of a Party's facility that adversely affects the other Party's facilities, the Party that owns or controls the facility to be taken out of service shall use

reasonable efforts to promptly restore that facility to service in accordance with Good Utility Practice and in accordance with its schedule for the work that necessitated the planned outage.

8. OPERATING EMERGENCIES

8.1. Each Party shall comply with NERC, WECC and any other Applicable Requirements with respect to emergency procedures, as they may be amended from time to time, and ED3 or APS emergency procedures, as applicable, with respect to Operating Emergencies.

8.2. In the event of an Operating Emergency, APS, in accordance with Good Utility Practice and Applicable Requirements, shall act in good faith on a non-discriminatory basis to take any and all steps reasonably necessary to remedy and, pending such remedy and to the extent not inconsistent therewith, mitigate the Operating Emergency.

8.3. As soon as practicable following the occurrence of an Operating Emergency, APS shall advise ED3's scheduling representative, or designee, of the nature and expected duration of the Operating Emergency and the steps taken or planned to be taken for the remediation or mitigation of such Operating Emergency.

8.4. In the event that the Operating Emergency results in the destruction of or damage to the Common Facilities, or impairs the operation of the Common Facilities, APS, in consultation with ED3 as necessary, shall expend in accordance with Good Utility Practice and Applicable Requirements, any funds necessary or appropriate to repair, restore or reconstruct the damaged or destroyed facilities to the extent necessary to restore operation of the Common Facilities to substantially the same general condition as existed prior to the Operating Emergency. ED3 shall be obligated to pay its Pro-Rata Share of the costs of such repair, restoration or reconstruction as operating costs or capital costs, depending on the nature of such costs and the accounting treatment ordinarily afforded such costs in accordance with Good Utility Practice. In the event that APS recovers any sums from any third Person in connection with such destruction or damage, APS shall apply such sums to the repair, restoration, or reconstruction work undertaken pursuant to this Section, provided that if ED3 has already reimbursed the APS for such work, APS, as applicable, shall refund to or credit ED3 in an amount equal to its Pro Rata Share of the sum recovered.

8.5. Following the occurrence of an Operating Emergency, APS shall be authorized to proceed immediately or at any time thereafter, in its discretion, on a non-discriminatory basis, with any action necessary or appropriate to remedy such

Operating Emergency in accordance with Good Utility Practice and Applicable Requirements.

8.6. Following the remediation of any Operating Emergency, the Operator shall submit to the Parties a report containing a summary of the causes of the Operating Emergency, the costs incurred and expenditures made in connection with the mitigation and termination of such Operating Emergency, any recommendations for avoiding or mitigating similar Operating Emergencies in the future, and such other information as may be reasonably required by the Parties.

9. SAFETY

9.1. **General:** All work performed by a Party that may reasonably be expected to affect the other Party shall be performed in accordance with Applicable Requirements pertaining to the safety of Persons or property. A Party performing work within the boundaries of the other Party's facilities must abide by the safety rules applicable to the site.

9.2. **Environmental Releases and Remediation:** Each Party shall notify the other, first orally and then in writing, of the release of any Hazardous Substances or any type of remediation activities, each of which may reasonably be expected to affect the Santa Rosa 230 kV Switchyard, Common Facilities, Interconnection Facilities or T1 Transformer, as soon as possible but not later than twenty-four (24) hours after the applicable Party becomes aware of the occurrence, and shall promptly furnish to the other Party copies of any reports filed with any governmental or other agencies addressing such events. Each Party reserves the right to conduct its own investigation, as deemed necessary by such Party in its sole discretion, for any events that may cause any action against such Party for any environmentally-related event.

10. METERING

10.1. **Metering Equipment:** APS shall install billing quality metering equipment as per APS' specifications at ED3's expense, to meter the flow of energy at the 230 kV Point of Interconnection for T1 Transformer and the two 69kV Points of Interconnection. The same metering data, in the same readable and retrievable format used by APS, shall be provided to each of the Parties. All costs associated with the administration of the metering equipment and the provision of metering data shall be borne by ED3. The subject metering equipment shall be owned by APS.

10.2. Operation and Testing of Metering Equipment: APS shall inspect and test the metering equipment upon installation and at least once every year thereafter at ED3's expense. If requested to do so by a Party, APS shall inspect or test the metering equipment more frequently than every year, at the expense of the requesting Party unless the metering equipment is found to be inaccurate by more than ± 0.3%. The testing Party shall give reasonable notice of the time when any inspection or test shall take place and the other Party may have representatives present at the test or inspection. If the metering equipment is found to be inaccurate or defective, it shall be adjusted, repaired or replaced at the metering equipment owner's expense, in order to provide accurate metering. If the metering equipment fails to register, or if the measurement made by the metering equipment during a test varies by more than three tenths of one percent (0.3%) from the measurement made by the standard meter used in the test, adjustments shall be made correcting all measurements made by the inaccurate meter for; a) the actual period during which inaccurate measurements were made, if the period can be determined, or if not, b) the period immediately preceding the test of the metering equipment equal to one-half the time from the date of the last previous test of the metering equipment; provided that the period covered by the correction shall not exceed six months.

11. INFORMATION REPORTING

11.1. General:

11.1.1. Upon APS' request, ED3 shall provide to APS all information, documents, or data which is required by APS to fulfill APS' reporting obligation to any governmental, regulatory, or other applicable agency pursuant to Applicable Requirements. Such data shall be supplied in a time frame and format reasonably designated by APS to meet such obligations.

11.1.2. Upon ED3's request, APS shall provide to ED3 all information, documents, or data which is required by ED3 to fulfill ED3's reporting obligation to any governmental, regulatory, or other applicable agency pursuant to Applicable Requirements. Such data shall be supplied in a time frame and format reasonably designated by APS to meet such obligations.

11.2. Penalties:

11.2.1. ED3 shall be responsible for all penalties, monetary or other penalties incurred or imposed upon APS due to ED3's failure to reasonably report the information requested pursuant to this Section 13.

11.2.2. APS shall be responsible for all penalties, monetary or other penalties incurred or imposed upon ED3 due to APS' failure to reasonably report the information requested pursuant to this Section 13.

12. UNCONTROLLABLE FORCES

No Party shall be considered to be in default in the performance of any of its obligations under this Agreement (other than obligations of said Party to pay costs and expenses) when a failure of performance shall be due to an uncontrollable force. The term "uncontrollable force" shall mean any cause beyond the control of the Party affected, including but not restricted to failure of or threat of failure of facilities, flood, earthquake, tornado, volcanic eruption, storm, fire, lightning, epidemic, war, terrorist act, riot, civil disturbance or disobedience, labor dispute, labor or material shortage, sabotage, restraint by court order or public authority and action or non-action by or inability to obtain the necessary authorizations or approvals from any governmental agency or authority, which by exercise of due diligence such Party could not reasonably have been expected to avoid, and which by exercise of due diligence, it has been unable to overcome. Nothing contained herein shall be construed so as to require a Party to settle any strike or labor dispute in which it may be involved. A Party asserting that it has been rendered unable to fulfill any of its obligations under this Agreement by reason of an uncontrollable force shall give prompt written notice of such claim to the other Party, together with such information as may be available to substantiate such claim, and shall exercise due diligence to remove such inability with all reasonable dispatch.

13. OWNERSHIP

13.1. The Interconnection Facilities shall be owned by and remain the property of APS, as described in Exhibit A attached hereto as well as all other 230kV equipment on the APS side of the T1 Point of Interconnection.

13.2. ED3 has Ownership-Like Rights to the Common Facilities as defined in, and provided for in Section 6.

13.3. The T1 Transformer billing meter that is located in the Santa Rosa 230 kV Switchyard and billing meters for the two 69kV interconnections shall be owned by and remain the property of APS.

13.4. APS shall have rights including, but not limited to, the right to modify, relocate, or make Capital Improvements to the Interconnection Facilities, station batteries, and Common Facilities in the 230 kV Switchyard, as required; (i) to meet Applicable Requirements or enable the operation of the Santa Rosa 230 kV Switchyard in accordance with Good Utility Practice, (ii) to facilitate future connections in accordance with Applicable Requirements. To the extent permitted by applicable law, the costs of future connections, including the costs of modifications or relocations required to facilitate such connections, shall be

payable solely by the Person requesting such connection. In the event that APS proposes to make any such modification or relocation, APS will notify ED3 in advance and provide a reasonable opportunity for consultation. Notwithstanding the foregoing, ED3 acknowledges and agrees that APS has no obligation under this Agreement to disclose any information which violates any confidentiality agreement or any Applicable Requirements.

14. BILLINGS AND PAYMENTS

14.1. ED3 shall remit funds to APS on the basis of invoices received from APS. Such invoices shall reflect ED3's Pro Rata share of costs of Operating Work, its Pro Rata share of Common Facilities maintenance costs, and its Pro Rata share of costs of Capital Replacements or Improvements, or any other costs for which ED3 has responsibility under the terms and conditions of this Agreement.

14.2. All expenses described in this Agreement shall be invoiced on or before the twentieth (20th) Calendar Day of the following month and payment shall be due and payable within thirty (30) Calendar Days after invoicing.

14.3. ED3 shall pay or cause to be paid (in funds immediately available as of the due date thereof) each invoice on or before the due date as specified in Section 16.2 herein. Payments shall be considered made on the date funds are received by APS.

14.4. If ED3 disputes any portion of an amount specified in an invoice, ED3 shall pay the total amount when due, identifying the disputed amount and stating that the disputed amount is being paid under protest and the grounds on which ED3 disputes the relevant portion of the invoice. If it is determined that an overpayment has been made, the amount determined to be in excess, shall either be returned to ED3 or credited against the following month's invoice with interest in accordance with the provisions of 18 CFR Section 35.19a (a) (2) (iii).

14.5. Nothing contained in this Agreement shall require APS to advance its own funds on behalf of ED3.

14.6. Invoiced amounts not received by APS on or before the due date specified herein shall accrue interest in accordance with the provisions of 18 CFR Section 35.19a (a) (2) (iii), prorated on a daily basis from the due date to the day such unpaid amount is paid in full.

15. ASSIGNMENT

15.1. Each Party shall have the right at any time and from time to time to mortgage, create or provide for a security interest in or convey in trust all or a part of its ownership share in this Agreement to a trustee or trustees under a deed of trust, mortgage or indenture, or to a secured party or parties under a security agreement, as security for its present or future bonds or other obligations or securities and to any successors or assigns thereof, without need for the prior written consent of the other Party and without such mortgagee, trustee or secured party assuming or becoming in any respect obligated to perform any of the obligations of the Parties.

15.2. Any mortgagee, trustee or secured party, under present or future deeds of trust, mortgages, indentures or security agreements of either Party and any successor or assign thereof, and any receiver referee or trustee in bankruptcy or reorganization of either of the Parties, and any successor by action of or otherwise, and any purchaser, transferee or assignee of any thereof may, without need for the prior written consent of the other Party, succeed to and acquire all the rights, titles, interests and obligations of such Party to this Agreement may take over possession of or foreclose upon said rights, titles, interest and obligations of such Party.

15.3. Either Party shall have the right to transfer or assign all or part of its interest in this Agreement to any of the following without the need for prior written consent of the other Party:

15.3.1. To any entity acquiring all or substantially all of the property or such Party; or

15.3.2. To any entity merged or consolidated with such Party; or

15.3.3. To any entity which is wholly-owned by a Party; or

15.4. Except as provided in Sections 15.2 and 15.3 herein, with respect to a transfer or assignment by a Party, no Party shall transfer or assign its rights, title, interests and obligations without the prior written consent of the other Party, which consent shall not be unreasonably withheld, conditioned, or delayed.

15.5. Except as otherwise provided in Section 15.1 hereof, any successor to the rights, titles, interests and obligations of a Party in this Agreement shall assume and agree to fully perform and discharge all of the obligations hereunder of such Party, and such successor shall notify the other Party in writing of such transfer, assignment or merger, and shall furnish to each Party evidence of such transfer, assignment or merger.

15.6. Neither Party shall be relieved of any of its obligations under this Agreement by an assignment under this Section 15 without the express prior written consent of the other Party, which consent shall not be unreasonably withheld, conditioned, or delayed.

15.7. Any party who may succeed to an ownership interest pursuant to this Section 15 shall specifically agree in writing with the remaining Parties at the time of such transfer that it shall be bound by all of the provisions of this Participation Agreement and shall assume all liability of the transferring Party that is incurred prior to and after the date of such assignment or transfer.

16. INSURANCE

16.1. The Parties shall procure and maintain in force or cause to be procured and maintained in force policies and coverage of insurance, at its own cost, as described below. Each Party may elect to self-insure this coverage. Each Party shall insure or self-insure risks associated with their respective owner interests and respective operations and maintenance obligations assumed in this Agreement. Each Party shall furnish to the other certificates and additional insured endorsements evidencing the specified insurance. Such certificates shall provide that at least thirty (30) days' prior notice of any policy cancellation or non-renewal shall be given to the other Party. Each Party shall also require its contractors and subcontractors, if any, to maintain all such insurance set forth below and to provide certificates of insurance, and additional insured endorsements.

16.2. Each Party shall procure and maintain the following insurance, as applicable:

16.2.1. To the extent required by applicable Law, workers compensation insurance, including coverage for occupational disease and employer's liability insurance engaged in any work in connection with the Facilities with a limit of liability no less than $1,000,000 per occurrence.

16.2.2. General liability insurance covering personal injury, bodily injury and property damage arising from the ownership, operation or maintenance of the Facilities, with the limit of liability not less than $2,000,000 per occurrence, including contractual liability coverage for the obligations assumed in this Agreement. This limit may be satisfied in a primary or excess policy or combination of policies.

16.2.3. Automobile liability insurance covering all owned, non-owned, and hired vehicles used by or on behalf of such Party in connection ownership, operation or maintenance of the Facilities with the combined bodily injury and property damage liability limits of not less than $1,000,000 per occurrence.

16.3. All first party property insurance provided by each Party is to include a waiver of subrogation by the insurers, except subrogation shall not be waived for damage or destruction to property that results from the gross negligence or willful misconduct of the other Party. Any losses incurred by the Parties arising from ownership, operation or maintenance, whether or not covered by the insurance described in this Section, or within the deductible of such insurance, will be the responsibility of the Parties based on their ownership interests at the time of loss.

17. LIABILITY

17.1. Except as otherwise provided in this Section, the Parties shall indemnify and save each other Party and the directors, agents, officers, and employees of each other Party, harmless from and against any liability, loss, damage, claims, costs, and expenses (including reasonable attorneys' fees and court costs through appeal) incurred or claimed on account of injury to Persons (including death) or damage or destruction of property, occasioned by the act or omissions of the indemnifying Party or its directors, officers, employees, agents, or contractors in the performance of this Agreement, except to the extent that such liability, loss, damage, claim, costs, or expense results from the gross negligence or willful misconduct of the indemnified Party; provided however, that each Party shall be solely responsible to its own employees for all claims or benefits due for injuries occurring in the course of their employment or arising out of any workers' compensation (except for claims due to the negligence of the other Party), and each Party shall indemnify and save the other Party harmless from and against any liability, loss, damage, claims, costs, and expenses (including reasonable attorneys' fees and court costs through appeal) relating to its own employees.

17.2. Except as otherwise provided in this Section and except for loss, injury, damages or destruction that result from a breach or default of a Party's duty or obligation as set forth herein, the Parties shall each bear their own respective risk of loss for any loss, injury, damage or destruction to their respective property, facilities, equipment and for the replacement or repair of such property.

17.3. To the fullest extent permitted by Law, neither Party shall have liability to the other Party for any indirect, consequential, multiple or punitive damages including, but not limited to, loss of earnings or revenues or cost of purchase power.

17.4. A claim based on gross negligence or willful misconduct under this Agreement must be perfected by filing suit in a court of competent jurisdiction within two (2) years after such action occurs. All claims made thereafter relating to the same shall be barred by this Section 17.4.

18. BREACH, CURE AND DEFAULT

18.1. General: A breach of this Agreement shall exist upon the occurrence of any of the events identified in Section 18.2 herein. A default of this Agreement shall occur upon the failure of a Party in breach of this Agreement to cure such breach in accordance with the provisions of Section 18.4 hereof.

18.2. Events of Breach: A breach of this Agreement shall include:

(a) The failure to pay any amount when due;

(b) The failure to comply with any term or condition of this Agreement, including but not limited to any breach of a representation, warranty or covenant made in this Agreement; or

(c) If a Party: (1) becomes insolvent; (2) files a voluntary petition in bankruptcy under any provision of any federal or state bankruptcy or shall consent to the filing of any bankruptcy or reorganization petition against it under any similar; (3) makes a general assignment for the benefit of its creditors; or (4) consents to the appointment of a receiver, trustee or liquidator.

18.3. Continued Operation: In the event of a breach or default by either Party, the Parties shall continue to operate and maintain, as applicable, Transformer Protection Facilities, metering equipment, telemetering equipment, SCADA equipment, transformers, Secondary Systems, communications equipment, building facilities, software, documentation, structural components, and other facilities and appurtenances that are reasonably necessary for the Parties to operate and maintain their transmission systems, in a safe and reliable manner.

18.4. Cure and Default: Upon the occurrence of an event of breach, the Party not in breach, when it becomes aware of the breach, shall give written notice of the breach to the breaching Party. Such notice shall set forth, in reasonable detail, the nature of the breach, and where known and applicable, the steps necessary to cure such breach. Upon receiving written notice of the breach hereunder, the breaching Party shall have thirty (30) days to cure such breach. If the breach is such that it cannot be cured within thirty (30) days, the breaching Party will commence in good faith all steps as are reasonable and appropriate to cure the breach within such thirty (30) day time period and thereafter diligently pursue such action to completion. In the event the breaching Party fails to cure the Breach, or to commence reasonable and appropriate steps to cure the breach, within thirty (30) days of becoming aware of the breach, the breaching Party will be in default of the Agreement; *provided, however,* that where a breaching Party has commenced and vigorously pursues timely, reasonable and appropriate steps to cure an alleged breach, the remedies of the Party claiming breach shall be limited to those provided in the first sentence of Section 18.5 and shall not extend to termination of this Agreement or of any interconnection existing under this Agreement.

18.5. Right to Compel Performance: Notwithstanding the foregoing, upon the occurrence of an event of default, the non-defaulting Party shall be entitled to: (1) commence an action to require the defaulting Party to remedy such default and specifically perform its duties and obligations hereunder in accordance with the terms and conditions hereof, and (2) exercise such other rights and remedies as it may have in equity or at, including, but not limited to, the Federal Power Act or other FERC rules or regulations. In the event of a default, the non-defaulting Party may terminate this Agreement by the giving of written notice of termination to the defaulting Party. ED3 expressly waives any claim of sovereign immunity with regard to actions brought under the first sentence of this Section 18.5 to compel performance of this Agreement.

19. SUBCONTRACTOR

19.1. General: Nothing in this Agreement shall prevent either Party from utilizing the services of subcontractors deemed appropriate to perform obligations under this Agreement; provided, however, that each shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each shall remain primarily liable for the performance of such subcontractor.

19.2. Responsibility of Principal: The creation of any subcontractor relationship shall not relieve the hiring Party of any of its obligations under this Agreement. Each Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor it hires as if no subcontract had been made. Any applicable obligation imposed by this Agreement upon a Party shall be equally binding upon, and shall be construed as having application to any subcontractor of such Party.

19.3. No Third Party Beneficiary: Except as may be specifically set forth to the contrary herein, no subcontractor or any other party is intended to neither be, nor will it be deemed to be, a third-party beneficiary of this Agreement.

19.4. No Limitation by Insurance: The obligations under this Section 19 will not be limited in any way by any limitation of subcontractor's insurance.

20. AUDIT RIGHTS

APS shall retain accounts and records pertaining to performance and/or satisfaction of obligations arising under this Agreement for thirty-six (36) months or until any audit or dispute in progress is completed. ED3 shall have the right, during normal business hours, and upon prior reasonable notice to APS, to audit at their own expense the accounts and records pertaining to performance and/or satisfaction of obligations arising under this Agreement. Said audit shall be performed at the offices where such accounts and records are maintained.

21. DISPUTES

21.1. Dispute Resolution Procedures: The Parties agree to use their best efforts to resolve all immaterial disputes. Should any material dispute arising between the Parties concerning the terms or conditions of this Agreement, or the duties or obligations of the Parties under this Agreement, or the implementation or interpretation of this Agreement remain unresolved for a period of fifteen (15) days after written notice to the other Party specifying the nature of the dispute, such dispute shall be forwarded to the authorized representatives of the Parties. Should the authorized representatives be unable to resolve such dispute by mutual decision within a period of fifteen (15) days from the submission of the dispute to them, such dispute shall be forwarded to the Chief Executive Officer of APS and the General Manager of ED3, or their respective executive level representatives (hereinafter the "Executive" or "Executives"), who shall meet within ten (10) Calendar Days (or such shorter or longer time as agreed upon by the Executives) to discuss and attempt to reach a resolution of the dispute. Any resolution mutually agreed upon by the respective Executives shall be binding upon each of the Parties to this Agreement. If the Executives cannot resolve the dispute within ten (10) Calendar Days after their initial meeting or conference (or within such a longer time as may be mutually agreed upon by the respective Executives), the Parties may pursue any remedies available to them at , in equity or under this Agreement to resolve the dispute, including alternate dispute resolution processes. Any legal action initiated under this Agreement shall be brought in Phoenix, Arizona.

21.2. Costs: Each Party shall be responsible for its own legal costs incurred during the dispute process and for any following legal action if applicable.

21.3. Rights Under the Federal Power Act: Nothing in this Section shall restrict the rights of any party to file an application with FERC under Sections 205 or 206 of the Federal Power Act, solely with respect to a material dispute under Section 21.1. The relief sought in such application shall only become effective in accordance with a final order of the Federal Energy Regulatory Commission.

22. NOTICES AND AUTHORIZED REPRESENTATIVES

22.1. Any notice, demand or request required or permitted to be given by a Party to the other Party and any instrument required or permitted to be tendered or delivered by a Party to the other Party may be so given, tendered or delivered, as the case may be, by either: special carrier service (e.g., Federal Express, United Parcel Service, etc.), telephone (to be followed by written notice concerning the details of any telephone communications), facsimile, or depositing the same in any United States post office with postage prepaid, for delivery by certified or registered mail, addressed to the Party, or personally delivered to the Party, at the address and/or telephone numbers set out below: Either Party may change the

designation of its contact for notice purposes by providing written notice of such change to the other Party.

22.2. Authorized Representatives: Each Party shall designate one or more Authorized Representatives authorized to act on its behalf with respect to technical and operational matters related to this Agreement. Either Party may change the designation of its Authorized Representative(s) by oral notice to the other Party confirmed by written notice.

22.3. CONTACT INFORMATION

To APS:

ARIZONA PUBLIC SERVICE COMPANY
PO Box 53999 -MS 2259
Phoenix, Arizona 85072-3999
Attention: Interconnections Development

Telephone Communications:
Manager, Interconnections Development
602-250-1644

Facsimile Communications:
Manager, Interconnections Development
602-250-1647

To ED3:

Electrical District No. 3 of Pinal County
41630 W. Louis Johnson Drive
Maricopa, AZ 85239
Attention: General Manager

Telephone Communications:
General Manager
520-424-9021

Facsimile Communications:
General Manager
520-424-9065

23. MISCELLANEOUS

23.1. Waiver: Any waiver at any time by a Party of its rights with respect to a Default under this Agreement or with respect to any other matters arising in connection with this Agreement shall not be deemed a waiver or continuing waiver with respect to any subsequent Default or other matter.

23.2. Governing: The validity, interpretation and performance of this Agreement and each of its provisions shall be governed by the applicable Laws of the State of Arizona without regard to its conflicts of provisions.

23.3. Headings Not To Affect Meaning: The descriptive headings of the various sections of this Agreement have been inserted for convenience of reference only and shall in no way modify or restrict any of the terms and provisions hereof.

23.4. Amendments: Except as provided in Section 5.3, this Agreement may be amended only by a written instrument duly executed by the Parties hereto. Except as provided in Section 5.3, absent the agreement of the Parties to the proposed change, the standard of review for changes to this Agreement proposed by a Party to the Agreement shall be the "public interest" standard of review set forth in *United Gas Pipe Line Co. v. Mobile Gas Service Corp.*, 350 U.S. 332 (1956) and *Federal Power Commission v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956) (the *"Mobile-Sierra"* doctrine).The terms and conditions of this Agreement and every exhibit referred to herein shall be amended, as mutually agreed to by the Parties, to comply with changes or alterations made necessary by a valid applicable order of any governmental regulatory authority, or any court, having jurisdiction hereof.

23.5. Entire Agreement: This Agreement constitutes the entire agreement between the Parties hereto with reference to the subject matter hereof and shall supersede all prior contracts, proposals, representations, negotiations, or letters pertaining to the services provided hereunder, whether written or oral. No change or modification as to any of the provisions hereof shall be binding on any Party unless reduced to writing.

23.6. Binding Effect: This Agreement and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and permitted assigns of the Parties hereto.

23.7. Conflicts: In the event of a conflict between the body of this Agreement and any attachment, appendix or exhibit hereto, the terms and provisions of the body of this Agreement shall prevail and be deemed to be the final intent of the Parties.

23.8. Attorney's Fees and Costs: In any legal action filed in state or federal court to enforce any of the terms of this Agreement, the prevailing Party shall be entitled to collect reasonable attorney's fees and costs.

23.9. Execution By Counterparts: This Agreement may be executed in any number of counterparts, and upon execution of this Agreement by all Parties, the executed counterparts together shall have the same force and effect as an original instrument and as if all Parties had signed the same instrument. Any signature page of this Agreement may be detached from any counterpart hereof without impairing the legal effect of any signature thereon, and may be attached to another counterpart of this Agreement identical in form hereto but having attached to it one or more signature pages.

24. SIGNATURE CLAUSE

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed by their duly authorized officers on the day and year first above written.

ARIZONA PUBLIC SERVICE COMPANY:

SIGNATURE: Rex Stulting

NAME (printed) Rex Stulting

TITLE: Manager of Interconnection Development

DATE: 5-23-08

ELECTRICAL DISTRICT NO. 3 OF PINAL COUNTY:

SIGNATURE: David B Benedict

NAME (printed) David B. Benedict

TITLE: Interim General Manager

DATE: May 23, 2008

Issued By: Cary Deise
General Manager, Transmission System

Effective: May 24, 2008

Issued On: May 23, 2008

EXHIBIT A

POINT OF INTERCONNECTION

AND INTERCONNECTION FACILITIES

A Points of Interconnection

A.1 This Interconnection Agreement provides for the interconnection of the ED3 transmission system to the APS transmission system at the APS Santa Rosa 230 kV Switchyard at the point where the conductor from the high-side (230 kV) of the T1 Transformer taps onto the conductor on the line-side of 230 kV circuit breaker SR322 as shown on Exhibit B attached hereto. This is also the point of ownership change.

A.2 ED3 is also interconnected to the APS transmission system at the ED3 Santa Rosa 69 kV Switchyard where the APS 69 kV line from the APS Santa Rosa 69 kV Ring Bus is connected to the line-side disconnect of 69 kV circuit breaker 3962. This is also the point of ownership change.

A.3 ED3 is also interconnected to the APS transmission system at the ED3 Maricopa 69 kV Switchyard where the APS 69 kV line from APS Santa Rosa 69 kV Ring Bus is connected to the line-side disconnect (disconnect 751, owned by ED3) of 69 kV circuit breaker 752. This is also the point of ownership change.

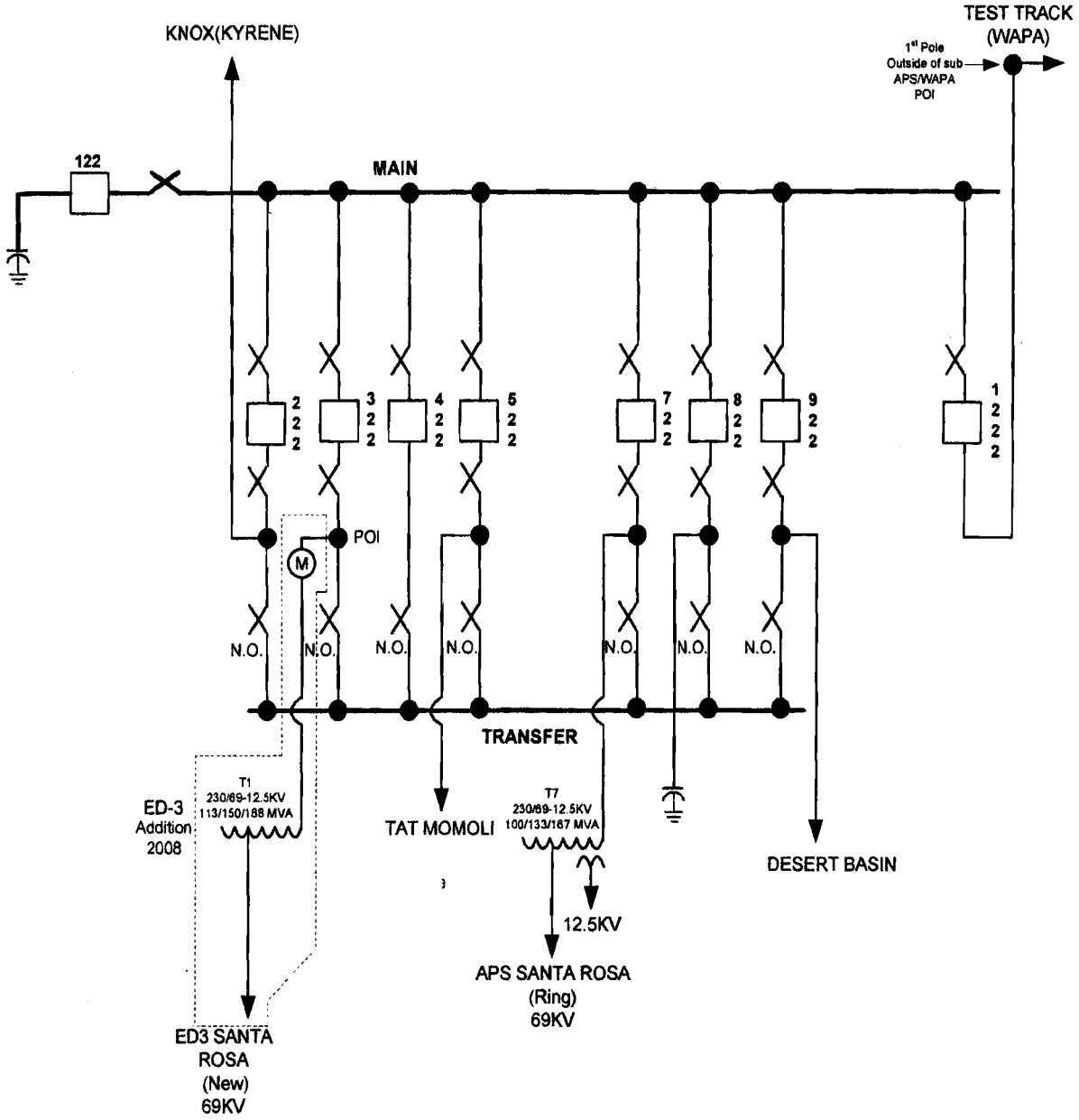
B Interconnection Facilities

Interconnection Facilities consist of bay position #3 at APS Santa Rosa 230 kV Switchyard, 230 kV circuit breaker SR322 and all associated equipment including the SR322 bus-side and transfer-bus-side disconnects.

EXHIBIT B

Diagram 1

APS SANTA ROSA 230 KV SWITCHYARD ONE-LINE DIAGRAM



LEGEND

POI = Point of Interconnection and Change of Ownership

(M) = Metering (owned by APS)

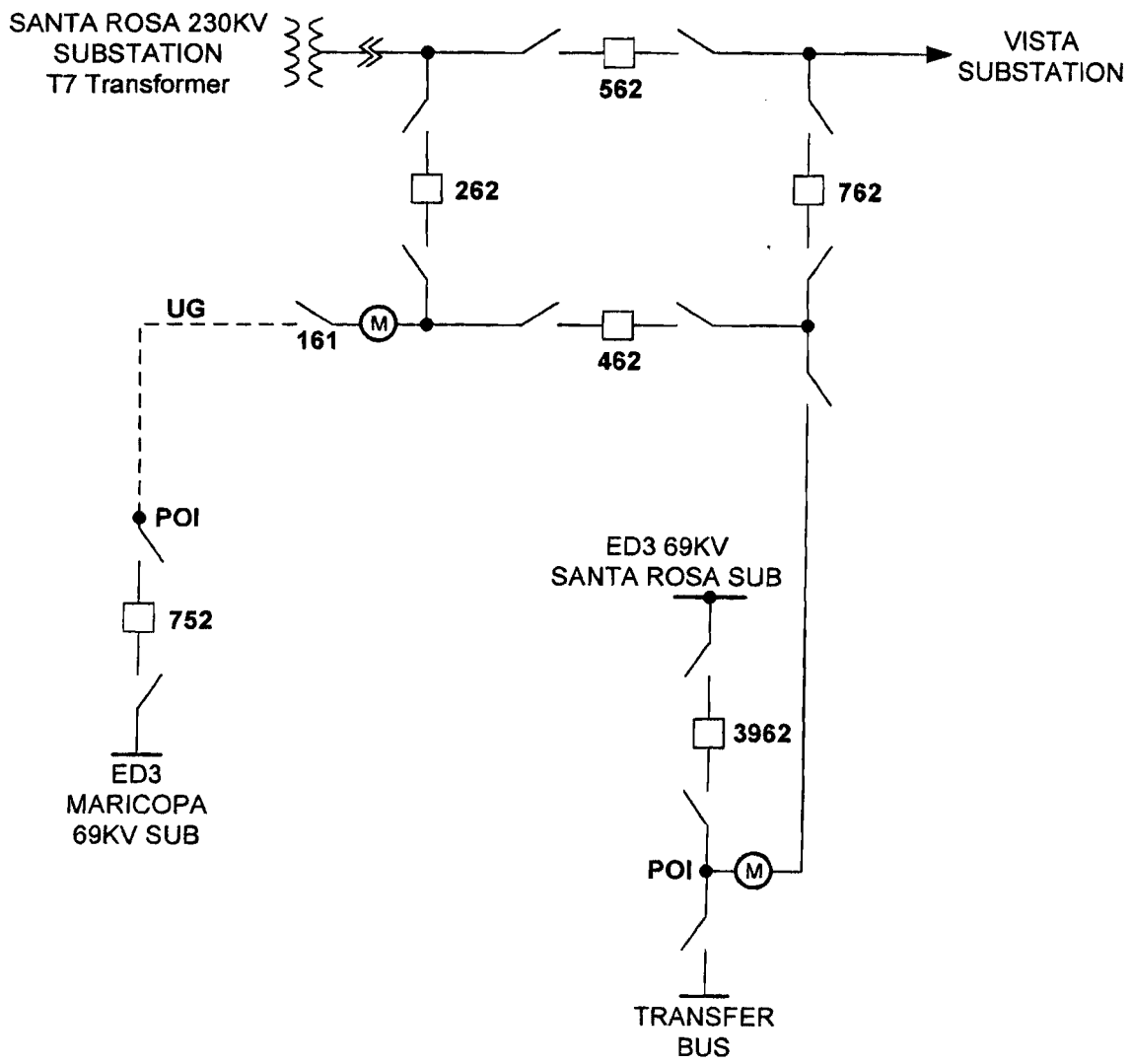
Issued By: Cary Deise
General Manager, Transmission System

Effective: May 24, 2008

Issued On: May 23, 2008

Diagram 2

APS SANTA ROSA 69 KV RING BUS ONE-LINE DIAGRAM



LEGEND

POI = Point of Interconnection and Change of Ownership

(M) = Metering

Issued By: Cary Deise
General Manager, Transmission System

Effective: May 24, 2008

Issued On: May 23, 2008

EXHIBIT C

DESCRIPTION OF LIMITS OF OPERATING AUTHORITY

The entirety of APS Santa Rosa 230 kV Switchyard is under APS' operating authority. Under this Agreement, specifically, T1 Transformer is under the operating authority of APS up to but not including the low-side 69 kV circuit breaker located in ED3 Santa Rosa 69 kV Switchyard.

EXHIBIT D

OWNERSHIP, OPERATION, MAINTENANCE, AND COST RESPONSIBILITIES

Equipment	Ownership	Operational Authority	Financial Responsibility
Common Facilities (except exclusions, see Exhibit E for exclusions)	APS 100%	APS	Pro Rata
Interconnection Facilities (See Exhibit A, Section B)	APS 100%	APS	Pro Rata
T1 Transformer and all associated equipment	ED3 100%	APS up to but not including the 69 kV low side circuit breaker	ED3 100%
T1 Transformer 230 kV metering equipment for the 230 kV POI	APS 100%	APS	ED3 100%
APS Santa Rosa 69 kV Ring Bus to ED3 Santa Rosa 69 kV Switchyard metering. This meter number is currently F34375, and is subject to change from time to time.	APS 100%	APS	ED3 100%
APS Santa Rosa 69 kV Ring Bus to ED3 Maricopa 69 kV Switchyard metering. This meter number is currently SAR492, and is subject to change from time to time.	APS 100%	APS	APS 100%
WAPA Test Track Substation to ED3 Santa Rosa 69 kV Switchyard metering. This meter number is currently F34373, and is subject to change from time to time.	ED3 100%	APS	ED3 100%
230/69 kV transformer in Santa Rosa 230 kV Switchyard Bay #7	APS 100%	APS	APS 100%

EXHIBIT E

APS SANTA ROSA 230 KV SWITCHYARD EQUIPMENT SPECIFICALLY EXCLUDED FROM "COMMON FACILITIES"

The following equipment is specifically excluded from this Agreement's definition of Common Facilities.

- 230 kV Capacitor in Bay #1, but not the associated 230 kV circuit breaker and control equipment which are a part of the Common Facilities.
- 230 kV Capacitor in Bay #8, but not the associated 230 kV circuit breaker and control equipment which are a part of the Common Facilities.
- 230/69 kV transformer in Bay #7, but not the associated 230 kV circuit breaker and control equipment which are a part of the Common Facilities.
- T1 Transformer and all associated equipment, but not the associated 230 kV circuit breaker and control equipment which are a part of the Common Facilities.
- T1 Transformer 230 kV metering equipment for the 230 kV POI.

Docket No. E-01345A-08-0426

EXHIBIT
ED3-12
ADMITTED

Exhibit ED3-12

Comparison of Estimated Monthly Billings under ED3's Overhead Residential Rate Based on an Energy Profile of the APS Customers

EXHIBIT ED3-12

Docket No. E-01345A-08-0426

Comparison of Residential Rates
(ED3 OH, UG and TOU vs. APS E-12, ET-1)
THIS SPREADSHEET IS ONLY AN ESTIMATION OF THE BILL. NOT ACTUAL.

Non-TOU Rates

	APS[1]			ED-3[5]	
Monthly Bills	**APS Current E-12[2]**	**APS Interim E-12[3]**	**APS Proposed E-12[4]**	**Res. Service-01 UG[6]**	**Res. Service-01 OH[7]**
Avg. Annual	$181.72	$187.87	$200.20	$188.81	$171.67
Avg. Summer	$231.53	$238.31	$254.40	$205.89	$188.19
Avg. Winter	$131.89	$137.40	$145.97	$171.71	$155.13

TOU Rates (60/40 Off/On Peak Split)

	APS[1 8 9]			ED-3[5 8 9]
Monthly Bills	**APS Current ET-1[1]**	**APS Interim ET-1[2]**	**APS Proposed ET-1[3]**	**Res. Service-01TOU**
Avg. Annual	$160.81	$166.96	$180.64	$166.20
Avg. Summer	$185.64	$192.42	$208.77	$188.87
Avg. Winter	$135.95	$141.46	$152.48	$143.53

[1] Rate calculations include PSA, TCA, CRCC, EIS, RES, and DSMAC A.C.C. approved adjustors.
[2] APS current rates reflect rates approved in A.C.C. Decision No. 69663 effective July 1, 2007.
[3] APS proposed interim rates were filed on June 6, 2008 to be effective November 2008 if approved.
[4] APS proposed rates reflect the rates filed in APS'S Amended 2008 General Rate Case filed on June 2, 2008 to be effective in October 2009 if approved.
[5] ED-3 rate calculation includes ED-3's PPCA adjustor set at $0.01564.
[6] UG - Underground.
[7] OH - Overhead.
[8] The on peak hours for these rates are 9am to 9pm in both summer and winter seasons.
[9] Summer and winter seasons are defined as follows: summer - May to October and winter - November to April.

Docket No. E-01345A-08-0426

EXHIBIT
ED3-13
ADMITTED

Exhibit ED3-13

Evaluation of Base Rate Increases Necessary to Cover Projected Costs Over the Next 10 years

Electrical District No. 3

Pro-Forma Income Statement and Debt Service Coverage Forecast

(Assumes All APS Split End Customers become ED3 Customers in Oct-08)

	A	F	G	H	I	J	K	L	M	N	O
6	**Required Rate Increases (Retail)**	**6.4%**	**2.0%**	**4.3%**	**2.0%**	**3.4%**	**2.0%**	**0.0%**	**2.0%**	**0.0%**	**2.0%**
7	**Required Rate Increases (Irrigation)**	**0.0%**	**2.0%**	**4.3%**	**2.0%**	**3.4%**	**2.0%**	**0.0%**	**2.0%**	**0.0%**	**2.0%**
8	**O&M Inflation Rate**	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
10		FORECASTED ($000)									
11		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
12	**Revenues from Sales of Electricity**										
13	Base Irrigation/Ag Sales	$6,741	$6,741	$6,741	$6,741	$6,741	$6,741	$6,741	$6,741	$6,741	$6,741
14	Base Other Sales	40,601	45,312	49,580	54,595	59,714	64,834	68,795	75,355	82,643	90,740
15	APS Transfer Sales	2,631	11,487	11,593	11,702	11,811	11,923	11,923	11,923	11,923	11,923
16	Other Operating Revenues (Wheeling)	1,687	51	52	54	55	56	58	59	61	63
17	Sales from Resale (AKEU) Passthrough	1,441	1,527	1,619	1,716	1,819	1,928	1,928	1,928	1,928	1,928
18	Revenues from Increased Rates	2,767	4,906	8,194	10,305	13,735	16,352	17,148	20,347	21,957	25,935
19	Total Revenues from Sales	$55,869	$70,025	$77,780	$85,113	$93,876	$101,833	$106,593	$116,354	$125,254	$137,330
21	**Operating Expenses**										
22	Purchased Power	$40,460	$52,448	$57,127	$61,476	$66,916	$71,512	$76,577	$83,854	$92,069	$101,351
23	Rate Stabilization Fund	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
24	Operation/Maintenance & Depreciation	$13,814	$14,508	$15,640	$17,048	$17,765	$18,480	$19,195	$19,909	$20,623	$21,338
25	Less Depreciation	($3,930)	($4,327)	($5,154)	($6,248)	($6,641)	($7,022)	($7,393)	($7,753)	($8,102)	($8,442)
27	Total Operating Expenses	$50,344	$62,629	$67,612	$72,277	$78,041	$82,970	$88,379	$96,010	$104,589	$114,248
29	Net Operating Income (loss)	$5,525	$7,396	$10,167	$12,836	$15,836	$18,863	$18,214	$20,343	$20,665	$23,082
31	**Non-Operating Income**										
32	Investment Earnings	$791	$791	$791	$791	$791	$791	$791	$791	$791	$791
33	Other Income	$1,702	$1,539	$1,583	$1,631	$1,684	$1,743	$1,743	$1,743	$1,743	$1,743
34	Total Non-Operating Income	$2,492	$2,329	$2,373	$2,421	$2,475	$2,533	$2,533	$2,533	$2,533	$2,533
36	Balance Available for Debt Service	$8,018	$9,725	$12,540	$15,258	$18,311	$21,396	$20,747	$22,877	$23,198	$25,616
38	**Debt Service Calculation**										
39	Bond Proceeds	**$30,000**		**$30,000**	**$40,000**	**$35,000**		**$30,000**		**$20,000**	
40	Interest Rate	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%
41	Debt Service (35 Years)	($6,401)	($7,490)	($10,056)	($12,248)	($14,596)	($15,692)	($16,632)	($17,571)	($18,197)	($18,823)
43	**Debt Service Coverage (Balance Available/**	**1.25**	**1.30**	**1.25**	**1.25**	**1.25**	**1.36**	**1.25**	**1.30**	**1.27**	**1.36**
45	Total Net Income	$1,617	$2,235	$2,484	$3,010	$3,714	$5,704	$4,115	$5,306	$5,001	$6,792
47	Operating Fund Beginning Balance	$36,078	$27,475	$11,863	$11,073	$10,653	$29,367	$15,071	$29,187	$14,492	$19,493
48	Line of Credit/Bond Proceeds	$30,000	$0	$30,000	$40,000	$35,000	$0	$30,000	$0	$20,000	$0
49	Capital Expenses	($27,220)	($17,846)	($33,274)	($43,430)	($20,000)	($20,000)	($20,000)	($20,000)	($20,000)	($20,000)
50	APS Split Ends	**($13,000)**									
51	Net Income	$1,617	$2,235	$2,484	$3,010	$3,714	$5,704	$4,115	$5,306	$5,001	$6,792
52	Ending Operating Fund Balance	$27,475	$11,863	$11,073	$10,653	$29,367	$15,071	$29,187	$14,492	$19,493	$6,286

Duncan
& Allen
COUNSELLORS AT LAW

1575 Eye Street, Northwest
Washington, D.C. 20005-1175
Telephone (202) 289-8400
FAX (202) 289-8450

EXHIBIT
ED3-14
ADMITTED

March 30, 2009

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

Re: ACC Docket No. E-01345A-08-0426 -- *In the Matter of the Sale and Transition by Arizona Public Service Co. to Electric District No. 3*

Ladies and Gentlemen:

Enclosed for filing please find an original and fifteen copies of the Supplemental Testimony of Jeffrey J. Woner on behalf of Electrical District No. 3 ("ED3"), whose application for intervenor status was approved by the Procedural Order issued September 12, 2008 in this proceeding. The Supplemental Testimony is being submitted in accordance with the requirements of the Commission's Notice of Public Hearing, which established March 30, 2009 as the date for submission of such updates. Copies of this letter and the accompanying testimony have been served on each party whose name appears on the Service List in this proceeding. Please contact the undersigned if any further is required.

Very truly yours,

Paul M. Breakman

Attachment

cc (w/attach.): Service List

BEFORE THE ARIZONA CORPORATION COMMISSION

KRISTIN K. MAYES
Chairman
GARY PIERCE
Commissioner
PAUL NEWMAN
Commissioner
SANDRA D. KENNEDY
Commissioner
BOB STUMP
Commissioner

IN THE MATTER OF THE SALE AND TRANSITION BY ARIZONA PUBLIC SERVICE TO ELECTRICAL DISTRICT NO. 3 OF CERTAIN ELECTRICAL FACILITIES IN PINAL COUNTY PURSUANT TO A.R.S. § 40-285(A) AND FOR DELETION FROM ITS CERTIFICATE OF CONVENIENCE AND NECESSITY CERTAIN AREAS OF PINAL COUNTY	**DOCKET NO. E-01345A-08-0426**

SUPPLEMENTAL DIRECT TESTIMONY

OF

JEFFREY J. WONER

On Behalf of
Electrical District No. 3

Filed on:
March 30, 2009

I. BACKGROUND

Q. ARE YOU THE SAME JEFFREY J. WONER WHO FILED TESTIMONY IN THIS PROCEEDING ON BEHALF OF ED3 ON AUGUST 13, 2008

A. Yes I am.

Q. HAVE YOU HAD THE OCCASION TO UPDATE EXHIBIT ED3-12?

A. Yes. I have prepared an update of the comparison of estimated monthly billings for residential customers. The original comparison was attached to my August 13, 2008 pre-filed testimony (Exhibit ED3-4) and marked as Exhibit ED3-12

Q. WHAT IS THE PURPOSE OF THIS UPDATE?

A. The purpose of this update is to illustrate the customer bill impacts of rate changes by both ED3 and APS subsequent to the filing of ED3's original intervention application on August 12, 2008, and to show the effects of ED3's recently adopted a Residential Overhead time-of-use rate.

.

Q. SPECIFICALLY, WHAT DOES THE NEW EXHIBIT ED3-15 DEMONSTATE?

A. The new exhibit, Exhibit ED3-15, is an updated comparison of estimated seasonal and annual billings under ED3's residential rates (including ED3's recently

adopted Residential Overhead time-of-use rate) based on an average energy profile of the APS customers to be transferred to ED3. As the Exhibit shows, forecasted annual billing under ED3's rates compare favorably to APS' current and proposed rates.

Consistent with my August 12, 2008 pre-filed testimony, the updated estimate of customer bill impacts (Exhibit ED3-15) demonstrates that the transition to being ED3 retail customers, if the Application in this proceeding is granted by the Commission, will not adversely affect the current APS customers whose retail electricity provider would change as a result of the proposed modification of APS's CCN in this case. The annual billing under ED3's rates compare favorably to APS' current and proposed rates

Q. DOES THIS CONCLUDE YOUR TESTIMONY AT THIS TIME?

A. Yes.

EXHIBIT
ED3-15
ADMITTED

Exhibit ED3-15

Updated Comparison of Estimated Seasonal and Annual Billings under ED3's Residential Rates (Including ED3's Overhead Time-Of-Use Rate) Based on an Energy Profile of the APS Customers

Comparison of Residential Rates
(ED-3 OH, UG, and TOU vs. APS E-12, ET-1).

CUSTOMERS TRANSITIONING TO ED3 WILL BE SERVED UNDER ED3 OH SERVICE RATES

Non-TOU Rates

	APS		ED-3[3]	
Monthly Bills	**APS Current E-12[1]**	**APS Proposed E-12[2]**	**Res. Service-01** *Overhead Service*	**Res. Service-01** *Underground Service*
Avg. Annual	$189.11	$200.39	$189.98	$217.68
Avg. Summer	$239.49	$254.42	$208.32	$239.77
Avg. Winter	$138.71	$146.33	$171.63	$195.59

TOU Rates (60/40 Off/On Peak Split)[4]

	APS		ED-3[3]	ED-3[3]
Monthly Bills	**APS Current ET-1[1]**	**APS Proposed ET-1[2]**	**Res. Service-01 TOU** *Overhead Service*	**Res. Service-01 TOU** *Underground Service*
Avg. Annual	$168.20	$180.83	$168.87	$189.50
Avg. Summer	$193.60	$208.79	$192.95	$216.40
Avg. Winter	$142.77	$152.84	$144.78	$162.59

[1] Rate calculations include Interim Rate adjustor, PSA, TCA, CRCC, EIS, RES, and DSMAC A.C.C. approved adjustors. Current rates reflect rates approved in A.C.C. Decision No. 69663 effective July 1, 2007 and A.C.C Decision No. 70667 effective January 1, 2009.

[2] Rate calculations include CRCC, EIS, RES, and TCA A.C.C. approved adjustors. Proposed rates reflect the rates filed in APS'S Amended 2008 General Rate Case filed on June 2, 2008 to be effective in October 2009 if approved.

[3] ED-3 rate calculation includes ED-3's PPCA adjustor set at $0.02351 and ED-3's renewable adjustor with a $0.30 cap.

[4] The on peak hours for these rates are 9am to 9pm in both summer and winter seasons. Summer and winter seasons are defined as follows: summer - May to October and winter - November to April.

[redacted]

FILE COPY

MEMORANDUM

MAR 1 0 2009

RECE

EXHIBIT
ALL-STATE LEGAL®
S-1
ADMITTED

2009 MAR 18 P 3: 45

AZ CORP COMMISSION
DOCKET CONTROL

TO: Docket Control

FROM: Ernest G. Johnson EA for EGJ
Director
Utilities Division

DATE: March 18, 2009

RE: IN THE MATTER OF THE SALE AND TRANSITION BY ARIZONA PUBLIC SERVICE TO ELECTRICAL DISTRICT NO. 3 OF CERTAIN ELECTRICAL FACILITIES IN PINAL COUNTY PURSUANT TO A.R.S. § 40-285(A) AND TO DELETE PORTIONS OF ITS CERTIFICATE OF CONVENIENCE AND NECESSITY WITHIN PINAL COUNTY (DOCKET NO. E-01345A-08-0426)

Attached is the Staff Report for Arizona Public Service Company's application to sell and transfer certain electrical assets within Pinal County to Electrical District No. 3, and to delete portions of its Certificate of Convenience and Necessity within Pinal County. Staff recommends approval, with conditions.

EGJ:AII:tdp

Originator: Alexander Ibhade Igwe, CPA

Service List for: Arizona Public Service Company
Docket No. E-01345A-08-0426

Mr. Thomas L. Mumaw
Megham H. Grabel
Arizona Public Service
Post Office Box 53999
Phoenix, Arizona 85072-3999

Mr. Paul R. Orme
Law Offices of Paul R Orme, P. C.
H. C. 63, Box 3042
Meyer, Arizona 86333-9703
Attorney for Electrical District No. 3 of Pinal County

Mr. Paul M. Breakman
Duncan & Allen
1575 Eye Street N.W.
Suite 300
Washington D. C. 20005

Ms. Janice Alward
Chief Counsel Legal Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Mr. Ernest G. Johnson
Director, Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Ms. Lyn Farmer
Chief, Hearing Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

STAFF REPORT
UTILITIES DIVISION
ARIZONA CORPORATION COMMISSION

ARIZONA PUBLIC SERVICE COMPANY

DOCKET NO. E-01345A-08-0426

APPLICATION BY ARIZONA PUBLIC SERVICE COMPANY TO SELL CERTAIN ELECTRICAL ASSETS TO ELECTRICAL DISTRICT NO. 3 AND TO DELETE PORTIONS OF ITS CERTIFICATE OF CONVENIENCE AND NECESSITY WITHIN PINAL COUNTY

MARCH 18, 2009

STAFF ACKNOWLEDGMENT

The Staff Report for the application of Arizona Public Service Company to sell certain electrical assets to Electrical District No. 3 and to delete portions of its Certificate of Convenience and Necessity within Pinal County was the responsibility of the Staff members listed below. Alexander Ibhade Igwe was responsible for reviewing the application and performing pertinent financial analysis; Prem Bahl analyzed the engineering issues; and Deborah Reagan researched the Consumer Service issues.

Alexander Ibhade Igwe, CPA
Executive Consultant III

Prem Bahl

Prem Bahl, P. E.
Utilities Engineer

Deborah Reagan

Deborah Reagan
Public Utility Consumer Analyst II

EXECUTIVE SUMMARY
ARIZONA PUBLIC SERVICE COMPANY
DOCKET NO. E-01345A-08-0426

On August 11, 2008, Arizona Public Service Company ("APS" or "Company") filed an application with the Arizona Corporation Commission ("Commission") for authorization to sell and transfer certain electric transmission and distribution facilities in Pinal County, to Electrical District No. 3 ("ED-3" or "District"); and for Commission approval to delete from its Certificate of Convenience and Necessity ("CC&N") all areas contained within ED-3's service territory and the Ak-Chin Indian Community ("Ak-Chin"). APS states that this application modifies its April 15, 2002 filing, in Docket No. E-01345A-02-0285.

On August 13, 2008, ED-3 filed a request for Commission authorization to intervene in this proceeding. By its filing, the District affirms its support for APS' application.

APS and ED-3 jointly report that since 1961, both utilities have jointly serviced customers within ED-3's service area through a Commission approved Lease Agreement, that enabled APS to sell some of its facilities to ED-3 and Lease-back same facilities; and a Lease Power Agreement that allowed APS to sell power and energy to ED-3. Similar agreements were consummated between APS and Electrical District No. 1 of Pinal County ("ED-1"). In 1989, ED-1's operations were consolidated into ED-3's. By these agreements, APS assumed operational control over all electrical facilities within the District. Upon expiration of these agreements in 2001, ED-3 assumed operational controls over its facilities. Both entities report that the Federal Energy Regulatory Commission ("FERC') opined that "it is clear from the terms of the Lease Agreement that operational control over ED-3's transmission system reverted to ED-3 upon termination of that agreement. ED-3 is a transmitting utility and there is no evidence that it cannot properly operate and maintain its transmission system." Since assuming control over its operations in 2001, ED-3 has been providing electric service to all customer classes, including residential, commercial and industrial loads, previously served solely by APS. ED-3 also made significant capital investments in additional infrastructure. As a result of these investments, both utilities report that there is now intermingling of APS owned facilities with ED-3 owned facilities. This intermingling has created operational, safety, and efficiency issues within the shared area.

On April 15, 2002, APS filed for Commission authorization to sell all its assets, comprised of Split Ends, the Sexton Substation and an inoperable 69kV line to ED-3. By this application, both parties intend to eliminate the operational difficulties associated with two utilities owning and operating intermingled infrastructure within the same service territory. However, APS did not propose to cede its CC&N in the 2002 filing. Based on preliminary discussions between APS, ED-3 and Commission Staff ("Staff"), it became evident that the application would not fully resolve all issues within the area. As a result, APS withdrew its 2002 application. This pending application is intended to resolve all issues, including cancellation of APS' CC&N within the District as well as Ak-Chin.

Staff agrees with APS and ED-3 that intermingling of electrical facilities owned and operated by separate utilities within a service area creates operational difficulties, safety concerns and confusion amongst customers. Staff finds that the sales of APS' Split Ends, Sexton Substation, and the related inoperable 69 kV line will not impair APS' ability to continue to serve its customers outside of the proposed ED-3 Service Area. Further, Staff finds that the Transition Plan proposed by APS and ED-3 will minimize any difficulty associated with transferring current APS customers to ED-3. Staff also finds ED-3's pledge to serve its current and prospective customers under the same terms and conditions, reasonable and acceptable. More specifically, Staff agrees with ED-3's promise to hold current APS low income customers receiving service under Low Income Assistance Program ("LIAP"), harmless. Staff finds that ED-3's current rates are comparable to APS' and affected customers will experience immaterial rate change upon transfer to ED-3.

Staff finds that cancellation of APS' CC&N overlapping the proposed ED-3 Service Area will clarify responsibility for provision of electric service within the area. Staff agrees that cancellation of APS' CC&N will make ED-3 the provider of last resort for the proposed service area. Staff finds that ED-3 has the infrastructure and technical experience to adequately serve current and prospective customers.

Finally, Ak-Chin has indicated that it is not opposed to deletion of its community from APS' CC&N. ED-3 has agreed to provide the same operational support to Ak-Chin Energy Services ("ACES"), previously provided by APS.

Based on the above findings, Staff recommends Commission approval of this application as follow:

1. That the Commission grant APS' request to sell and transfer its Split Ends, Sexton Substation and the related inoperable 69 kV line to ED-3.
2. That the Commission cancel APS' CC&N overlapping the proposed ED-3 Service Area.
3. That the Commission cancel APS' CC&N overlapping AK-Chin.
4. That if the Commission finds that a waiver is required for APS to transfer specific customer information to ED-3, for the sole purpose of effectuating transfer of affected customers from APS to ED-3, that the Commission grants APS a waiver from the requirements of A.A.C. R14-2-203(A)(2), pursuant to A.A.C. R14-2-212(A)(1).
5. That the Commission authorize APS to complete pending RES projects under the following conditions: (a) the customer completes the requested installation and related interconnection of the requested RES project before or within twelve (12) months from the date the Commission approves this application; and (b) the Commission Order in this proceeding authorizes APS to continue to pay incentives to APS' customers, subsequent to being transferred to ED-3, and permits APS to credit such incentives to APS RES distribution generation targets.
6. That the Commission authorize APS to complete pending DSM projects under the following conditions: (1) the customer completes the requested installation and related interconnection of the requested DSM project before or within twelve (12) months from the date the Commission approves this application; and (2) the Commission Order in this proceeding authorizes APS to continue to pay incentives to APS' customers, subsequent

to being transferred to ED-3, and permits APS to recover the related costs under APS' Demand Side Management Adjustment Clause, and claim the energy savings resulting from such project for all DSM related regulatory requirements.

7. That APS file with the Commission's Docket Control, as compliance item in this docket, a copy of all documents evidencing the sale and transfer of its assets to ED-3, no later than 90 days from the close of the transaction.
8. That APS file with the Commission's Docket Control, as compliance item in this docket, a report showing the net gain resulting from the sale of its assets to ED-3, no later than 90 days from the close of the transaction.

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INTRODUCTION

On August 11, 2008, Arizona Public Service Company ("APS" or "Company") filed an application with the Arizona Corporation Commission ("Commission") seeking authorization to sell and transfer certain electric transmission and distribution facilities in Pinal County to Electrical District No. 3 ("ED-3" or "District"); and for Commission approval to delete from its Certificate of Convenience and Necessity ("CC&N"), all areas contained within ED-3's service territory and the Ak-Chin Indian Community ("Ak-Chin"). APS states that this application modifies its April 15, 2002 filing, in Docket No. E-01345A-02-0285.

On August 13, 2008, ED-3 filed a request for Commission authorization to intervene in this proceeding. By its filing, the District affirms its support for APS' application.

PUBLIC NOTICE

Consistent with the Procedural Order in this proceeding, APS published a notice of this application in the *Maricopa Monitor*, on February 27, 2009, and in the *Casa Grande Dispatch* on March 3, 2009. On March 2, 2009, the same notice was mailed to each customer affected by the proposed transfer, and all property owners in the transfer area.

On August 22, 2008, APS mailed a letter to each customer within the affected area, informing them of its application for Commission authorization to transfer its customers to ED-3. To further publicize this filing, APS and ED-3 made joint presentations to the City Council of Maricopa, on July 15, 2008 and October 21, 2008. Also, On October 6, 2008, APS mailed a second letter advising each customer within the proposed ED-3 service Area of two town hall meetings, held at Stanfield, on October 23, 2008, and Maricopa, on October 28, 2008. APS states that these events were well publicized via direct mailing to customers within the proposed ED-3 Service Area, and through publication in the *Maricopa Monitor* and the *Casa Grande Dispatch.*

APS and ED-3 maintain a website "...devoted to educating the public about the Company's Application and responding to all inquiries directed at APS and ED-3 regarding the matter." This website has a page devoted to *Frequently Asked questions ("FAQ")* about APS/ED-3 sale.

BACKGROUND

APS is certificated to provide electric service in several counties in Arizona State. In Pinal County, APS' CC&N overlaps the service territory of ED-3 and the boundaries of Ak-Chin. Currently, APS serves approximately 1,000,000 customers in Arizona, of which 3,993 are located within ED-3's service territory. Prior to 1960, APS was the dominant provider of electric service to residential, commercial, industrial and irrigation loads within ED-3's service area. As a result, APS owned and controlled most electrical infrastructure necessary for provision of service in the area.

ED-3 is a municipal corporation organized by the Board of Supervisors of Pinal County pursuant to the Electrical District Act , as amended by the Arizona Revised Statutes ("A. R. S.") § 48-1701 to 48-1822, in 1926. ED-3 distributes electric power and energy to approximately 17,033 customers within its service area. Because ED-3 is a municipal Corporation, it is not subject to Commission regulations. Prior to 1960, ED-3 primarily served irrigation pumps within its service territory.

The Ak-Chin Indian Community Land ("Ak-Chin" or "Community") is located southwest of the Gila Indian community, and on the north central part of the proposed ED-3 Service Area. The Community is located within APS' CC&N, and embedded within ED-3's service territory. Pursuant to Commission approval in Decision No. 60433, Ak-Chin acquired APS' electric facilities within its Community, in 1997. Upon acquisition of these facilities, Ak-Chin formed the Ak-Chin Energy Services ("ACES") to provide electric service to its citizens. To facilitate this process, Ak-Chin and APS entered into a Maintenance and Construction Agreement and a Service Agreement authorizing APS to acts as its "Control Area Operator". APS reports that these agreements terminated on December 31, 2008, and that ACES has assumed full responsibility for its operations. Finally, APS states that it does not have any customer within the Community, and has no intention of prospecting for new customers within ACES service territory.

Electric Service within ED-3's Service Territory

Prior to December 1960, APS was the primary provider of electric service to residential, commercial and irrigation customers within the service territories of ED-3 and Electrical District No. 1 of Pinal County ("ED-1"). On December 21, 1960, the Commission approved a Power Agreement between APS and ED-3, whereby APS agreed to transfer its irrigation pumping customers to ED-3 and to serve those customers on behalf of the District, for a fixed charge. Pursuant to this agreement, APS continued to serve its residential, commercial and industrial customers; while serving the irrigation customers, on behalf of ED-3. In 1961, the Commission authorized APS to sell and lease back certain facilities and infrastructure located within ED-3's service area to ED-3, for the purpose of serving ED-3's irrigation customers. Subsequent to Commission authorization of the sale/lease-back transaction, APS and ED-3 entered into a Lease Agreement for APS to lease ED-3's transmission and distribution facilities, and to operate and maintain the electric system within the area. Further, APS and ED-3 signed a Lease Power Agreement, whereby APS sold and delivered power over the leased facilities. The Lease Agreement and Leased Power Agreement resulted in APS assuming full operational control over all facilities within ED-3's service area, and APS utilizing the same facilities to serve its customers, and ED-3's irrigation customers.

Subsequent to the 1961 agreements, APS constructed several facilities "...ranging from simple pole-mounted transformers with service drops to more extensive overhead and underground distribution systems" for serving new non-irrigation customers. These APS-owned facilities radiate from and are interconnected with ED-3's facilities, and are generally referred to as the "Split Ends". The Split Ends, a single substation (the "Sexton Substation"), and an

inoperable 69kV transmission line are the only facilities owned by APS within ED-3's service area. APS owns several transmission facilities, substations, easements and other infrastructures within Pinal County, but outside of ED-3's service territory, that are not a part of this proceeding.

In 1976, the Commission (Decision No. 46926) authorized APS to sell its electrical distribution facilities to ED-1, and for APS to lease the same facilities from ED-1 ("ED-1 Lease"), for an initial period of twenty-five years. Also, in Decision No. 46926, the Commission authorized APS to sell power, energy and associated services to ED-1, under a Lease Power Agreement. In 1989, ED-1's operation was consolidated into ED-3's, and ED-3 assumed the operations and contracts of ED-1. As a result of this merger, ED-3 assumed responsibility for the ED-1 Lease and Lease Power Agreement between APS and ED-1.

On October 21, 2001, the Lease Agreement between APS and ED-3 expired. ED-3 terminated the agreement, and assumed operational control over its electric facilities. The Federal Energy Regulatory Commission ("FERC") issued an opinion on the termination of this agreement, stating that "it is clear from the terms of the Lease Agreement that operational control over ED-3's transmission system reverted to ED-3 upon termination of that agreement. ED-3 is a transmitting utility and there is no evidence that it cannot properly operate and maintain its transmission system." Also, APS and ED-3 mutually agreed to terminate the ED-1 Lease, effective March 29, 2002. Subsequent to ED-3 assuming full control over its system, it began serving residential, commercial and industrial loads, that were previously served solely by APS. ED-3 reports that since it assumed full responsibility for its operation in 2001, it has made significant capital investments in electric infrastructure, including the addition of 69kV lines, substation enhancements and additions, pole and conductor replacements, and the replacement of other equipment. ED-3 states that its capital investments were necessary to adequately serve its customer base that has grown from 400 irrigation customers to over 17,000 residential, commercial and irrigation meters. As a result, the system employed in distribution of electric service within the District is now a mix of ED-3 and APS owned facilities. APS confirms that "ED-3 owns the subtransmission system, distribution substations and most of the areas distribution system, and serves those customers in the area that are not already served by APS."

On October 9, 2001, Pinnacle West Capital Corporation ("Pinnacle West"), the parent company of APS, filed a petition with "...the FERC under Section 211 of the Federal Power Act for an order requiring ED-3 to provide network transmission service to enable it deliver power and energy to APS retail loads served through ED-3 system." Based on this petition, FERC issued a proposed order dated January 17, 2002, stating that the transmission requested by APS would meet the standards of Sections 211 and 212 of the Federal Power Act. Further, FERC requested that APS and ED-3 negotiate the rates, terms and condition of such service within 45 days of the Order. On March 1, 2002 APS and ED-3 entered into a Settlement Agreement, as follows: "(1) provided for the sale of APS facilities within the ED3's boundaries to ED-3 (subject to Commission approval); (2) resolved the rates, terms and conditions for transmission service to APS retail loads served via the ED3 system; (3) resolved the termination of ED1 Lease

and provided for the termination of APS's Lease Agreement with ED1 and ED3 upon the sale of the specific assets." See Direct Testimony of ED-3's witness, David Benedict at Page 9 of 11.

On April 15, 2002, APS filed an application in Docket No. E-01345A-02-0285; for the Commission authorization to sell and transfer its assets within the District to ED-3. This filing was intended to effectuate the March 2002, Settlement Agreement discussed above. APS and ED-3 state that the Settlement Agreement would have mitigated the difficulties associated with two utilities owning and operating intermingled facilities within the same service area. Also, the Settlement Agreement intended that APS retains its existing customers, and the right to prospective customers, within the District. Thus, APS would continue to act as a provider of last resort within the District. Consistent with FERC's finding and the Settlement Agreement, Pinnacle West would wheel energy over ED-3's system transmission and distribution for delivery of retail electric service to APS' customers within the District. Although, ED-3 intervened in support of the 2002 filing, APS and ED-3 now contend that the difficulties associated with two utilities serving within the same territory would have persisted had the Commission approved the application as filed. Based on preliminary discussions between APS, ED-3 and Commission Staff ("Staff"), APS voluntarily withdrew the application in 2002.

On September 20, 2007, APS and ED-3 entered into a "Supplemental Agreement to the Implementation of the Settlement Agreement" (the "Supplemental Agreement") to fully resolve all operational inefficiencies and Safety concerns existing within the District. The Supplemental Agreement provides for: (1) APS to sell potions of its electric distribution system located within or immediately adjacent to the "proposed ED-3 Service Area" to ED-3, at the net book value of the pertinent assets, at the time of the transfer; and (2) for APS to discontinue service to current and prospective customers within the proposed ED-3 Service Area. By the Supplemental Agreement, ED-3 will become the sole provider of electric service within and around its district. The Supplemental Agreement provides for APS to sell all of its facilities to ED-3, and for the Commission to cancel APS' CC&N overlapping the proposed ED-3 Service Area. Thus, upon approval of this application, ED-3 will become the sole provider of electric service within the District, and it will assume full responsibility for the operation and maintenance of all electric infrastructures in the proposed ED-3 Service Area. APS and ED-3 claim that the Supplemental Agreement resolves the complex issues with intermingled infrastructure, as well as the difficulties associated with separate utilities serving the same territory.

On August 11, 2008, APS resubmitted its application for Commission authorization to sell and transfer its assets within the proposed ED-3 Service Area to ED-3; as well as for Commission approval to cancel its CC&N overlapping the proposed ED-3 Service Area and Ak-Chin. As previously indicated, ED-3 has been granted its request to intervene in support of this application.

On January 21, 2009, Ak-Chin responded to APS' request to cancel its CC&N overlapping the Community. The letter states that the "Ak-Chin Council has voted to indicate to APS and to the Commission its agreement with the request for deletion of Ak-Chin from APS CC&N."

THE TRANSACTION

As previously indicated, APS seeks Commission authorization to: (1) sell all of its electrical assets within the proposed ED-3 Service Area to ED-3, and (2) cancel and delete its CC&N overlapping the proposed ED-3 Service Area and Ak-Chin.

SALE OF ASSETS

APS seeks Commission authorization to sell and transfer: (1) Split Ends, and (2) the Sexton Substation, along with the inoperable 69 kV line to ED-3.

The Split Ends

APS seeks Commission authorization to sell and transfer the Split Ends to ED-3 pursuant to A.R.S. § 40-285. A full description of the Split Ends is contained in Attachment H of Mr. Froetscher's direct testimony. APS reports that the Split Ends acquired at an original cost of $19,646,489, had a net book value of $13,071,499, as of October 2007. APS states that it has accepted the net book value as the sales price for the Split Ends. APS projects a net gain of $8,824 from its aggregate sale to ED-3.

APS states that the proposed sale of the Split Ends will not impair its ability to serve its customers within the District, even if the Commission denies its request for cancellation of its CC&N. APS contends that Commission approval of the proposed sale will "clarify responsibility for operating and maintaining the system, will improve the safe operation of the system by defining these responsibilities, will eliminate customer confusion resulting from the combined (and convoluted) ownership, and will further the public policy goal of resolving disputes through settlements. Moreover, because there is a risk that, if this sale is not approved, ED-3 will choose to serve new and existing customers who requests ED-3's service by bypassing the current APS infrastructure and constructing its own duplicative lines..." APS states that if its prognosis was to result from Commission denial of this proposal, the Split ends could become abandoned, and its ratepayers will be burdened with the related stranded costs as well as cost of removal. Finally, APS concludes that the proposed sale is consistent with previous Commission Orders, and in the public interest.

Sexton Substation

The Sexton Substation at the intersection of Highway 84 and Anderson Road, in Pinal County is owned by APS. The Sexton Substation is comprised of fuses, transformers and breakers. ED-3 owns a 69kV transmission line that enters and exits the Sexton Substation, while APS owns an inoperable 69kV transmission line that extends east from the Sexton Substation. APS contends that the sales of its 69kV transmission lines will not hinder its ability to serve its customers because the line is not in service and does not currently serve existing customers. Further, APS avows that the lines and associated structures only support ED-3's infrastructure, not APS' operation.

APS reports that it has agreed to sell the Sexton Substation and the related inoperative 69kV transmission lines to ED-3 at a negotiated sales price of $100,000. Further, APS states the Sexton Substation was acquired at $206,236. As of June 30, 2007, the Sexton Substation had an accumulated depreciation of $120,788, and a net book value of $85,448. The 69 kV transmission line, installed in 1974 at an original cost of $19,294, is now fully depreciated. Based on the information provided by APS, it appears that it will receive an immaterial gain from the sale of the Sexton Substation and the related inoperable 69 kV line.

CANCELLATION OF CC&N

APS and ED-3 have jointly concluded that cancellation and deletion of APS' CC&N overlapping the proposed ED-3 Service Area will fully resolve the difficulties associated with two utilities serving the same area. Accordingly, APS requests the Commission cancel and delete its CC&N overlapping the proposed ED-3 Service Area, from its certificated areas. APS defines the proposed ED-3 Service Area as "...all lands within the ED-3 district boundaries along with additional properties immediately adjacent to those boundaries, and for which service is provided today by APS via facilities that are interconnected to ED-3's distribution system." APS contends that deletion of peripheral areas from its CC&N will minimize its reliance on ED-3 for wheeling and interconnection to serve its customers in those areas. APS and ED-3 concur that this proposal, upon Commission approval, will clearly eliminate APS' responsibility for construction, operations and maintenance of electric infrastructure in the proposed ED-3 Service Area. Finally, APS will cease to be a provider of last resort within the proposed ED-3's Service Area, and ED-3 will assume full responsibility for providing electric service to the affected customers.

CONSUMER SERVICES ISSUES

Staff's inquiry from the Corporations Division of the Arizona Corporation Commission, confirms that the APS is in good standing.

Staff's search of the Consumer Services database identified four opinions in 2008, opposing the proposed sales of assets and transfers of APS' customers to ED-3. There were no recorded complaints or opinions regarding this proceeding in 2006 and 2007. There has been no opinions or complaints filed regarding this application in 2009.

ENGINEERING ANALYSIS

Staff engineering analysis was focused on the following critical parameters:

NETWORK/SYSTEMS RELIABILITY

Staff finds that the proposed transfer of APS' Split Ends and the Sexton Substation to ED-3 is appropriate and reasonable from a network and system perspective. APS and ED-3's systems are currently intermingled, thus creating confusion, prospective safety hazards,

operational inefficiencies, and duplicity of system maintenance. The proposed sale of APS' Split Ends and the Sexton Substation will eliminate the inherent difficulties associated with two utilities maintaining intermingled facilities, by clearly defining responsibilities for the area's infrastructure. Staff found that because the Sexton Substation and the related inoperable 69 kV line have very limited use by APS, sale of these facilities will not impair APS' ability to serve outside the proposed ED-3 Service Area. Also, Staff's analysis indicates that the sale and transfer of the Split Ends will not negatively impact APS' ability to continue to provide reliable service outside of the District. Finally, Staff agrees with APS that the proposed sale will avert the prospect of abandonment of these facilities, and the risk of APS incurring significant removal costs. Based on the above findings, Staff concludes that the sale of the Split Ends and the Sexton Substation is in the public interest.

ED-3'S SYSTEM TECHNICAL CAPACITY

Based on the information provided in this application, Staff finds that ED-3's system is capable of serving the load that would be transferred from APS. APS and ED-3 have jointly confirmed that most of the sub-transmission and distribution system currently being employed in serving both utilities loads in the proposed ED-3 Service Area is owned, operated and maintained by ED-3. Further, ED-3 has been augmenting its system by engaging in significant capital investment in new infrastructure development within its service territory. Therefore, Staff finds that ED-3 has the technical capacity to serve the current and prospective loads within its proposed service territory.

APS BENEFITS FROM SYSTEM TRANSFER

With a few notable exceptions, the facilities being transferred to ED-3 are dedicated to serving only customers in the transfer area (the exceptions are four or five areas, including Mobile that will still be served by APS, via the ED-3 system; but are well outside the proposed ED-3 service area and don't present the same operational, safety, efficiency, etc., concerns). The transfer of customer load and facilities to ED-3 will result in a consolidated utility system in that area. All customers will be served by one utility, providing efficiencies in operations and maintenance, and consistency in rates, tariffs and system planning functions. Responsiveness to outages, for example, would be timely and better coordinated. Most of the customers being transferred to ED-3 are on APS' dedicated facilities. Those few customers who are not transferred to ED-3 will remain on the small portions of the system that APS would retain as described above. ED-3 in this case would wheel power for APS on its distribution system and charge APS wheeling charges approved by FERC.

TECHNICAL SUPPORT FORAK-CHIN

Ak-Chin currently serves its community through ownership of ACES, which receives operational support from APS. Ak-Chin has indicated its willingness to obtain similar technical support from ED-3. On the other hand, ED-3 has assured Ak-Chin of the same quality of

service, previously provided by APS. Staff finds that deletion of Ak-Chin from APS' CC&N will not impair electric service to the Community.

Based on the above engineering analysis, Staff concludes that, from a technical, safety and reliability stand-point, APS' proposal to sell its Split Ends, Sexton Substation and the related deletion of APS CC&N overlapping the proposed ED'3's Service area and AK-Chin, is in the public interest.

JOINT TRANSITION PLAN

On January 5, 2009, APS and ED-3 filed a Joint Transition Plan ("Transition Plan") with the Commission, detailing mechanisms designed to effectuate the proposed sale and transfer of assets. More importantly, the Transition Plan outlines the process for insuring smooth transition of APS' customers to ED-3. APS and ED-3 state that they are "...working closely to assure that, if the Arizona Corporation Commission ("Commission") approves the Company's Application, the transfer of APS's distribution system and customers in the ED-3 Service Area will occur in as timely and straightforward a manner as possible." The Transition Plan is focused on pertinent issues necessary for smooth transition.

CUSTOMER NOTIFICATION OF APPLICATION

APS and ED-3 assert that they are committed "...to educating all affected customers of the facts and circumstances underlying the application and to informing customers of how the application will affect them." To facilitate the process of customer notification, APS has developed a Community Outreach Plan, attached to Mr. Froetscher's testimony as Exhibit F. The Community Outreach Plan proposes the development of a website for contacting and educating affected customers and other interested parties; mailing of letters with pertinent information to customers, issuance of public notices pursuant to Commission Procedural Order, Open Houses, and proper noticing of Commission decision regarding this application.

On August 22, 2008, APS mailed a letter to each customer within the affected area, informing them of its application with the Commission for authorization to transfer its customers to ED-3. To further publicize this filing, APS and ED-3 made joint presentations to the City Council of Maricopa, on July 15, 2008 and October 21, 2008. Also, On October 6, 2008, APS mailed a second letter advising each customer within the proposed ED-3 service Area of two town hall meetings, held at Stanfield, on October 23, 2008, and Maricopa, on October 28, 2008. APS state that these events were well publicized via direct mailing to customers within the proposed ED-3 Service Area, and through publication in the *Maricopa Monitor* and the *Casa Grande Dispatch.*

APS reports that a public website has been designed and "...devoted to educating the public about the Company's Application and responding to all inquiries directed at APS and ED-3 regarding the matter." Staff visited www.aps.com/ed3, the website devoted to this proceeding. Staff observed that the website has general information regarding this application as well as a

link to each letter mailed to APS' customers, dated February 20, 2009, August 22, 2008 and October 6, 2008, respectively. Also, the Company provided a link to *Frequently Asked Questions about APS/ED-3 Sale.*

Pursuant to the Commission Procedural Order, dated February 10, 2009, APS in conjunction with ED-3 published a Public Notice of this application in the *Maricopa Monitor* newspaper, on February 27, 2009; and in the *Casa Grande Dispatch,* on March 3, 2009. On Monday, March 2, 2009, APS mailed a copy of the Public Notice to each customer and all property owners in the affected area.

CUSTOMER COMMUNICATIONS UPON APPROVAL OF APPLICATION

APS and ED-3 state that if the Commission approves this application, they will provide affected customers written notice of the approval. The notice will indicate the exact date on which APS' customers will be transferred to ED-3, how APS' final meter reading will be conducted, and information regarding the treatment of customer deposits, line extension advances, and credit or debit balances with APS. As it relates to customer deposits, APS states that the balance of each customer's deposit will be applied to the last bill, and any remaining balance will be refunded to the pertinent customer. In the event that a customer has inadequate deposit to pay the last bill, the customer will be appropriately billed for the shortfall. Also, all credit balances will be refunded while debit balances will be appropriately billed. Further APS will refund line extension deposits to all eligible customers upon the transfer of assets to ED-3.

APS states that in the proposed notice of approval, APS' customers in the proposed ED-3 Service Area will be provided a listing of ED-3's current rates, programs, as well as deposit and credit policies. The notice will indicate that if the deadline for transfer to ED-3 expires, and an affected customer has not voluntarily transferred to ED-3; such customer will be automatically placed on ED-3's rate that is most comparable to the customer's current rate under APS. The notice will further indicate APS and ED-3's availability to respond to all inquiries during the transition period.

The notice of approval will advise customers enrolled in special programs offered by APS, such as equalizer and automatic payment, to indicate their interest in participating in similar programs offered by ED-3.

TRANSFER OF OPERATIONAL INFORMATION FROM APS TO ED-3

APS states that it will provide all operational information necessary for smooth transition of its assets and customers to ED-3. Further, APS pledges that its operations personnel will closely collaborate with ED-3's personnel before, during and after the transfer of its distribution system and customers to ED-3. APS claims that it will transfer to ED-3, the following information:

1. Map of the area, including GIS maps, wall maps, one-line and cabinet detail.

2. Right-of-way, survey and easement information.
3. Meter locations, routes, and other relevant metering information.
4. Location of regulators, capacitor banks, reclosers, switches, and fuses.
5. Equipment records.

TRANSFER OF CUSTOMER INFORMATION FROM APS TO ED-3

APS states that upon Commission approval of this application, it will be necessary to transfer pertinent customer information to ED-3. For residential customers, such information may include customer name, contact information, identification number, usage pattern, meter number and code, rates and programs, participation in medical monitoring program, and other information necessary for ED-3 to serve the affected customers. For non-residential customers, APS may be required to transfer similar information as well as others, such as business identification number, federal tax id, and identities of officers. Because of the sensitive nature of certain personal and business information, ED-3 promises to "...take commercially reasonable steps to protect and preserve the confidentiality of all customer specific information APS provides, in accordance to ED-3's privacy policy and applicable law."

APS contends that it may "...be prohibited from providing this customer specific information to ED-3 without a waiver from the Commission from the requirements of A.A.C. R14-2-203(A)(2)." The rule states that customer specific information cannot be released by a utility "...without specific prior written customer authorization unless the information is requested by a law enforcement or other public agency, or is requested by the Commission or its staff, or is reasonably required for legitimate account collection activities, or is necessary to provide safe and reliable service to a customer." Therefore, APS request that the Commission grant it: (a) a waiver pursuant to A.A.C. R14-2-212(A)(1) from the requirements of A.A.C. R14-2-203(A)(2) for all customers affected by this filing and for the sole purpose of effecting the transaction contemplated herein, or (b) a declaration that such transfer of customer specific information do not require a waiver from A.A.C. R14-2-203(A)(2), since such transfer is "...reasonably required for account collection activities" or is "...necessary to provide safe and reliable service."

Staff agrees with APS and ED-3 that transfer of pertinent customer specific information from APS to ED-3, will be necessary to facilitate seamless transition of affected customers from APS to ED-3. Further, Staff believes that if APS' request to transfer customer information is denied in this proceeding, and ED-3 is placed in a position to independently obtain same information from affected customers, the intended ease of transition may be burdened by the process of data collection as well as the related costs. Based on the fact that customer information will be "...necessary to provide safe and reliable service" to the affected customers, Staff concludes that the waiver sought by APS may not be necessary in this proceeding. If the Commission finds that a waiver is required in this instant case, Staff recommends that the Commission grants APS a waiver from the requirements of A.A.C. R14-2-203(A)(2), pursuant to A.A.C. R14-2-212(A)(1).

TREATMENT OF CUSTOMER APPLICATIONS FOR INSTALLATION THAT COULD QUALIFY UNDER THE COMMISSION'S RENEWABLE ENERGY STANDARDS OR APS'S DEMAND SIDE MANAGEMENT PROGRAM

APS anticipates that some customers who might be eligible and have requested participation in Commission approved Renewable Energy Standards ("RES") or Demand Side Management Program ("DSM") may be transferred to ED-3 prior to completion of their projects. The Company suggests that customers whose RES or DSM projects are in the process of being completed, prior to transfer to ED-3, should be motivated to continue such projects and receive the applicable incentives from APS, even after transfer to ED-3, subject to certain conditions.

For RES projects, APS proposes that if it has received a customer's application for incentives under any of the Commission approved programs and the customer has been given reservation for a RES qualifying installation, prior to being transferred to ED-3, APS will grant the customer such incentives, contingent upon: (a) the customer completion of the requested installation and related interconnection of the requested RES project before or within twelve (12) months from the date the Commission approves this application; and (b) the Commission Order in this proceeding authorizes APS to continue to pay incentives to APS' customers, subsequent to being transferred to ED-3, and permits APS to credit such incentives to APS RES distribution generation targets.

Similarly, APS proposes that if a customer located within the proposed ED-3 Service Area, has applied for an incentive under the Commission approved DSM programs, and the application is pending prior to Commission approval of this application, that the Commission authorize APS to complete the project under the following conditions: (a) the customer completes the requested installation and related interconnection of the requested DSM project before or within twelve (12) months from the date the Commission approves this application; and (b) the Commission Order in this proceeding authorizes APS to continue to pay incentives to APS' customers, subsequent to being transferred to ED-3, and permits APS to recover the related costs under APS' Demand Side Management Adjustment Clause and claim the energy savings resulting from such project for all DSM related regulatory requirements.

Staff has reviewed APS' proposal to fulfill its prior commitment to current customers seeking incentives under RES and/or DSM. Staff finds that it is reasonable that APS completes pending RES and DSM projects, even after the Commission approves this filing and the affected customers have been transferred to ED-3. This proposal will mitigate the concerns expressed by some customers intending to participate in RES or DSM programs. Further, Staff finds that the two conditions proposed by APS are reasonable. Staff recommends approval of APS' proposed RES and DSM transition plan, contingent upon conditions 1 and 2, stated above, for RES and DSM.

ED-3 has a Solar Program with incentives that are similar to those offered under APS' renewable programs. Also, ED-3 is in the process of developing DSM programs for its customers.

TREATMENT OF LOW INCOME CUSTOMERS

APS reports that approximately 190 customers within the proposed ED-3 Service Area are currently enrolled in its Low Income Assistance Programs ("LIAP"), through rate schedules E-3 and E-4. Further, APS states that ED-3 currently does not have an equivalent program for low income customers. However, ED-3 has agreed to provide low income discounts to customers who are currently enrolled in APS' LIAP, in amounts equal to the benefit received by such low income customers, under schedules E-3 and E-4. In other words, if the Commission approves this application, ED-3 has agreed to hold current APS' low income customers harmless, upon transfer to ED-3. Staff finds that ED-3's commitment to hold low income customers harmless, if the Commission approves their transfer from APS to ED-3, is reasonable.

ED-3'S PLAN FOR TRANSITIONING TRANSFERRED APS CUSTOMERS

ED-3's witness, Mr. Jeffery J. Woner avows at page 7 of his testimony, as follows:

> "ED-3 will treat all of the customers it serves equally, both in rate structure and other applicable terms, regardless of whether such customers reside inside or outside of the ED3 district boundaries, regardless whether their property is included in ED3's tax base, and regardless of which utility served them previously. Additionally, ED3 will assume all remaining outstanding obligations of APS to its customers (including any applicable line extension refunds, etc), if any."

According to ED-3, all customers, existing and prospective, including those currently being served by APS, will be served by ED-3 under the same terms and conditions. However, ED-3 states that if a current APS customer seeks voting rights under its Bylaws, such customer may voluntarily petition to be included in the District Boundary. Upon approval, such customers would be subject to property tax assessment for the ED-3's statutory costs. In other words, APS customers transferring to ED-3 will not be automatically included in the District Boundary, and will not be subject to property tax assessments. ED-3 avows that it will not discriminate against current or prospective customer on any basis, whether the customer has voting rights or the property is included in the District Boundary.

Further, ED-3 has indicated that it will waive all requirements for establishment of new service, such as customer security deposits and establishment fees, for APS customers transferring to ED-3, under this filing. Consistent with its policy for all customers, ED-3 will require affected APS customers who become delinquent on payments, after transferring to ED-3, to provide security deposit. ED-3's Guidelines for APS Split Ends Transfer customers, states:

1. The existing service Establishment for existing APS customers will be waived
2. The initial Security Deposit requirement will be waived. If the customer has a returned payment or is disconnected, a Security Deposit will be required.
3. ED3 will accept all normal line extension agreements.

Staff has reviewed APS/ED-3 transition plan and finds it reasonable and acceptable. Staff finds that this transition plan will facilitate ease of transitioning current APS customers to ED-3.

FINANCIAL ANALYSIS

Staff has reviewed APS' proposal to sell its Split Ends, and Sexton Substation with the attached inoperable 69kV line for $13.1 million. On June 2006, ED-3 deposited $1,994,209 in an escrow account, which is the cost of APS' facilities relating to customers that have switched service from APS to ED-3. As of June 2008, APS projected a net gain that could range from $5,728 to $8,824, after accounting for income tax. APS contends that because the anticipated net gain is immaterial, that the Commission should authorize it to record the gain and reports it as part of its Sale of Utility Property (Net Gains) quarterly report. APS states that its request is consistent with Decision Nos. 60481, 61708, and 69670.

Staff's analysis indicates that APS' projected net gain could increase as accumulated depreciation grows over time, if the agreed-upon sales price holds. However, Staff agrees with APS that the net gains in this proceeding will be immaterial. Also, Staff agrees with APS that the standard fifty-fifty sharing of gain in the disposition of assets should apply in this proceeding. Finally, Staff recommends that the Commission approve APS' request to defer customers' share of any gain from the proposed sale of assets, and report such gains as a part of its quarterly filing in Sale of Utility Property (Net Gains) quarterly report.

ED-3 has calculated an estimate of the bill impact on an average residential customer that will be transferred from APS to ED-3, under its current tariff and the comparable APS tariff. This analysis is fully discussed by ED-3's witness, Mr. Jeffrey J Woner, and depicted in Exhibit ED3-12. The analysis shows that estimated bill impact will be minimal on an average residential customer transferred under this proposal. For example, a residential customer with an average consumption under APS' current tariff E-12 (non-TOU) is billed $187.87 monthly. Under ED-3's tariff, Residential Service-01 (Underground), the same customer is billed $188.81 monthly. Under the same APS tariff, the same residential customer has an average monthly bill of $238.31 during the summer months and $145.97 during the winter months. Under the ED-3's tariff, the monthly average bill for a residential customer is $205.89 during the summer months and $155.13 during the winter months.

For residential customers on Time of Use tariff, under APS Schedule ET-1, the monthly average bills are $166.96 on an annual average, $192.42 during the summer months, and $141.46 during the winter months. Under ED-3's tariff, Residential Service-01TOU, the same customer is billed at $166.20 on an annual average, $188.87 during the summer months, and $143.53 during the winter months.

ED-3's bill estimation shows that there is an immaterial difference in costs of electric service for a typical residential customer receiving service from APS or ED-3. Based on this

analysis, it appears that current APS residential customers that will be transferred to ED-3 will experience an immaterial difference in cost of electric service.

SUMMARY OF CONCLUSIONS

Staff agrees with APS and ED-3 that intermingling of electrical facilities owned and operated by separate utilities within a service area creates operational difficulties, safety concerns and confusion amongst customers within the service area. Staff finds that the sale of APS' Split Ends, Sexton Substation, and the related inoperable 69 kV line will not impair APS' ability to continue to serve its customers outside the proposed ED-3 Service Area. Further, Staff finds that the Transition Plan proposed by APS and ED-3 will minimize any difficulty associated with transferring current APS customers to ED-3. Staff also finds ED-3's pledge to serve its current and prospective customers under the same terms and conditions, reasonable and acceptable. More specifically, Staff agrees with ED-3's promise to hold current APS low income customers receiving service under LIAP, harmless. Staff finds that ED-3's current rates are comparable to APS' and affected customers will experience an immaterial bill impact upon transfer to ED-3.

Staff finds that cancellation of APS' CC&N overlapping the proposed ED-3 Service Area will clarify responsibility for provision of electric service within the area. Staff agrees that cancellation of APS' CC&N will make ED-3 the provider of last resort for the proposed service area. Staff's analysis indicates that ED-3 has the infrastructure and technical experience to adequately serve current and prospective customers.

Finally, Ak-Chin has indicated that it is not opposed to deletion of its community from APS' CC&N. ED-3 has agreed to provide the same operational support to ACES, hitherto provided by APS.

RECOMMENDATIONS

Based on the above analysis, Staff recommends Commission approval of this application as follows:

1. That the Commission grants APS' request to sell and transfer its Split Ends, Sexton Substation and the related inoperable 69 kV transmission line to ED-3.
2. That the Commission cancel APS' CC&N overlapping the proposed ED-3 Service Area.
3. That the Commission cancel APS' CC&N overlapping AK-Chin.
4. That if the Commission finds that a waiver is required for APS to transfer specific customer information to ED-3, for the sole purpose of effectuating transfer of affected customers from APS to ED-3, that the Commission grant APS a waiver from the requirements of A.A.C. R14-2-203(A)(2), pursuant to A.A.C. R14-2-212(A)(1).

5. That the Commission authorize APS to complete pending RES projects under the following conditions: (a) the customer completes the requested installation and related interconnection of the requested RES project before or within twelve (12) months from the date the Commission approves this application; and (b) the Commission Order in this proceeding authorize APS to continue to pay incentives to APS' customers, subsequent to being transferred to ED-3, and permits APS to credit such incentives to APS RES distribution generation targets.
6. That the Commission authorize APS to complete pending DSM projects under the following conditions: (1) the customer completes the requested installation and related interconnection of the requested DSM project before or within twelve (12) months from the date the Commission approves this application; and (2) the Commission Order in this proceeding authorize APS to continue to pay incentives to APS' customers, subsequent to being transferred to ED-3, and permits APS to recover the related costs under APS' Demand Side Management Adjustment Clause and claim the energy savings resulting from such project for all DSM related regulatory requirements.
7. That APS files with the Commission's Docket Control, as compliance item in this docket, a copy of all documents evidencing the sale and transfer of its assets to ED-3, no later than 90 days from the close of the transaction.
8. That APS files with the Commission's Docket Control, as compliance item in this docket, a report showing the net gain resulting from the sale of its assets to ED-3, no later than 90 days from the close of the transaction.

ENGINEERING STAFF REPORT
APS' SALE OF TRANSMISSION AND DISTRIBUTION SYSTEM ASSETS AND TRANSFER OF A PORTION OF THE CC&N TO ELECTRICAL DISTRICT NO. 3
DOCKET NO. E-01345A-08-0426

INTRODUCTION

On August 11, 2008, Arizona Public Service Company ("APS" or the "Company") filed an application ("Application") with the Arizona Corporation Commission ("ACC" or "Commission"), seeking authorization to transfer or sell certain electric transmission and distribution facilities in Pinal County to Electrical District No. 3 ("ED-3")[1], and to delete from its Certificate of Convenience & Necessity ("CC&N") all those areas that are currently being served by ED-3, and those that are contained within Ak-Chin Indian Community lands.

DESCRIPTION OF FACILITIES AND SERVICE ISSUES

APS owns the 69 kV Sexton substation, a short portion of an abandoned 69 kV line, and numerous overhead and underground distribution facilities, collectively known as the "split ends." "Split ends" are lateral service connections extended from the main existing feeders and sub-feeders. They are constructed as more customers get connected on the system, and load grows with the passage of time. These facilities and the respective service areas of both the utilities are defined in detail, and included as Attachments A and B, respectively, in the Application.

Currently, APS customers in the area are served by the electrical distribution system that is connected to and fed through ED-3's electric system. This has occasionally resulted in confusion regarding which utility is responsible for repairs, delays in restoring service, increased costs for both utilities, and a potential risk to the safety of employees of both utilities and public. These service issues have led to APS' filing with the Commission an application to relinquish a portion of its CC&N and transfer it to ED-3. APS retains the service area outside the ED-3 boundary, though its electric system in this area is connected to and receives power wheeled on ED-3's system.

PURPOSE

The purpose of this filing is:

1. to consolidate APS' distribution system with the distribution system of ED-3, and transfer to ED-3 the APS distribution system facilities within the ED-3 service area;

---

[1] ED-3 is a political subdivision of the State of Arizona formed in 1926. ED-3 is a public power utility and has the authority to distribute electrical power and energy to both rural and urban customers within its service area in the western Pinal County. Ed-3 has provided electric service to irrigation customers since 1961 and to area residents and businesses since 2001.

2. to achieve operational efficiencies by operating the two systems as one system;

3. to improve quality of service and system reliability;

4. to provide greater safety to end use customers, the general public and utility personnel;

5. to achieve more coherent and integrated planning of the future distribution system and to avoid duplication of facilities;

6. to provide uniformity and fairness of rate structure and other service offerings to customers;

7. to provide essentially the same benefits to APS customers before transfer to ED-3 as is currently provided.

STAFF'S ANALYSIS, CONCLUSIONS AND RECOMMENDATIONS

Staff has reviewed the Application, and based its analysis on the answers to the following four questions:

1. Is the transfer appropriate and reasonable from a network/systems perspective?

2. Is ED-3's system technically capable of providing satisfactory service to the transfer area?

3. Will APS customers' services improve as a result of the proposed changes?

4. How does the transfer benefit APS from a technical (network) perspective? Are the facilities being transferred to ED-3 dedicated to serving only customers in the transfer area? If the APS facilities are not dedicated, what is the effect on APS' network and what changes will be needed?

Staff believes that transferring the distribution facilities / split-ends to ED-3 is appropriate and reasonable from the network/system perspective, because currently the two systems are intermingled with each other creating confusion, prospective safety hazards and operational inefficiencies while doing system maintenance.

ED-3's system is capable of serving the load that would be transferred from APS, because the ED-3 subtransmission / distribution system has been serving this same load (APS' split ends are attached to the existing ED-3 system) and ED-3 has been augmenting its system in the recent past, spending millions of dollars on upgrades and new infrastructure development.

With a few notable exceptions (including Mobile that will still be served by APS, via the ED-3 system; but are well outside the proposed ED-3 service area and don't present the same operational, safety, efficiency, etc., concerns, because these facilities are not intermingled with those of ED-3), the facilities being transferred to ED-3 are dedicated to serving only customers in the transfer area. The transfer of customer load and facilities to ED-3 will result in a consolidated utility system in that area. All customers will be served by one entity, providing efficiencies in operations and maintenance; and consistency in rates, tariffs and system planning functions. Responsiveness to outages, for example, should be more timely and more coordinated. Most of the customers being transferred to ED-3 are on APS' dedicated facilities. Those few customers who are not transferred to ED-3 will remain on the small portions of the system that APS would retain as described above. ED-3 in this case would wheel power for APS on its distribution system and charge APS wheeling charges approved by FERC.

The Ak-Chin Indian community that presently has its own Utility Authority but has received operational support[2] from APS has agreed to be transferred to ED-3, as it has been assured of receiving the same quality of service and the benefits as it currently receives from APS.

Based on the above analysis, Staff concludes that, from a technical, safety and reliability stand-point, the proposed CC&N transfer from APS to ED-3 and the transfer / sale of APS' distribution facilities to ED-3 is reasonable and appropriate.

EGJ:PKB:tdp

Originator: Prem K. Bahl

[2] Operational support constitutes responding to outages and restoring electric service.

ATTACHMENT B

APS

Leland R. Snook
Director
State Regulation & Pricing

Tel. 602-250-3730
Fax 602-250-3003
e-mail Leland.Snook@aps.com

Mail Station 9708
PO Box 53999
Phoenix, Arizona 85072-3999

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AZ CORP COMMISSION
DOCKET CONTROL

MAR 18 2009

AZ CORP COMM
Director Utilities

March 17, 2009

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

RE: Public Notice of Hearing for the Sale and Transfer of Certain Facilities to Electric District No. 3
Docket No. E-01345A-08-0426

Pursuant to a Procedural Order dated February 10, 2009:

> ...APS shall mail to each customer affected by the transfer and all property owners in the transfer area a copy of the above notice, and shall cause the above notice to be published at least once in a newspaper of general circulation in the transfer area service territory, such mailing and publication to be complete by March 6, 2009.

Attached is the Affidavit of Publication from the Casa Grande Dispatch certifying that the required public notice was published in the Casa Grande Dispatch newspaper on March 3, 2009, and a second Affidavit of Publication from the Casa Grande Dispatch certifying that the required public notice was published in the Maricopa Monitor newspaper on February 27, 2009.

Also, attached is a copy of the public notice that was mailed to each customer affected by the transfer and all property owners in the transfer area on March 3, 2009.

If you have any questions or concerns, please call Jennie Vega at 602-250-2038.

Sincerely,

Leland R. Snook

Attachments

LS/dst

CC: Steve Olea
Alexander Igwe
Deborah Reagan
Parties of Record (via electronic mail)

STATE OF ARIZONA

COUNTY OF PINAL } ss.

PUBLIC NOTICE OF HEARING ON THE A
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If the application is approved, approximately 4,000 AP It is important to note that existing ED-3 customers v remain confidentially held by ED-3. APS has establish may call APS at (520) 421-8455 with questions or you

How You Can View or Obtain a Copy of the

Copies of the application are available at APS' offices, 3 1200 West Washington, Phoenix, Arizona, for public in (www.azcc.gov) using the e-Docket function.

Arizona Corporation Commission Public H

The Commission will hold a hearing on this matter Commission's offices, 1200 West Washington Stree day of the hearing. Written public comments may be Corporation Commission, Consumer Services Secti instructions on how to e-mail comments to the Com you require assistance, you may contact the Consum

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1. Your name, address, and telephone number and th is to be made, if not yourself;

Affidavit of Publication

DONOVAN M. KRAMER SR. first being duly sworn deposes and says: That he is a native born citizen of the United States of America, over 21 years of age, that he is publisher of the Casa Grande Dispatch, a daily newspaper published at Casa Grande, Pinal County, Arizona, Tuesday through Sunday of each week; that a notice, a full, true and complete printed copy of which is hereunto attached, was printed in the regular edition of said newspaper, and not in a supplement thereto, for ONE consecutive issues the first publication thereof having been on the 3RD

day of MARCH A.D., 2009

Second publication _____

Third publication _____

Fourth publication _____

Fifth publication _____

Sixth publication _____

CASA GRANDE DISPATCH

By Donovan M. Kramer Sr.
DONOVAN M. KRAMER SR., Publisher

Sworn to before me this 9th

day of March A.D. 2009

Debbie L. Mumme

Notary Public in and for the County of Pinal, State of Arizona

Official Seal
NOTARY PUBLIC
State of Arizona
County of Pinal
DEBBIE L. MUMME
My Comm. Expires 10-23-2009

PAID PUBLIC NOTICE

PUBLIC 'ICE OF HEARING ON THE APPLICATION OF ARIZONA LIC SERVICE COMPANY FOR THE SALE AND TRANSFER TO ELECTRICAL DISTRICT NO. 3 OF CERTAIN ELECTRICAL FACILITIES IN PINAL COUNTY AND THE DELETION FROM ITS CERTIFICATE OF CONVENIENCE AND NECESSITY OF CERTAIN AREAS IN PINAL COUNTY (DOCKET NO. E-01345A-08-0426)

Summary

On August 11, 2008, Arizona Public Service Company ("APS") filed an application with the Arizona Corporation Commission ("Commission") pursuant to A.R.S. 40-285(A), for the sale of certain electrical facilities in Pinal County to Electrical District No. 3 ("ED-3") and for deletion from its certificate of Convenience and Necessity of certain areas in Pinal County. For the sole purpose of this transaction, APS has requested a waiver of Arizona Administrative Code R14-2-212(I), which considers all customer information to be confidential. The waiver requests a one-time approval for APS to provide ED-3 with customer-specific information such as customer name, address, billing rate, energy usage, etc. only from those APS customers that will be transferred to ED-3 and only upon approval of the Application. The information will continue to be held on a strictly confidential basis by ED-3 and used only for the purposes of providing electrical service. APS also requested a waiver of AAC R14-2-203(A)(2) and specific language authorizing impacted customers to remain eligible to participate in the Commission's Renewable Energy Standards ("RES") and APS' Demand Side Management ("DSM") programs up to the date on which the Commission approves APS' application for the sale of its electrical facilities.

If the application is approved, approximately 4,000 APS customers who reside in the Maricopa and Stanfield areas will be transferred to ED-3. It is important to note that existing ED-3 customers will NOT be impacted by this transition and their account information will continue to remain confidentially held by ED-3. APS has established a Web site with information regarding this application at www.aps.com/ed3 or you may call APS at (520) 421-8455 with questions or you may contact ED-3 at its website www.ed3online.org.

How You Can View or Obtain a Copy of the Application

Copies of the application are available at APS' offices, 318 N. Marshall, Casa Grande, Arizona, and at the Commission's Docket Control Center at 1200 West Washington, Phoenix, Arizona, for public inspection during regular business hours and on the Internet via the Commission's website (www.azcc.gov) using the e-Docket function.

Arizona Corporation Commission Public Hearing Information

The Commission will hold a hearing on this matter beginning April 2, 2009, at 10:30 a.m., or as soon thereafter as is practical, at the Commission's offices, 1200 West Washington Street, Hearing Room 100, Phoenix, Arizona. Public comments will be taken on the first day of the hearing. Written public comments may be submitted by mailing a letter referencing Docket No. E-01345A-08-0426 to Arizona Corporation Commission, Consumer Services Section, 1200 West Washington, Phoenix, AZ 85007, or by e-mail. For a form to use and instructions on how to e-mail comments to the Commission, go to http://www.azcc.gov/divisions/utilities/forms/public_comment.pdf. If you require assistance, you may contact the Consumer Services Section at 1-800-222-7000.

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1. Your name, address, and telephone number and the name, address, and telephone number of any party upon whom service of documents is to be made, if not yourself;
2. A short statement of your interest in the proceeding (e.g., a customer of APS, a shareholder of APS, etc.); and
3. A statement certifying that you have mailed a copy of the motion to intervene to APS or its counsel and to all parties of record in the case.

The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except that all motions to intervene must be filed on or before March 18, 2009. If representation by counsel is required by Rule 31 of the Rules of the Arizona Supreme Court, intervention will be conditioned upon the intervenor obtaining counsel to represent the intervenor. For information about requesting intervention, visit the Commission's website at http://www.azcc.gov/divisions/utilities/forms/interven.pdf. The granting of intervention, among other things, entitles a party to present sworn evidence at the hearing and to cross-examine other witnesses. However, failure to intervene will not preclude any interested person or entity from appearing at the hearing and providing public comment on the application or from filing written comments in the record of the case.

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No. of publications: 1; date of publication: March 3, 2009

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Second publication _____

Third publication _____

Fourth publication _____

Fifth publication _____

Sixth publication _____

*** MARICOPA MONITOR ***

CASA GRANDE DISPATCH

By _____
DONOVAN M. KRAMER SR., Publisher

Sworn to before me this 3rd

day of March A.D., 2009

Notary Public in and for the County of Pinal, State of Arizona

Official Seal
NOTARY PUBLIC
State of Arizona
County of Pinal
ARMELIA M SANCHEZ
My Comm Expires 09-30-2009

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No. of publications: 1; date of publication: February 27, 2009

PUBLIC NOTICE OF HEARING ON THE APPLICATION OF ARIZONA PUBLIC SERVICE COMPANY FOR THE SALE AND TRANSFER TO ELECTRICAL DISTRICT NO. 3 OF CERTAIN ELECTRICAL FACILITIES IN PINAL COUNTY AND THE DELETION FROM ITS CERTIFICATE OF CONVENIENCE AND NECESSITY OF CERTAIN AREAS IN PINAL COUNTY (Docket No. E-01345A-08-0426)

Summary

On August 11, 2008, Arizona Public Service Company ("APS") filed an application with the Arizona Corporation Commission ("Commission") pursuant to A.R.S. 40-285(A), for the sale of certain electrical facilities in Pinal County to Electrical District No. 3 ("ED-3") and for deletion from its certificate of Convenience and Necessity of certain areas in Pinal County. For the sole purpose of this transaction, APS has requested a waiver of Arizona Administrative Code R14-2-212(I), which considers all customer information to be confidential. The waiver requests a one-time approval for APS to provide ED-3 with customer-specific information such as customer name, address, billing rate, energy usage, etc. only from those APS customers that will be transferred to ED-3 and only upon approval of the Application. The information will continue to be held on a strictly confidential basis by ED-3 and used only for the purposes of providing electrical service. APS also requested a waiver of AAC R14-2-203(A)(2) and specific language authorizing impacted customers to remain eligible to participate in the Commission's Renewable Energy Standards ("RES") and APS' Demand Side Management ("DSM") programs up to the date on which the Commission approves APS' application for the sale of its electrical facilities.

If the application is approved, approximately 4,000 APS customers who reside in the Maricopa and Stanfield areas will be transferred to ED-3. It is important to note that existing ED-3 customers will NOT be impacted by this transition and their account information will continue to remain confidentially held by ED-3. APS has established a Web site with information regarding this application at www.aps.com/ed3 or you may call APS at (520) 421-8455 with questions or you may contact ED-3 at its website www.ed3online.org.

How You Can View or Obtain a Copy of the Application

Copies of the application are available at APS' offices, 318 N. Marshall, Casa Grande, Arizona, and at the Commission's Docket Control Center at 1200 West Washington, Phoenix, Arizona, for public inspection during regular business hours and on the Internet via the Commission's website (www.azcc.gov) using the e-Docket function.

Arizona Corporation Commission Public Hearing Information

The Commission will hold a hearing on this matter beginning **April 2, 2009, at 10:30 a.m.**, or as soon thereafter as is practical, at the Commission's offices, 1200 West Washington Street, Hearing Room 100, Phoenix, Arizona. Public comments will be taken on the first day of the hearing. Written public comments may be submitted by mailing a letter referencing Docket No. E-01345A-08-0426 to Arizona Corporation Commission, Consumer Services Section, 1200 West Washington, Phoenix, AZ 85007, or by e-mail. For a form to use and instructions on how to e-mail comments to the Commission, go to http://www.azcc.gov/divisions/utilities/forms/public_comment.pdf. If you require assistance, you may contact the Consumer Services Section at 1-800-222-7000.

About Intervention

The law provides for an open public hearing at which, under appropriate circumstances, interested parties may intervene. Any person or entity entitled by law to intervene and having a direct and substantial interest in the matter will be permitted to intervene. If you desire to intervene, you must file a written motion to intervene with the Commission no later than **March 18, 2009.** You must send a copy of the motion to intervene to APS or its counsel and to all parties of record. Your motion to intervene must contain the following:

1. Your name, address, and telephone number and the name, address, and telephone number of any party upon whom service of documents is to be made, if not yourself;
2. A short statement of your interest in the proceeding (e.g., a customer of APS, a shareholder of APS, etc.); and
3. A statement certifying that you have mailed a copy of the motion to intervene to APS or its counsel and to all parties of record in the case.

The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except that all motions to intervene must be filed on or before **March 18, 2009**. If representation by counsel is required by Rule 31 of the Rules of the Arizona Supreme Court, intervention will be conditioned upon the intervenor obtaining counsel to represent the intervenor. For information about requesting intervention, visit the Commission's website at http://www.azcc.gov/divisions/utilities/forms/interven.pdf. The granting of intervention, among other things, entitles a party to present sworn evidence at the hearing and to cross-examine other witnesses. However, failure to intervene will not preclude any interested person or entity from appearing at the hearing and providing public comment on the application or from filing written comments in the record of the case.

ADA/Equal Access Information

The Commission does not discriminate on the basis of disability in admission to its public meetings. Persons with a disability may request a reasonable accommodation such as a sign language interpreter, as well as request this document in an alternative format, by contacting the ADA Coordinator, Shaylin Bernal, at SBernal@azcc.gov, voice phone number (602) 542-3931. Requests should be made as early as possible to allow time to arrange the accommodation.

APS
318 N. Marshall
Casa Grande, AZ 85222

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