



0000096951

ORIGINAL

BEFORE THE ARIZONA CORPORATION COMMISSION

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

KRISTIN K. MAYES
Chairman

2009 MAY 14 A 10:48

GARY PIERCE
Commissioner

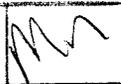
ARIZONA CORP COMMISSION
DOCKET CONTROL

Arizona Corporation Commission
DOCKETED

PAUL NEWMAN
Commissioner

MAY 14 2009

SANDRA D. KENNEDY
Commissioner

DOCKETED BY 

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

**MOTION OF
ELECTRICAL DISTRICT No. 3 OF PINAL COUNTY FOR
ADMISSION OF LATE-FILED EXHIBITS**

During the evidentiary hearing conducted in this proceeding on April 2, 2009, the Chairman of the Commission and the Presiding Administrative Law Judge directed that Electrical District No. 3 of Pinal County ("ED3") submit late-filed exhibits addressing four subjects. First, ED3 was directed to place in the record of this proceeding a copy of its tariff for distributed solar generation and documentation concerning its demand-side management programs (Hrg. Tr. at 42-43). Second, ED3 was directed to place in the record its low income and medical assistance rate program for customers who would transition to receiving retail service from ED3 upon approval of the application in this proceeding (Hrg. Tr. at 171). Third, ED3 was directed to place in the record its process for ensuring the protection of customer-specific information (Hrg. Tr. at 172).

1 Finally, ED3 was directed to place in the record its program or plan for the acquisition of
2 renewable resources (Hrg. Tr. at 122, 171). In compliance with the directions of the Chair and
3 the Administrative Law Judge referenced above, ED3 moves for the admission of its late-filed
4 exhibits, as identified and explained in this motion.

5 **A. Exhibit ED3-16: ED3's Distributed Solar Generation Riders**

6 Exhibit ED3-16 (Attachment 1 to this motion) consists of ED3's distributed solar
7 generation riders to its retail service tariff. These riders were adopted effective September 24,
8 2008. They are offered as Exhibit ED3-16 in response to a request of Chair Mayes during the
9 evidentiary hearing in this proceeding (Hrg. Tr. at 42-43). ED3 will separately address its
10 demand resource programs in Part D. of this motion, *infra*.

11 **B. Exhibit ED3-17: Low Income and Medical Assistance**

12 Exhibit ED3-17 (Attachment 2 to this motion) is Resolution 2009-3 of the ED3 Board of
13 Directors, adopting ED3's Low Income and Medical Assistance Program for residential
14 customers who qualify for low income assistance as determined by the Arizona Department of
15 Economic Security. Exhibit ED3-17 is offered in response to an inquiry from Chair Mayes (Hrg.
16 Tr. at 43) and the Administrative Law Judge (Tr. at 171). The present scope of that program
17 would extend to the approximately 190 customers currently receiving comparable assistance from
18 Arizona Public Service Company, who would transition to retail service from ED3 as a result of
19 approval of the application before the Commission in this proceeding. The ED3 Board of
20 Directors continues to evaluate the feasibility of expanding the scope of ED3's low income
21 assistance program, and has requested additional input from its staff and consultants on the
22 appropriate configuration of a broader program. In particular, the relatively small size of ED3's
23

1 overall customer base (approximately 17,000 currently, and approximately 21,000 upon
2 Commission approval of the application in this proceeding) and observation of some incongruous
3 results from direct importation of the current APS low income and medical assistance program^{1/}
4 have led the ED3 Board to conclude that the design of a low income and medical assistance
5 program tailored to the needs and situations of potential program beneficiaries among ED3's
6 customer base would profit from further study and analysis. In the meantime, however, the Board
7 has fully supported insulating from any transition-related adverse impact those APS customers
8 who are currently enrolled in APS's low income and medical assistance program who would
9 transition to ED3 retail service upon approval of the application in this proceeding.

10 **C. Exhibit ED3-18: Protection of Customer-Specific Information**

11 Exhibit ED3-18 (Attachment 3 to this motion) is Resolution 2009-4 of the ED3 Board of
12 Directors, amending ED3's internal operating procedures to codify formally one aspect of the
13 protection that ED3 has maintained for several years on a less formal basis for customer-specific
14 information. Exhibit ED3-18 is offered in response to inquiries by the Administrative Law Judge
15 (Hrg. Tr. at 151-152, 172). The amended operating procedure adopted by Resolution 2009-4
16 does two things. First, Resolution 2009-4 incorporates the text of A.A.C. § 14-2-203(A)(2), to
17 the extent applicable to ED3's operations, as the general rule applicable to requests for customer-
18 specific information. Second, Resolution 2009-4 formalizes the procedure for bringing non-
19 conforming requests for customer-specific information to the attention of ED3's general counsel
20 for further action, where appropriate, to insulate such customer-specific information from the

21 _____
22 ^{1/} Preliminary review disclosed that a direct application of APS's low income assistance rate
23 mechanism on ED3's existing rate structure would result in bill *increases* for certain groups of customers
24 who are intended to benefit from the low income assistance program.

1 disclosure requirements of the Arizona Public Records Law (A.R.S. §§ 39-121 through 39-128).
2 Specifically, the amended operating procedure adopted by Resolution 2009-4 gives ED3's
3 general counsel standing authorization to seek an executive order from the Governor, pursuant to
4 A.R.S. § 39-121.03(B),^{2/} precluding disclosure of customer specific information on available
5 grounds, which would include the fact that such information is required by Commission
6 regulation (A.A.C. § 14-2-203(A)(2)) to be treated as confidential in the hands of an investor-
7 owned utility.

8 ED3 is also subject to the federal Fair and Accurate Credit Transactions Act of 2003 (15
9 U.S.C. § 1681m(e)) (the "FACT Act") and Federal Trade Commission regulations promulgated
10 under the FACT Act (16 C.F.R. § 681.2). As a practical matter, the FACT Act imposes
11 significant limitations on the disclosure of customer-specific information for purposes other than
12 those expressly permitted by A.A.C. § 14-2-203(A)(2) and thus serves as a further layer of
13 protection against inappropriate disclosure of customer-specific information.

14 **D. Exhibits ED3-19 and ED3-20: Demand Side and Renewables Programs**

15 Exhibits ED3-19 through ED3-20 respond to two related directions from Chair Mayes.
16 The first of these directed ED3 to "docket any information that you have about those [demand
17 side] programs" (Hrg. Tr. at 43). In the second direction, the Chair stated that she "would like to
18

19 ^{2/} A.R.S. § 39-121.03(B) states that "If the custodian of a public record determines that the
20 commercial purpose stated in the statement is a misuse of public records or is an abuse of the right to
21 receive public records, the custodian may apply to the governor requesting that the governor by executive
22 order prohibit the furnishing of copies, printouts or photographs for such commercial purpose. The
23 governor, upon application from a custodian of public records, shall determine whether the commercial
24 purpose is a misuse or an abuse of the public record. If the governor determines that the public record shall
25 not be provided for such commercial purpose the governor shall issue an executive order prohibiting the
providing of such public records for such commercial purpose. If no order is issued within thirty days of
the date of application, the custodian of public records shall provide such copies, printouts or photographs
upon being paid the fee determined pursuant to subsection A."

1 see a plan from ED-3 regarding how much renewable energy it believes it could do . . . feasibly
2 given its size and its geographical status, both from a megawatt standpoint and a percentage of
3 total retail sales or megawatt hours, whichever way you want to calculate that . . . as part of this
4 case, maybe as a late-filed exhibit (Hrg. Tr. at 122).

5 Exhibit ED3-19 is ED3's 2006 Integrated Resource Plan, which is submitted every five
6 years for review by the United States Department of Energy, Western Area Power Administration
7 ("Western") pursuant to Section 114 of the Energy Policy Act of 1992 (42 U.S.C. §§ 7275-
8 7276c). ED3 contracts with Western for a total of up to 28.5 MW of federal hydroelectric power
9 from Hoover Dam (through the Arizona Power Authority, approximately 15.3 MW), Salt Lake
10 City Area/Integrated Projects (2.7 MW (winter), 8.0 MW (summer)), and Parker-Davis
11 (approximately 4.2 MW (winter) and 5.2 MW (summer)). As a customer of Western, ED3 is
12 required by federal law (42 U.S.C. §§ 7276, 7276b) and regulations (10 C.F.R. §§ 905.1 through
13 905.24) to develop and implement an integrated resource plan. ED3 is subject to penalties in the
14 form of reduction of its federal hydropower allocations if it does not comply with the
15 requirements of the federal IRP statute and regulations, or with its own integrated resource plan
16 as approved by Western's Administrator. 42 U.S.C. § 7276b(e).

17 ED3's 2006 Integrated Resource Plan is premised on four aspects of ED3's situation that
18 differentiate it from most public service corporations subject to the Commission's jurisdiction:

- 19
- ED3's existing federal hydroelectric power supply resources;
 - ED3's power supply from APS (which has changed since the 2006 Plan was
21 originally formulated, but which continues to represent the largest single
22 component of ED3's power supply through December 31, 2014);
- 23
24
25

- 1
- ED3's facilitation of its customers' compliance with their obligations under the Arizona Groundwater Code (A.R.S. §§ 45-401 to 45-704) with particular regard to the Pinal Active Management Area ("AMA") and the current Third Management Plan for the Pinal AMA; and
 - ED3's dependence on the transmission systems of APS and Western for importing additional resources, which generally speaking makes the development of renewable and demand resources within ED3's service area more feasible than pursuing such resources external to ED3's territory.

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1. **Development of Demand Resources**

These considerations have led ED3 to focus its internal resource development efforts on demand resources, as these resources (a) do not require additional transmission, the availability and cost of which is a major consideration in resource acquisition, and (b) deliver the maximum value for incremental investment. Four features of ED3's demand side program warrant particular emphasis in Exhibit ED3-19. First, the \$125 million that ED3 has invested in the reconstruction of its subtransmission and distribution system over the past seven years has significantly reduced the energy losses associated with the distribution facilities that it reacquired from APS when ED3 terminated the parties' 1961 Lease in October 2001. Second, as part of its reconstruction program, ED3 has aggressively pursued the installation of advanced metering infrastructure ("AMI"). ED3's AMI penetration positions ED3 to add modular demand control equipment to allow utility control of air conditioning and major appliances, subject to customer consent. Third, ED3's contract with its largest single customer, the Maricopa-Stanfield Irrigation District ("MSIDD") establishes an incentive rate for reduction of MSIDD pumping load (which

1 averages 12.5 MW per month) during peak usage. In addition, ED3 is developing interruptible
2 load capability in connection with MSIDD pumping loads. Preliminary studies performed earlier
3 this year indicate that an investment of approximately \$300,000 in load control software will
4 enable ED3 to capture interruptible load on the order of 6 to 8 MW. ED3 expects to complete
5 implementation of this initial phase of its interruptible load program by the end of 2009. In 2009,
6 ED3 will expand its AMI to several substations and begin MSIDD pump peak demand
7 measurement and testing, to examine peak demand shaving programs with MSIDD. Expansion
8 of ED3 substation metering equipment will provide the APS customers with the same AMI
9 infrastructure as ED3's other developed areas to enable future Smart Grid system offerings. ED3
10 is seeking to accelerate its AMI and smart Grid infrastructure and demand response offerings.
11 Finally, ED3 introduced time of use rates in 2006 to promote customer energy conservation
12 efforts, and has recently expanded its time of use rate offerings.

13 **2. Development of Renewable Resources**

14 ED3's power supply portfolio is currently committed to (a) its federal hydroelectric power
15 allocations, and (b) its long-term purchase of power from APS through December 31, 2014. To
16 the extent APS makes renewable energy purchases, ED3 would expect that the resources serving
17 it under its long-term purchase would reflect a renewable component comparable to that of APS's
18 wholesale resource mix. Due to its relatively small customer base and its transmission
19 dependency, ED3 does not have the resources available to capitalize any wholesale renewable
20 energy projects, and therefore needs to await the development of a wholesale renewable resources
21 market in Arizona. ED3 is a part owner in the South East Valley 500 kV Project, and will
22
23
24
25

1 continue to participate in transmission facility expansion to enable it to access new renewable
2 projects being developed.

3 As discussed in Part A of this motion, ED3 has implemented a distributed solar generation
4 program. Currently, ED3 has executed agreements with two customers for installation of
5 photovoltaic generation under its distributed solar generation riders, and is in discussions with
6 eight additional customers who have indicated interest in photovoltaic installations. ED3 believes
7 its funding levels for distributed solar generation funding are appropriate for the economy of the
8 primarily rural customer base that ED3 serves. Pending reassessment in the event of further
9 customer requests for support for photovoltaic installations, ED3 believes that current funding
10 levels for distributed solar generation are the maximum feasible, in light of recent rate increases
11 to ED3 customers necessitated by the February 2008 changes in its power supply arrangements
12 with APS. Once the capital funding available under ED3's distributed solar generation rate
13 accrues to sufficient levels, ED3 plans to use those funds to construct photovoltaic installations on
14 ED3 buildings and other locations. ED3 expects that these installations will produce savings
15 which reduce ED3's costs for all customers, and will provide ED3 with renewable energy credits
16 and peaking power to integrate with pump control, hydroelectric resources, and other supplies
17 needed by ED3 in the future. In addition, ED3 is in discussions with a developer of a new low-
18 head hydroelectric unit in the 50 kW to 100 kW capacity range, suitable for installation on
19 irrigation canals within ED3's service area. Subject to the conclusion of suitable commercial
20 terms, ED3 expects that this type of resource shows great promise in enabling ED3 to exploit its
21 water resources with the greatest achievable efficiency.

1 **3. Summary**

2 In light of the size of its customer base and its other responsibilities under federal law and
3 Arizona state law as summarized above, ED3 believes that its performance in developing demand
4 side and renewable resources compares favorably to any utility in the region. This is particularly
5 true in light of the substantial hydroelectric component in ED3's resource mix. The table
6 immediately following provides a comparison of some relevant statistics as between APS's
7 renewable energy standard ("RES") program and certain of ED3's comparable activities.

8

	APS RES ^{3/}	ED3
9 2009 Program Budget	\$70,400,000	\$470,000 ^{4/}
10 Number of Customers (2008)	1,111,494	17,977
11 Energy Sold (MWh)	32,951,168	379,650
Cost per Customer/Year	\$63.34	\$26.14
Cost per MWh	\$2.14	\$1.24

12 ED3 would suggest that it is also appropriate to compare the supply-related air emissions
13 of other Arizona utilities. Based on United States Environmental Protection Agency plant
14 emissions data from 2005 summarized in Exhibit ED3-20, ED3 already has the lowest
15 production-related air quality impacts, in pounds of emissions per megawatt hour of energy for
16 sulfur dioxide, oxides of nitrogen and carbon dioxide, of many Arizona utilities. Thus, ED3's
17 commitment to the broad goal of reducing the adverse environmental impacts of electricity supply
18 begins with a more environmentally benign supply mix than many of the State's utilities.

19

20

21 ^{3/} APS statistics are from Pinnacle West Capital Corporation 2008 Statistical Report for Financial
22 Analysis.

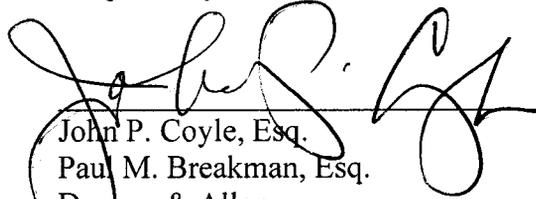
23 ^{4/} ED3 budget figure based on \$170,000 in distributed solar generation adder, plus \$300,000 AMI
24 installation budgeted for 2009. Other statistics for ED3 are from ED3 records.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

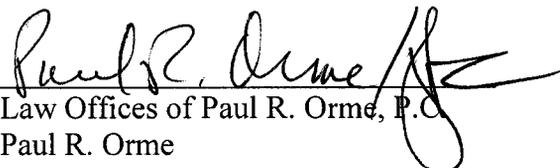
CONCLUSION

For the foregoing reasons, ED3 requests that the Presiding Administrative Law Judge admit Exhibits ED3-16 through ED3-20 into evidence as part of the record in this proceeding.

Respectfully submitted,



John P. Coyle, Esq.
Paul M. Breakman, Esq.
Duncan & Allen
Suite 300
1575 Eye Street, N.W.
Washington, D.C. 20005-1175
Telephone: (202) 289-8400
Facsimile: (202) 289-8450
e-mail: jpc@duncanallen.com
pmb@duncanallen.com



Law Offices of Paul R. Orme, P.C.
Paul R. Orme
H.C. 63, Box 3042
Mayer, AZ 86333
Telephone: (623) 465-0445
e-mail: porme@ormeschool.org

Dated at Mesa, Arizona
this 13th day of May, 2009.

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

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

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing documents and associated exhibits via electronic or U.S. mail upon each person designated on the Service List in this proceeding.

Dated at Mesa, Arizona this 13th day of May, 2009.

A handwritten signature in black ink, appearing to read "John R. [unclear]", written over a horizontal line.

1

Exhibit ED3-16:
ED3's Distributed Solar Generation Riders

ELECTRICAL DISTRICT NO. 3 OF PINAL COUNTY



RIDER - SOLAR PROGRAM – BUYBACK - RESIDENTIAL / SMALL COMMERCIAL

Page 1 of 2

REVISION NO.: 1

REVISION EFFECTIVE: 09/24/08

Applicability

To solar distributed generation ("Solar DG") systems with an AC electrical peak capability of ten kilowatts (10 kW) or less for residential service and twenty kilowatts (20 kW) or less for small commercial service. Limited to customers served by ED3, who purchase power and energy provided by ED3, and whose solar generation systems are qualified to deliver power and energy back to ED3.

Conditions

1. The customer is required to provide a meter socket for any additional meters required due to the Solar DG. Typically, a meter is required for incoming service from ED3, and a meter is required for generated power from the Solar DG. At the discretion of ED3, if a single bi-directional meter is available that can record load and generation separately, a single meter may be used.
2. An "Application for Operation of Customer-Owned Solar Generation" with the customer shall be required for service under this rider.
3. The customer shall pay ED3 for interconnection costs prior to commencement of service under this rider. Interconnection costs may include but are not limited to reasonable costs of connection, switching, relaying, metering, safety provisions, engineering studies and administrative costs incurred by ED3 directly related to the installation of the physical facilities necessary to permit interconnected operations. An estimate of these costs will be provided to the customer following their completed "Application for Operation of Customer-Owned Solar Generation".
4. The Customer may select from two options for compensation for their generation. First, the Customer's generation output in excess of their load is sold directly to ED3 at the ED3 avoided cost for energy for non-firm partial requirements service. The second provides a net metering option where generated kilowatt hours (kWh) are used to offset customer load kWh.

Billing Method

Method 1

The customer energy usage (kWh) will be netted with the customer Solar DG kWh each month. If customer energy usage exceeds generation, the monthly net will be billed according to the applicable retail residential or commercial rate. If solar generation exceeds customer usage, ED3 will pay the customer based on the ED3 avoided cost for energy¹ (currently \$0.076/ kWh) for the monthly net energy amount.

¹ ED3 avoided energy costs will be periodically evaluated and the amount paid under this rider will change accordingly. The generation / purchased power cost component included in ED3's retail rates can change based on actual costs incurred by ED3.

ELECTRICAL DISTRICT NO. 3 OF PINAL COUNTY



RIDER – SOLAR PROGRAM - BUYBACK - RESIDENTIAL / SMALL COMMERCIAL

Page 2 of 2

REVISION NO.: 1

REVISION EFFECTIVE: 09/24/08

Billing Method (Cont.)

Method 2

The customer energy usage (kWh) will be netted with the customer Solar DG kWh each month. If customer usage exceeds generation, the monthly net will be billed according to the applicable retail residential or commercial rate. If the customer Solar DG exceeds the customer usage, a kWh credit will be carried forward to apply to future months. Excess Generation credit kWh remaining at the end of the year or if the Customer disconnects will be zeroed out with no payment made to the customer.

Green Credits

Title to and ownership of any and all environmental / green credits associated with Customer-Owned Solar Generation PV System shall pass from Customer to ED3 upon initiation of service and ED3 shall maintain title to and ownership of all such environmental / green credits, benefits, emissions reductions, offsets and allowances, howsoever entitled, attributable to the generation of energy from the Solar Generation PV System. The calculation, use and retirement of any and all environmental/green credits shall be in the sole and exclusive discretion of ED3. Any funds derived from these green credits will be added to the ED3 Solar program funds.

Rules and Regulations

Service under this schedule is in accordance with the terms of ED3's Rules and Regulations, including any amendments. Prior to receiving service under this rider, the customer will be required to sign the ED3 "Agreement for Interconnection of Solar Photovoltaic Distributed Generation".

ELECTRICAL DISTRICT NO. 3 OF PINAL COUNTY



RIDER – SOLAR PROGRAM - CAPITAL INCENTIVE - RESIDENTIAL / SMALL COMMERCIAL

Page 1 of 1

REVISION NO.: 0

REVISION EFFECTIVE: 09/24/08

Applicability

To solar distributed generation ("Solar DG") systems with an AC electrical peak capability of ten kilowatts (10 kW) or less for Residential Service, and twenty kilowatts (20 kW) or less for Small Commercial Service.

Limited to customers served by ED3, who purchase power and energy provided by ED3, and whose solar generation systems are qualified to deliver power and energy back to ED3.

Conditions

1. An "Application for Operation of Customer-Owned Solar Generation" with the customer shall be required for consideration under this rider.
2. At the time of application, ED3 will determine if a one-time rebate for the installation of a grid-tied Solar DG system is available from ED3 on a first-come-first-served basis up to the annual ED3 funding limit.

For Residential Solar DG systems, the amount is \$3.00 / Watt DC up to one-half (1/2) of the total cost of the project with a \$15,000 per customer limit.

For Small Commercial customers installing Solar DG systems, the amount is \$2.50 / Watt DC up to one-half (1/2) of the total cost of the project with a \$25,000 per customer limit.

3. The Solar DG system DC Watt rating may be de-rated to a lower amount due to the installation or shade conditions. If the mounting angle of the solar panel is not optimum or if ambient shade conditions exist that will reduce the annual production capacity of the system, the wattage used in the rebate calculation will be reduced accordingly.
4. Minimum Solar DG system size for consideration under this Rider is 1,000 Watts DC.

Rules and Regulations

Service under this schedule is in accordance with the terms of ED3's Rules and Regulations, including any amendments. Prior to receiving consideration under this Rider, the customer will be required to sign the ED3 "Agreement for Interconnection of Solar Photovoltaic Distributed Generation".

ELECTRICAL DISTRICT NO. 3 OF PINAL COUNTY



RIDER - RENEWABLE ENERGY SURCHARGE

Page 1 of 1

REVISION NO.: 0

REVISION EFFECTIVE: 09/24/08

Applicability

To support Renewable Energy initiatives, ED3 has developed a Renewable Energy Surcharge. The Renewable Energy Surcharge shall apply to all rate schedules other than Rates 5 and 6. All provisions of the customer's current applicable rate schedule will apply, with the addition of the Renewable Energy Surcharge as outlined below. Periodically the ED3 Renewable Energy program will be evaluated for spending requirements, and the charges or caps may be modified to meet program needs. The Purchased Power Cost Adjustor (PPCA) applies separately and is not modified by the Renewable Energy Surcharge Rider. These two charges will be assessed independently and shall be additive.

Rates

The bill shall be calculated at the following rates:

All kWh	\$0.0010	per kWh
---------	----------	---------

Adjustment Limits

Residential Customers	\$0.30	per service month
Non-residential Customers	\$12.00	per service month

2

Exhibit ED3-17:
Low Income and Medical Assistance

RESOLUTION NO. 2009-03

**RESOLUTION OF THE
BOARD OF DIRECTORS
OF
ELECTRICAL DISTRICT NO. 3
OF PINAL COUNTY, ARIZONA**

(Low Income & Medical Program Resolution)

RESOLVED that the Board of Directors of Electrical District No. 3 of Pinal County ("ED3") hereby adopt a Residential Service – Low Income and Medical Assistance Program for residential customers who qualify for low income assistance as determined by the Arizona Department of Economic Security (DES).

IT IS FURTHER RESOLVED that this Program will be evaluated by the ED3 Board of Directors periodically to ensure that it continues to provide feasible accommodation to ED3 customers consistent with the statutory obligations and purposes of ED3.

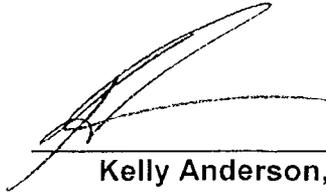
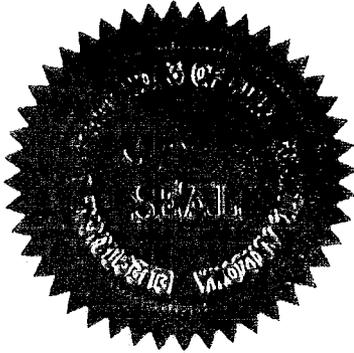
PASSED AND APPROVED by the Board of Directors of Electrical District No. 3 of Pinal County, Arizona, on this **22nd Day of April, 2009**.



ELECTRICAL DISTRICT NO. 3 OF PINAL COUNTY, ARIZONA
Dan Thelander, Chairman

WITNESS my hand and Seal of Electrical District No. 3 of Pinal County,
Arizona, a political subdivision of the State of Arizona, this **22nd Day of April, 2009.**

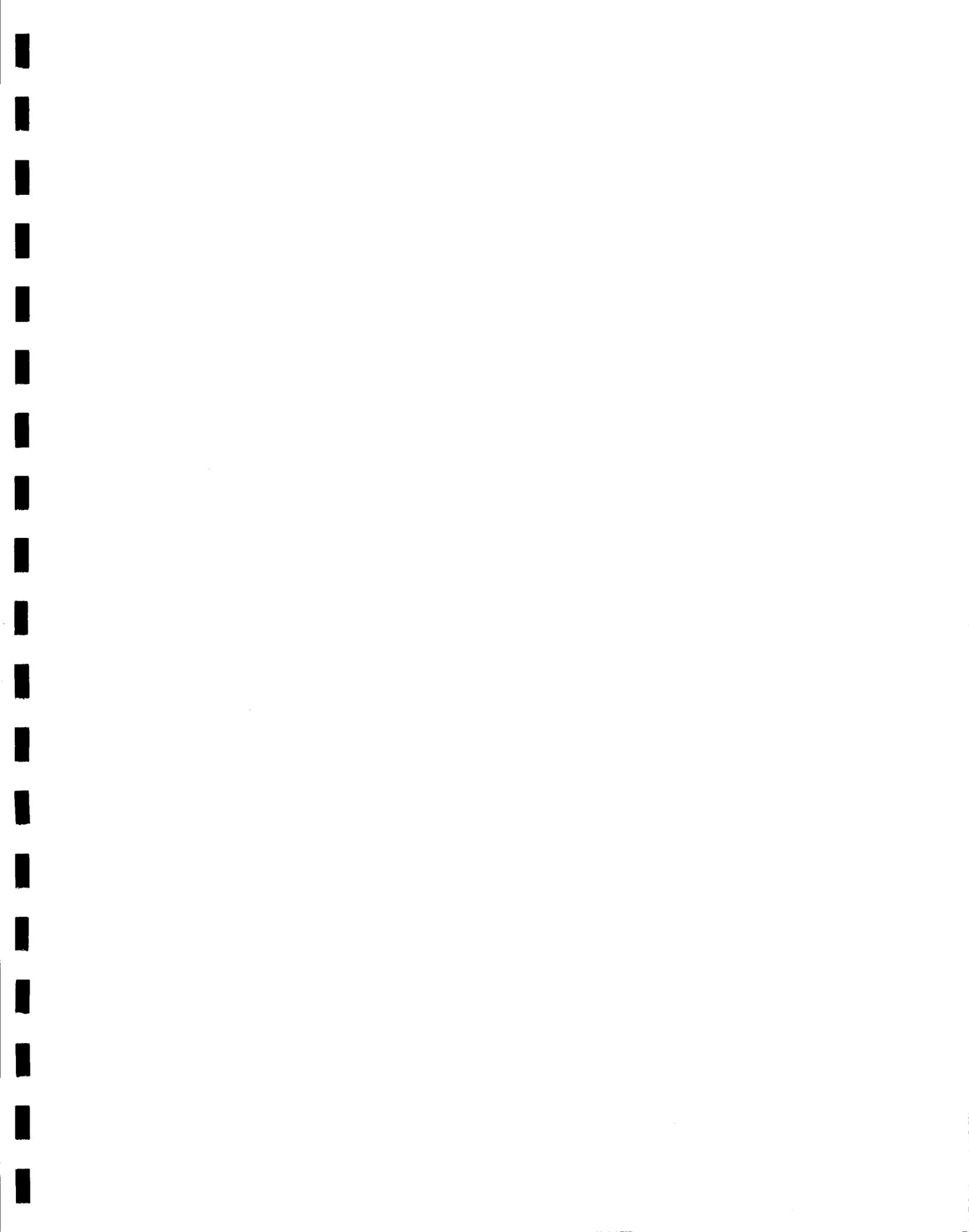
AND I DO FURTHER CERTIFY that said Resolution has not been
amended, modified or rescinded and that it is still in full force and effect.



Kelly Anderson, Secretary

3

Exhibit ED3-18:
Protection of Customer-Specific Information



RESOLUTION NO. 2009-04

**RESOLUTION OF THE
BOARD OF DIRECTORS
OF
ELECTRICAL DISTRICT NO. 3
OF PINAL COUNTY, ARIZONA**

(Securing Customer Information)

RESOLVED that the Board of Directors of Electrical District No. 3 of Pinal County ("ED3") hereby adopt a procedure for Securing Customer Information, a copy of which is attached hereto and incorporated herein (Attachment 1).

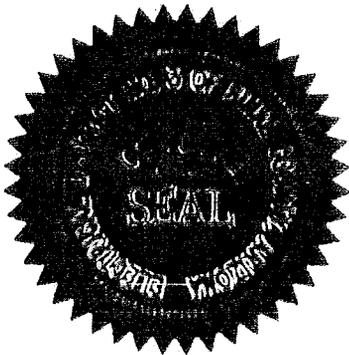
PASSED AND APPROVED by the Board of Directors of Electrical District No. 3 of Pinal County, Arizona, on this **22nd Day of April, 2009**.



ELECTRICAL DISTRICT NO. 3 OF PINAL COUNTY, ARIZONA
Dan Thelander, Chairman

WITNESS my hand and Seal of Electrical District No. 3 of Pinal County,
Arizona, a political subdivision of the State of Arizona, this 22nd Day of April, 2009.

AND I DO FURTHER CERTIFY that said Resolution has not been
amended, modified or rescinded and that it is still in full force and effect.





Kelly Anderson, Secretary

ATTACHMENT 1

Securing Customer Information

(Internal Operating Procedure)

April 22, 2009

General Rule:

Customer-specific information shall not be released without specific prior written customer authorization unless the information is requested by a law enforcement or other public agency, or is reasonably required for legitimate account collection activities, or is necessary to provide safe and reliable service to the customer.

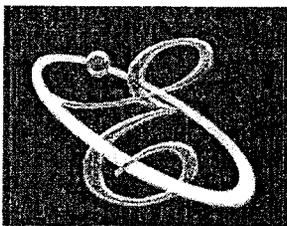
- Customer Service Representatives (CSR's) are to verify the identity of the caller by either matching social security number if available, date of birth, or phone numbers on the active ED3 account.
- CSR's are to request written documentation from a customer when customer has a change of marital status, this includes divorce and a name change due to marriage.
- CSR's are to request written documentation from a customer when customer requests an additional person to be added to the active account.
- At the end of a CSR's shift, all documentation – hand written notes, etc. is to be filed in the designated shred bins. These bins are secured with a lock and key and emptied monthly by a professional shredding company.
- If third party calls come in, CSR's cannot release any account information to that party at any time without consent from the current account holder.
- If a CSR is helping a customer within hearing range of other employees or other customers, the CSR cannot repeat identity sensitive material back to the customer. CSR must have customer repeat to them or have the customer review written account information.
- CSR's are to report any suspicious or unusual activity in regard to a customer account to his/her direct supervisor.
- CSR understands that by not following or any misuse of the above procedures could result in disciplinary action or possibly termination from the company.

Public Record Requests:

Requests by persons other than the customer for customer-specific information under the Public Records Law must be accompanied by a written statement from the requesting party of the purpose for which the customer-specific information is sought. The request and the requesting party's statement as to the purpose for which the information is requested shall be referred to the General Counsel, who has standing authorization to request an executive order, pursuant to A.R.S. § 39-121.03(B), prohibiting disclosure on applicable grounds, including that disclosure would be prohibited under A.A.C. § 12-2-203 (A) (2) if requested from a public utility company.

4

Exhibit ED3-19:
ED3's 2006 Integrated Resource Plan



ENERGY OUTFITTERS, LLC

Via E-mail & USPS

December 14, 2006

Mr. J. Tyler Carlson
Regional Manager
Western Area Power Administration
Desert Southwest Region
P. O. Box 6457
Phoenix, AZ 85005-6457

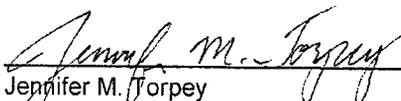
Re: Electrical District Number Three Integrated Resource Plan

Dear Mr. Carlson,

As you know, Western Area Power Administration's ("Western") Integrated Resource Planning Approval Criteria require Western's customers to submit updated Integrated Resource (or Small Customer) Plans to the appropriate Regional Manager every five years after Western's approval of the initial Plan. Enclosed on behalf of Electrical District Number Three ("ED3"), pursuant to 10 C.F.R. § 905.13(b), is the second five-year update to ED3's Integrated Resource Plan. This update was approved by ED3's Board of Directors at a public meeting held on December 13, 2006.

If you have any questions regarding this Integrated Resource Plan, please do not hesitate to contact me.

Sincerely,


Jennifer M. Torpey
K.R. Saline & Associates, PLC

Enclosure

cc: John Li (w/encl.)
Joe Mulholland (w/encl.)
Grant Ward (w/encl.)

**INTEGRATED
RESOURCE
PLAN**

SECOND FIVE-YEAR UPDATE

**ELECTRICAL DISTRICT NUMBER THREE
OF PINAL COUNTY
AND THE STATE OF ARIZONA**

December 13, 2006

Table of Contents

	<u>Page #</u>
Profile Data	
<u>Board of Directors</u>	3
<u>Contact Persons</u>	3
District Goals and Objectives	5
Competitive Situation	
<u>District Contract Information</u>	5
<u>Regulations Applicable to District</u>	5
<u>Regulations Applicable to District Customers</u>	5
<u>Competition With District Service</u>	5
Load and Resource Information	
<u>Historical and Five-Year Load Forecast</u>	6
<u>Customer Profile Information</u>	9
<u>Supply Side Resources</u>	10
<u>Demand Side Resources</u>	11
Identification and Comparison of Resource Options	11
Designation of Options	12
Action Plan	
<u>Resource Action Plan</u>	12
<u>Conservation Action Plan</u>	13
<u>Validation and Evaluation</u>	14
Environmental Effects	15
Public Participation	15
Appendices	
Appendix A—Map of District Service Territory	
Appendix B—Current Rate Schedules	
Appendix C—Load and Resource Information	
Appendix D—Integrated Resource Plan Public Meeting Notice	

Profile Data

Electrical District Number Three, Pinal County ("ED3" or "the District") is an electrical district established in 1926 by the Board of Supervisors of Pinal County pursuant to what is now Chapter 12 of Title 48 of the Arizona Revised Statutes. ED3 was organized to provide, and since 1961 has provided, electrical power and energy which originally was primarily for pumping water for irrigation. ED3 obtained its original power purchase certificate from the Arizona Power Authority ("the Authority") in 1960. ED3 is governed by a seven-member Board of Directors. At present there are 33 employees, including a manager and a secretary, both of who hold the same positions for Electrical District Number One, Pinal County, ("ED1") to whose interests ED3 has succeeded. For ease of operations and discussions, references herein to ED3 also include ED1. With a current combined service area of approximately 148,800 acres (excluding the Ak-Chin Indian Reservation), ED3 serves agricultural irrigation pumping loads, residential, commercial and industrial users, and certain other loads. Approximately 95% of the irrigation pumps served by the District are leased by Maricopa Stanfield Irrigation and Drainage District ("MSIDD"). The rest of the pumps are owned and operated by District customers. ED3 owns a substantial amount of 12-kV distribution lines and a lesser amount of 69-kV lines purchased from the Arizona Public Service Company ("APS") in 1960 under a thirty-year leaseback arrangement. ED3 assumed full electrical operation of its system to all customers in October 2001. ED3 also owns seven distribution level substations and part of the Maricopa substation with Western Area Power Administration ("Western"). ED3 receives power and energy on the Parker-Davis System purchased from the Authority and Western, as well as other supplemental sources. ED3 also provides wholesale wheeling services to APS and the Ak-Chin Indian Community for service to their retail customers. A map of ED3's service area is provided in **Appendix A**.

The District's current Board of Directors and relevant contact persons are detailed below.

- **Board of Directors**

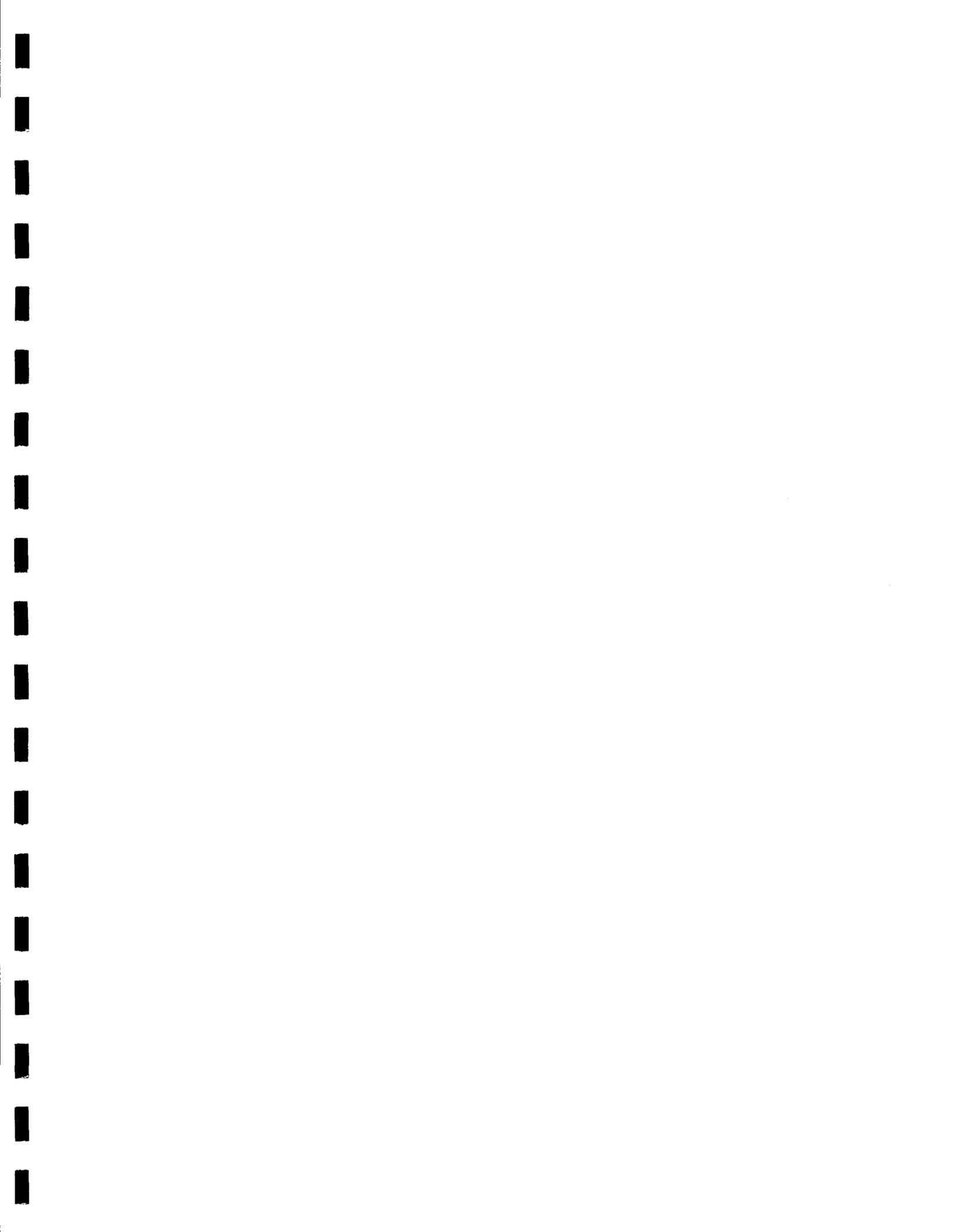
W. A. Dunn--Chairman
Bryan Hartman
Matt Smith
David Stueve

Pat Talla
Dan Thelander
Jim Whitehurst

- **Contact Persons**

Grant Ward—Manager
Electrical District No. 3 of Pinal County
41630 W. Louis Johnson Dr.
Maricopa, AZ 85239
Ph: (520) 424-9021
Fax: (520) 424-3281

Kenneth Saline—Engineering Consultant
K.R. Saline & Associates, PLC
160 N. Pasadena, Ste. 101
Mesa, AZ 85201-6764
Ph: (480) 610-8741
Fax: (480) 610-8796



ED3 purchases power from the Authority (Hoover Power), Western (SLCA/IP and Parker Davis Power), and APS. In addition, ED3 is a participant in the Hoover Power Resource Exchange Program and a party to an Integrated Resource Scheduling Agreement which permit ED3 and other similarly situated utilities to integrate and exchange Hoover and SLCA/IP power resources. The power and energy from the Authority, Western and APS are transmitted over the Parker-Davis transmission system, the Pacific Northwest - Pacific Southwest Intertie transmission system, the CRSP transmission system, APS's transmission system and ED3's system.

The policies for service and rates for power provided by ED3 to its customers are determined and set by its Board of Directors. Copies of ED3's current rate schedules are attached as **Appendix B**.

The resource scheduling and utilization of the District's resources have been managed through the Authority's Resource Exchange Program and through the District's participation in an Integrated Resource Scheduling program for Hoover and SLCA/IP resources, respectively. These resource management programs have provided flexibility for the District to re-pattern its resources monthly to meet its changing loads and exchange the resources with other preference entities who can temporarily utilize the power during the same periods. The District anticipates that current federal resources under contract and continuation of the Integrated Resource Scheduling procedures and Hoover Resource Exchange Program will be sufficient for the District to meet a portion of its monthly power and energy requirements. However, a portion of the District's projected requirements over the next five-year period must be met through supplemental power agreements. Therefore, the District will use its current entitlements of Hoover, SLCA/IP and Parker Davis resources with intermittent purchases of APS or other supplemental power to meet its projected loads through the five-year planning period.

District Goals and Objectives

- Provide Reliable Electric Power at Lowest Practicable Cost, Consistent With Sound Business Principles
- Enhance Customer Financial Stability by Providing Services Which Enhance Property Values and Provide Long-Term Stability in Electric Power Rates
- Operate ED3's Electrical System to Provide Low Cost and Reliable Electric Services to All Customers in ED3's Service Area

Competitive Situation

- **District Contract Information**

Arizona Power Authority (Hoover Power Contract)
Western Area Power Administration (SLCA/IP Contract)
Western Area Power Administration (Parker Davis Contract)

- **Regulations Applicable to District**

Energy Planning and Management Program (EPACT '00)

- **Regulations Applicable to District Customers**

Arizona Department of Water Resources—Groundwater Management Act

- **Competition With District Service**

APS provides retail service in direct competition to District service and has several retail rates which are openly available to the customers of ED3. In many instances, APS and ED3 serve power to different loads of the same customer.

There is competition for leasing the farm ground within ED3. Many of the land owners in ED3 and other districts lease ground to tenant farmers who lease property based upon lease cost and water costs (i.e., pumping costs). Therefore, to the extent that the costs in ED3 become significantly higher than other areas,

the competition for farm ground may significantly impact the irrigated acres and electric load of the District.

Load and Resource Information

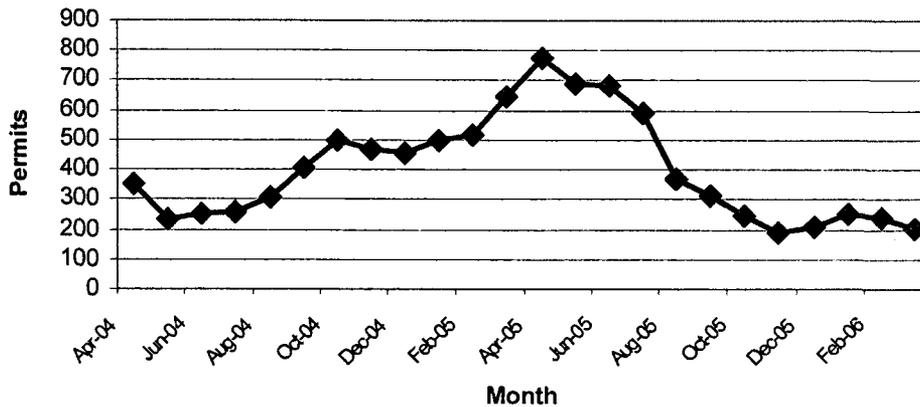
- **Historical and Five-Year Load Forecast:**

Oct-Sep	Winter Demand CP @ Sub (kW)	Summer Demand CP @Sub (kW)	Peak Annual Growth	Energy @Substation (kWh)	Energy @Meters (kWh)	Load Factor
1997	23,115	29,700		112,719,151	105,696,749	43%
1998	16,470	29,453	-1%	94,254,648	88,382,584	37%
1999	22,135	29,150	-1%	99,197,582	93,017,573	39%
2000	21,243	28,759	-1%	109,818,739	102,977,031	44%
2001	20,925	22,910	-20%	90,179,166	84,560,975	45%
2002	22,412	36,620	60%	131,815,069	123,602,990	41%
2003	36,605	64,937	77%	204,242,189	191,517,899	36%
2004	57,347	79,199	22%	254,722,767	238,853,538	37%
2005	66,982	99,898	26%	274,517,949	257,415,482	31%
2006	78,181	108,822	9%	370,599,971	347,511,591	39%
Current Forecast						
2007	89,614	124,736	15%	515,389,354	474,158,206	47%
2008	104,826	145,909	17%	602,872,522	554,642,720	47%
2009	117,574	163,654	12%	676,192,646	622,097,234	47%
2010	128,811	179,295	10%	740,817,118	681,551,749	47%
2011	139,421	194,063	8%	801,836,855	737,689,906	47%

Discussion of Load Forecast

Recent market changes as well as restrictions put in place by the City of Maricopa should slow the residential growth in the ED3 service territory; however, this trend is likely to reverse by 2008 once housing inventories become better aligned with demand and the city becomes better equipped to handle the permitting process. Current City of Maricopa guidelines also require that development infrastructure be put in place before any permits are issued so increases in permits should occur once newer developments finish infrastructure construction. Currently monthly permits being issued from the City of Maricopa have declined significantly since the summer of 2005 as depicted in the chart below:

Monthly Building Permits Issued by the City of Maricopa



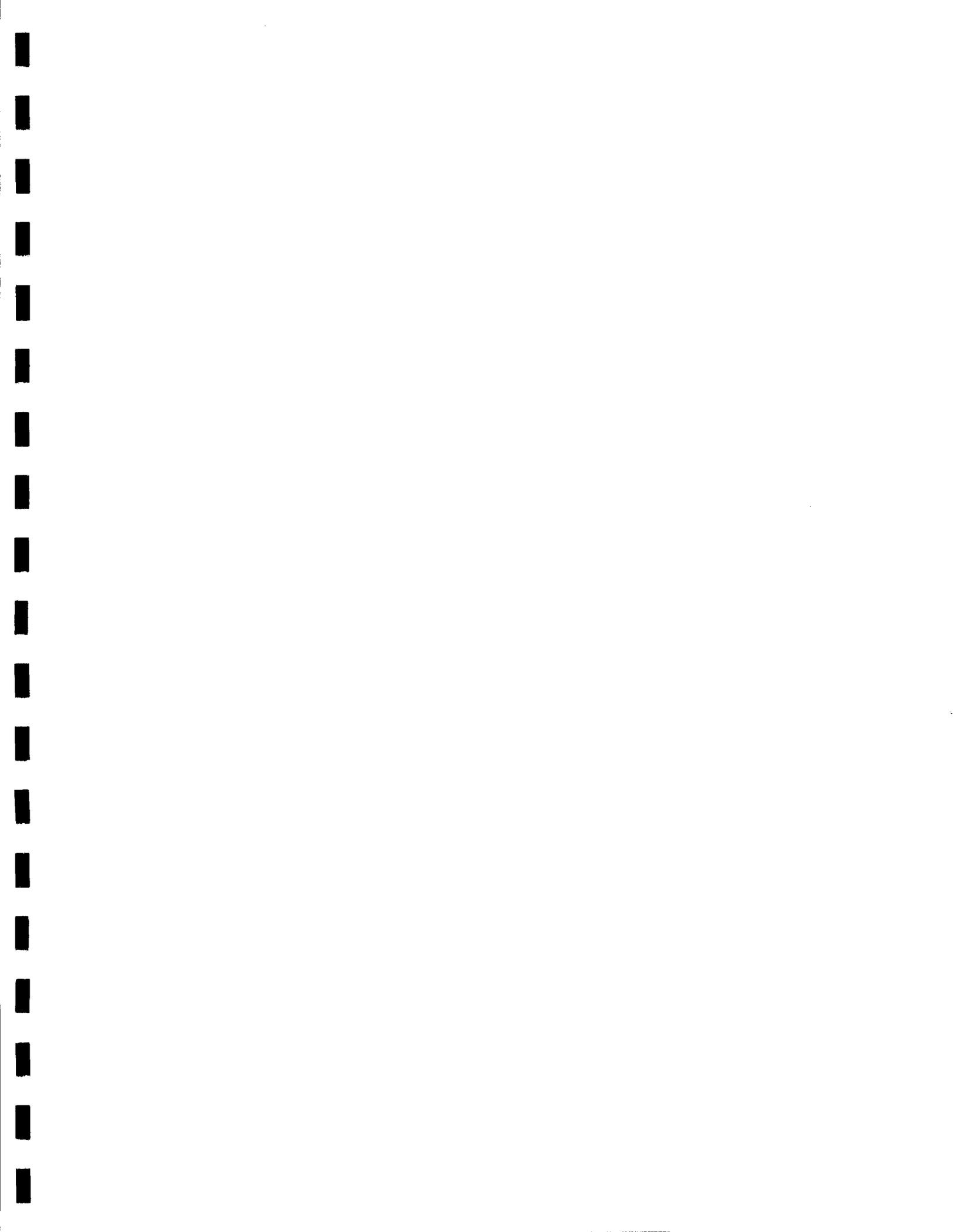
Developer incentives, low 30-year conventional rates, affordable houses, and a backlog of permits should help maintain a steady residential growth in ED3 for the next year. The current forecast assumes a low growth rate of 200 homes a month, a medium growth rate of 351 homes a month, and a high growth rate of 436 homes per month. These numbers are derived from growth projections established by the City of Maricopa, Applied Economics, and historical permitting. Permits being issued by Pinal County outside of the City of Maricopa have not been included. At this time there has been very little construction taking place outside of the city limits; however, developments such as Amarillo Creek will begin contributing to ED3's growth in 2007.

High Growth Developments in ED3

- | | |
|------------------|---------------------|
| Rancho El Dorado | Alterra |
| The Lakes | Maricopa Meadows |
| Villages | Desert Cedars |
| Province | Palo Brea |
| Glennwilde | Santa Rosa Crossing |
| Senita | Rancho Paloma |
| Smith Farms | Sorrento |
| San Travasa | Tortosa |
| Cobblestone | Rancho Mirage |
| Acacia Crossing | Avalea |

Commercial

ED3 has also seen significant growth in commercial load growth with a 2006 addition of approximately 10,000 MWh. A similar growth rate is also expected in 2007 fueled largely by the customer Pinal Energy which will bring a significant



industrial load increase in the late spring/ summer of 2007. After 2007 ED3 should expect a lot of large commercial activity as a number of large projects begin to break ground. Shea Properties is planning a power center along the Maricopa/ Casa Grande Highway that will include 520,000 square feet of retail development, 175,000 square feet of office and self storage, and a number of apartment units. Vestar Development Co. is planning a 950,000 square foot retail complex which will be within a close distance of a similar retail project by the Ak-Chin Indian Community. Ak-Chin has attracted De Rito Partners Development Inc. for a roughly 1.5 million-square-foot major retail center with retail, commercial and office space, next to the Harrah's Phoenix Ak-Chin Casino Resort. These large retail projects will join the nearly 1,000 acres of other potential commercial and industrial projects as listed by the City of Maricopa. These projects are all expected to occur north of the reservation. Currently the forecasted commercial component is based off of historical trends and known significant load increases. Many of the proposed projects have not confirmed construction start dates making it difficult to estimate when these loads can be expected. Currently the medium range forecast includes approximately 20,000 MWh of growth in 2007 and 2008.

The limitations inherent in any forecasting effort should be realized and considered when using the forecast for decision purposes. For sensitivity analysis, we have provided low, medium, and high forecasts to bracket the currently expected range of projections, but even these alternative scenarios do not account for all possible outcomes. Like any projection of the future, this forecast for ED3 should be considered as an estimate based solely on historical trends, causal relationships and current expectations of future economic conditions.

Assumptions

Residential Assumptions are based on the following:

- Culmination of residential development data from Pinal County Planning and Zoning, City of Maricopa, developers, newspapers, and ED3 to determine the number, the certainty, start dates, and schedules of the many interested planned communities in the area.
- Analysis of 30-year conventional rates and their correlation on home sales in the area.
- Analysis of historical residential data to compute the average kWh usage per house for a year.
- Analysis of construction rates and purchasing patterns.
- Analysis of current high demand locations for new development throughout Pinal and Maricopa County.

Commercial and Industrial Assumptions are based on the following:

- Culmination of residential development data from Pinal County Planning and Zoning, City of Maricopa, developers, newspapers, and ED3 to

determine the number, the certainty, start dates, and schedules of commercial projects.

- o Analysis of historical growth trends and usage patterns.

See **Appendix C** for a summary of the historical monthly load information (by operating year) as well as a graphical illustration of how the District schedules its resources to cover its loads in a typical year.

• **Customer Profile Information**

As of August 2006, the District's customers were divided into the following categories:

- o Residential—85.2%
- o Commercial—4.1%
- o Industrial—<1%
- o Pumping—4.2%
- o Street Lights/Other—6.5%

See **Appendix C** for a graphical illustration.

The below table demonstrates how the District's customer base has changed in the last several years.

	Fiscal Years Ended December 31				
	2001	2002	2003	2004	2005
Number of Customers:					
Residential ⁽¹⁾	-	873	1,595	3,061	7,247
Commercial ⁽¹⁾	-	90	148	258	365
Industrial ⁽¹⁾	-	-	1	1	1
Other ⁽²⁾	471	732	740	764	858
Total Customers	471	1,695	2,484	4,084	8,471
Kilowatt-Hour Sales (in Millions):					
Residential ⁽¹⁾	-	6	18	34	71
Commercial ⁽¹⁾	-	8	32	41	55
Industrial ⁽¹⁾	-	-	0	4	7
Other ⁽²⁾	93	118	154	166	126
Total kWh Retail Sales	93	131	204	245	259
Peak Retail Demand (MW)	23	37	65	79	100

(1) Prior to 2002, the District served primarily irrigation pumping loads. As noted earlier, in October 2001, the District assumed full electrical operation of its system including the provision of electric service to commercial industrial, and residential as well as agricultural customers.

(2) "Other" includes irrigation and non-irrigation pumping, cotton gins, and street lights.

As of December 31, 2005, the ten largest electric customers accounted for about 48.9% of the District's retail sales revenues. The District's largest electric customer, MSIDD, accounts for about 34.7% of the District's total energy sales.

The District's service area encompasses the City of Maricopa, which is currently experiencing rapid growth. Expectations are for continued growth—the District currently projects the customer base to increase to approximately 18,300 meter connections by the end of 2006, and 19,500 meter connections in 2007.

- **Supply Side Resources**

The District anticipates that current federal resources under contract and continuation of the Integrated Resource Scheduling procedures and Hoover Resource Exchange Program will be sufficient for the District to meet a portion of its monthly power and energy requirements through the short-term and long-term planning periods. Additional purchases of supplemental power will continue to be made to cover other power requirements. The District is currently operating under a temporary arrangement with APS for supplemental power supply; the termination of this arrangement is contingent upon Federal Energy Regulatory Commission and Arizona Corporation Commission action, and cannot yet be determined with reasonable certainty. In anticipation of the termination of that contract, ED3 has investigated several power supply alternatives including another purchase, gas, solar & biomass. As of the date of this IRP, the APS supplemental power supply contract has not terminated and ED3 continues to investigate several alternatives. Detailed below are the District's current contractual commitments:

Arizona Power Authority (Hoover Power) at Test Track Substation

- Hoover A Capacity & Energy
 - 15,290 kW (Maximum with Hoover Firming Capacity)
 - 52,261,000 kWh (Contract Entitlement)
- Expires September 30, 2017

Salt Lake City Area/Integrated Project Capacity at Test Track

- Winter Season CROD: 2,678 kW
- Summer Season CROD: 8,027 kW
- Contract Term: Expires September 30, 2024
- Energy entitlements by fiscal year:

<i>Fiscal Year</i>	<i>Winter Season Energy (kWh)</i>	<i>Summer Season Energy (kWh)</i>
FY 2006	4,620,082	13,741,114
FY 2007	4,717,164	14,029,854
FY 2008	4,814,245	14,318,595
FY 2009 - FY 2024	4,911,326	14,607,336

Parker-Davis Project at Test Track Substation: for Operating Years 2007-2008

- o Contract Term: Expires September 30, 2008
- o Winter Season CROD: 4,230 kW
- o Summer Season CROD: 5,200 kW
- o Annual Firm Energy: 25,096,890 kWh

Parker-Davis Project at Test Track Substation: Extended Contract for Operating Years 2009-2028

- o Extended Contract Term: starts on October 1, 2008 and expires September 30, 2028
- o Winter Season CROD: 4,203 kW
- o Summer Season CROD: 5,164 kW
- o Annual Firm Energy: 24,927,033 kWh

• **Demand Side Resources**

Within the last few years, there has been a shift in the District's customer base. However, a considerable portion of the District's electric power is still utilized to pump groundwater for agricultural purposes. The following is a list of some of the on-going water conservation practices which are implemented by the District's customers to efficiently utilize groundwater and thereby electricity.

Alternate Furrow Irrigation	Graded Furrow or Border	Use of Gated Pipe
Cut-Back Irrigation	Portable Sprinklers	Micro spray Systems
Angled Rows	Uniform Slopes	Tail Water Recovery
Shortened Field Lengths	Deficit Irrigation	Irrigation Scheduling
Land Leveling	Soil & Water Amendments	Concrete Ditch Lining
Precision Tillage	Cropping Pattern-Winter vs. Summer	Tiered Electric Rates

Identification and Comparison of Resource Options

The identification of options for additional resources within this IRP is coordinated through an examination of the costs and benefits for each resource. Because the majority of the District's farm customers already implement numerous irrigation and agricultural efficiency practices in their operations and because the Arizona Groundwater Management Act heavily regulates the use of groundwater, opportunities for additional energy savings through demand side management programs ("DSM") for these customers are very limited. However the District will continue to look for other opportunities for energy savings from evolving technological advances in agricultural practices. To the extent practicable, the District will also endeavor to promote customer

awareness of pumping workshops and other similar forums for further education on advancements in water conservation practices and technology.

Designation of Options

If additional resources are needed, the least cost option is identified from a cost benefit analysis. This information is considered by the Board of Directors in public meetings and combined with other information to select an Action Plan for the District which conforms with the regulations and guidelines of the Energy Planning and Management Program. The selection of the District's Action Plan also includes consideration for reliability of service, economics, rate impacts and price elasticity, environmental effects, regulatory impacts and risks, legal considerations and risks, competitive impacts, social acceptance and public considerations and any other factors which may be identified from time-to-time which may be pertinent in selecting or implementing an Action Plan.

Action Plan

- **Resource Action Plan**

The time period covered by the District's Action Plan is the five-year period from 2007 through 2011.

The District has determined that to provide reliable electric power at the lowest practicable cost, consistent with sound business principles, the District will continue using its long-term entitlements of Hoover, SLCA/IP and Parker Davis power to supply the District's projected long-term power requirements. The current federal resources and continuation of the Authority Hoover Resource Exchange Program and the Integrated Resource Scheduling procedures will be sufficient for the District to meet a portion of its monthly power and energy requirements through the short-term and long-term planning periods. Additional purchases of APS supplemental power will continue to be made to cover additional load requirements over the short-term. With the eventual termination of this agreement, combined with the expected load growth over the new few years, the District anticipates a need for new long-term power supply at a future date. As part of its efforts to address this need, the District is participating in the Southwest Public Power Resources ("SPPR") Group in evaluating future resource opportunities. The SPPR Group represents 20 Participants comprised of thirty-nine public power entities providing service in Arizona, California, and Nevada. Although the District does not anticipate any immediate change in resource options due to the efforts of the SPPR Group, it may assist the District in accessing new long-term options in the future. The District continuously reevaluates the possible need for new resources, the availability of less costly resources and the potential for additional DSM activities. The District's Resource

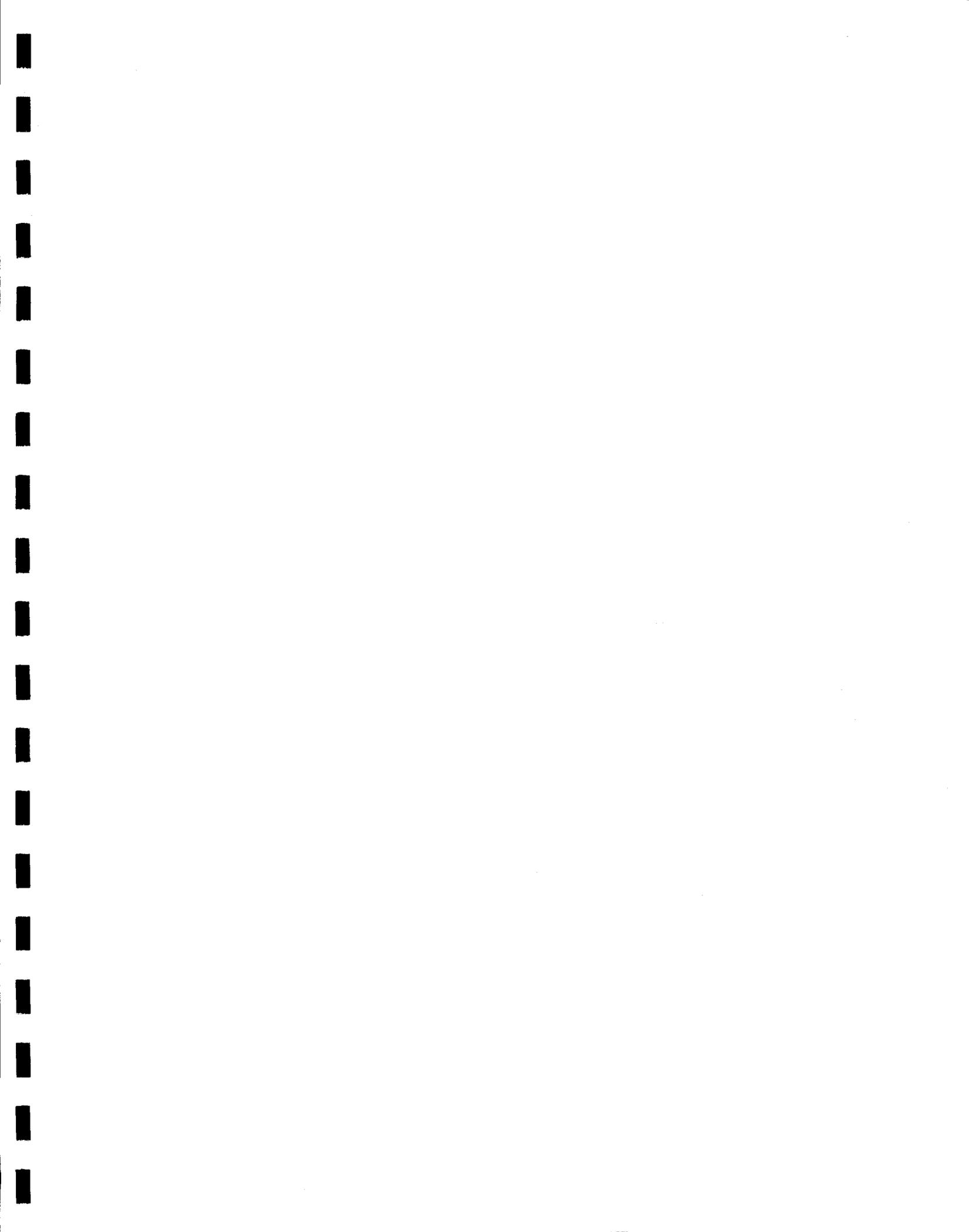
Action Plan enhances customer financial stability by providing services that will enhance property values and provide long-term stability in electric power rates.

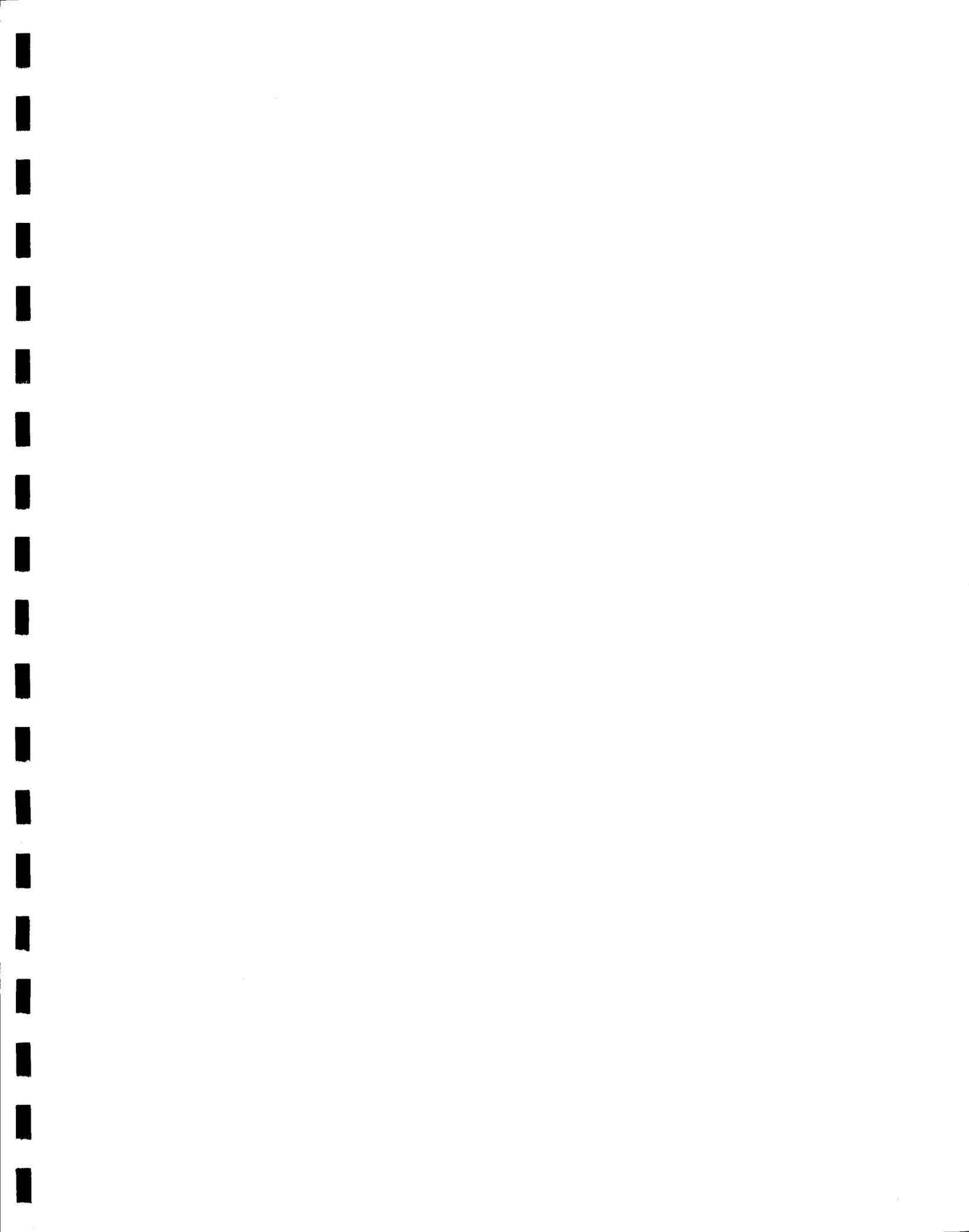
The District provides electricity to MSIDD for use in pumping groundwater to farmlands which are also served from surface water supplies from the Central Arizona Project ("CAP"). CAP water is delivered to the MSIDD as well as to farmlands outside the irrigation district boundaries but still within ED3's boundaries. The CAP began delivering water to farmlands within the District in 1988 and the CAP policies for pricing and availability of CAP water have changed dramatically since the start of CAP deliveries. Since pumped water and CAP water are both essential in providing a reliable supply of water to farmed lands, the impacts of CAP water deliveries upon the District's loads can be significant from year-to-year. CAP water price support programs and in-lieu programs are currently being implemented to encourage additional CAP water usage which impacts the District's annual pumping loads. Even if CAP water could supply the entire water requirements for most farms, the electric supplies are needed to backup the surface water system to reliably meet the water requirements of the farmed lands during shortages on the Colorado River, canal outages and to supply ineligible farm lands due to Reclamation Reform Act regulations. The pumps are also used to augment surface water supplies in peak months when canal limitations may restrict the amount of water which can be supplied from CAP. While the impact of CAP water is significant upon the seasonal electric requirements of the District, the District's current resources and flexibility provided from the Hoover Resource Exchange Program and Integrated Resource Scheduling program should be sufficient for the District to adjust its resources to the changes in load requirements which may result from changes in CAP water delivered to District land owners for the five-year planning horizon.

The District will monitor any adjustments to the Plan for the long-term resource needs and will annually review its electric loads and resources for any significant changes. In the event the loads of the District are projected to materially increase above those levels represented in the Load and Resource Information, other than normal deviations due to cropping changes or weather impacts, the District will review its forecast and evaluate the need for modifying its IRP and notify Western accordingly. In any event, the District will evaluate its load forecast and resource information in detail every five years and refresh its IRP, in accordance with Western's regulations.

- **Conservation Action Plan**

The District has decided to continue certain conservation activities to promote and maintain energy efficiency and customer awareness for conserving electric, water, and land resources. In recognition of the many new customers it has acquired and expects to acquire over the next few years, the District is also exploring other opportunities for conservation programs. However, the District's





current financial and administrative resources are fully dedicated to meeting the tremendous load growth, and as such do not have much opportunity to develop new programs. In addition, as the vast majority of the new customers have brand-new facilities (homes or otherwise), the potential for certain traditional conservation activities is not high.

Period: Calendar Years 2007 through 2011
Activity: Transmission and Distribution System Improvements
Time-of-Use Load Management Program
Tiered Demand & Energy Rates
Pump Inspection Program

- **Validation and Evaluation**

ED3 has invested substantial resources, both fiscal and otherwise, in constructing and upgrading its transmission and distribution system to meet its load requirements. The District has been involved in several transmission expansion projects, including the South of Phoenix Project and the Palo Verde-South East Valley 500kv Line Project, to meet its projected long term needs for transmission capacity. The completion of these projects will provide the District with increased operational flexibility and reliability to its transmission system. The Palo Verde-South East Valley project will also provide the District access to competitive generation located at the Palo Verde Hub. Expansion of and improvements to the distribution system also continue on a regular basis. Such improvements assist the District in maintaining a low level of losses and improving system reliability.

Several years ago, the District's Board adopted and has continued an aggressive load management program with the primary objective being the reduction of the District's peak demand requirement. The District designed the Load Management Program to encourage voluntary load shifting and peak demand reduction through Tiered Demand & Energy Rates and the installation of time-of-use meters on several of the District's accounts. The District has also continued a customer education program which has involved several group meetings where growers are introduced to the concepts of demand control as well as the benefits of off-peak pumping. The District is also exploring a time-of-use program for the benefit of its residential customers; a pilot program is expected to be launched in the near future to evaluate the potential for a large scale program.

The District also has an agreement with the MSIDD, its largest electric customer, for a pump optimization program which enables the District 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. The District 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 District's pumps. The historical success of the District's conservation program is evident in the significant increases in the system load factor over time. Additionally, the agreement with MSIDD incorporates a load shedding program where, when possible during peak summer months, pumping loads are turned off and water deliveries are made from existing canal capacity. This allows ED3 to essentially shave its peak load for three to four hours during the peak of the day.

The District is also exploring the potential for the development of a solar program, wherein solar panels would be installed by both residential and commercial customers as a means of meeting a portion of their energy requirements. However, this program is still in the very early stages.

Environmental Effects

The District is required, to the extent practicable, to minimize adverse environmental effects of new resource acquisitions and document these efforts in the IRP. Since the District cannot yet identify when the acquisition of any additional resources will occur, there are at present no adverse environmental effects caused by new resource acquisition. Under the District's current resource plan, the District utilizes hydroelectric resources to meet the majority of its electric loads. To the extent the District utilizes the Authority Hoover Resource Exchange Program and the Integrated Resource Scheduling procedures to optimally utilize the hydroelectric resources of the District and other similarly situated utilities, such efforts should be environmentally beneficial because such increased utilization would offset steam generation purchases.

In addition to maximizing the hydroelectric resources, the District's farm customers are involved in substantial water conservation programs in their farming practices. The investment made by the District's customers in installed water conservation technology is extensive and far-reaching. Their ongoing conservation practices and ongoing maintenance of conservation investments continue to conserve significant amounts of groundwater, and thereby electricity, annually. To the extent the District sponsors conservation activities and information activities with its customers, the conservation of groundwater is the fundamental achievement, which is environmentally beneficial and economically sound. In addition, the overall irrigation efficiency of each farm customer is heavily regulated by the State of Arizona through the Groundwater Management Act.

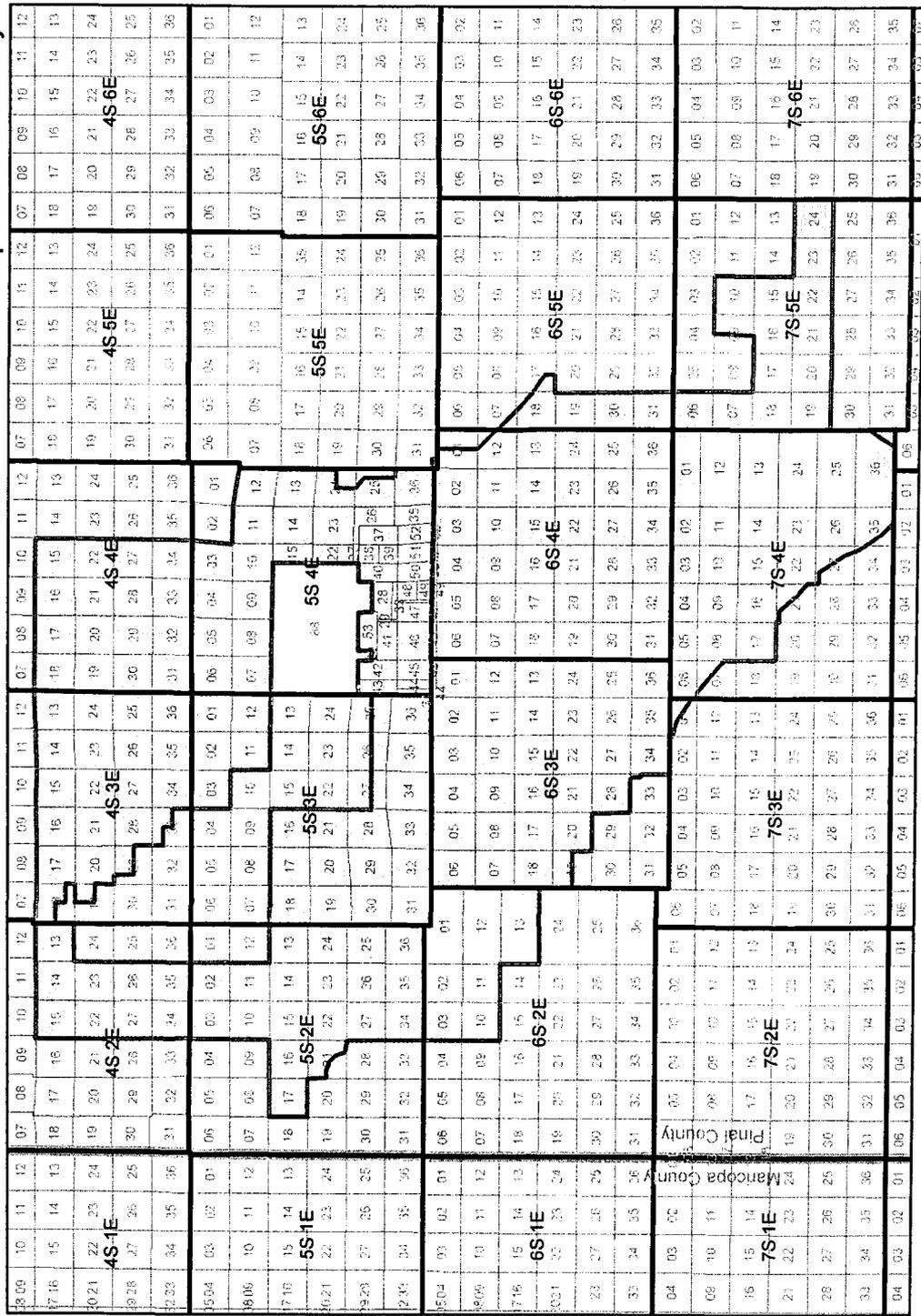
Public Participation

The District has held one public meeting to discuss the development of the District's IRP. Prior to the meeting, the District posted notice in advance of the meeting, giving the time and place of the meeting and specifying that the District would be considering a draft

IRP at the meeting. The notice was posted in accordance with statutory open meeting law requirements. The notice stated that the draft IRP would be available to the public in advance of the meeting and that public comment on the draft IRP would be accepted at the meeting. A copy of the notice is attached as **Appendix D**.

At the meeting, the draft IRP was presented to the Board. After discussion and the opportunity for public comment, the Board authorized the preparation of a final IRP, with such revisions as the Board deemed appropriate. There were no public comments.

APPENDIX A -- Map of Service Territory



Electrical District Number Three



DISCLAIMER:
K.E. Miller & Associates P.C.
is not responsible for the accuracy
or completeness of the information shown.

8-29-06

ELECTRICAL DISTRICT NO. THREE

ELECTRIC RATE SCHEDULES

- RATE SCHEDULE NO 1 - RESIDENTIAL
- RATE SCHEDULE NO 2 - SMALL COMMERCIAL
- RATE SCHEDULE NO 3 - LARGE COMMERCIAL
- RATE SCHEDULE NO 4 - INDUSTRIAL
- RATE SCHEDULE NO 5 - AGRICULTURAL RELATED
IRRIGATION PUMPING
- RATE SCHEDULE NO 6 - AGRICULTURAL RELATED PUMPING
- RATE SCHEDULE NO 7 - NON-AGRICULTURAL RELATED
PUMPING
- RATE SCHEDULE NO 8 - COTTON GIN
- RATE SCHEDULE NO 9 - DUSK TO DAWN LIGHTING
- RATE SCHEDULE NO 10 - GATES AND TURNOUTS
- RATE SCHEDULE NO 11 - STREET LIGHTING



ELECTRICAL DISTRICT NO. THREE
41630 W. Louis Johnson Dr.
Maricopa, AZ 85239

RESIDENTIAL SERVICE – 01

Effective: 01/01/2005

Applicability

To residential use only in single private residences or apartments for lighting, appliances domestic single-phase power with no motor over 5HP, heating and cooling served through one meter.

Availability

In all areas within the District as now served. Subject to the requirements of the primary purposes of the District and the availability of power and energy as determined in the opinion of the District.

Type of Service

Single-phase, 60 Hertz 120/240 volts. Transformation is included in this rate. Subject to all standard policies, conditions, rules and regulations as adopted and amended by the District Board of Directors. "Underground Service" applies to all customers who are served off of primary 12.5kV feeders that are required to be constructed underground specifically for their area. Underground Service does not include individual underground service drops from overhead lines.

Rates - The monthly charges for this class of service shall consist of a summation of the following costs based on usage:

	<u>Overhead Service</u>	<u>Underground Primary Service</u>
Customer Charge/month	\$12.00	\$12.00
Energy Charge/kWh		
First 500 kWh	\$0.086	\$0.120
All Additional kWh	\$0.078	\$0.078
Power Cost Adjustor kWh**	TBD	TBD
Monthly Minimum	\$12.00	\$12.00

Tax Plus applicable sales tax to the above.

** ED3 may increase or decrease the Power Cost Adjustor based on the actual change in the average cost of purchased power. The price for the Power Cost Adjustor is calculated for each month based on the historical average cost of purchased power above or below the base purchased power cost of \$0.0310/kWh. In any month the PPCA will not exceed \$0.01/kWh.

ELECTRICAL DISTRICT NO. THREE **SMALL COMMERCIAL SERVICE – 02**
 41630 W. Louis Johnson Dr.
 Maricopa, AZ 85239

Effective: 01/01/2005

Applicability

To all small retail businesses such as stores, shops, schools and other enterprises without demand metering and whose estimated monthly maximum demand is less than 50 kW. Service is applied at one point of delivery and measured through one meter with an actual or estimated demand reading

Availability

In all areas within the District as now served. Subject to the requirements of the primary purposes of the District and the availability of power and energy as determined in the opinion of the District.

Type of Service

Single and three phase, 60 Hertz 120/240 and 480 overhead or underground. Transformation is included in this rate. Subject to all standard policies, conditions, rules and regulations as adopted and amended by the District Board of Directors. "Underground Service" applies to all customers who are served off of primary 12.5kV feeders that are required to be constructed underground specifically for their area. Underground Service does not include individual underground service drops from overhead lines.

Rates - The monthly charges for this class of service shall consist of a summation of the following costs based on usage:

	Overhead Service	Underground Primary Service
Customer Charge/month	\$13.30	\$32.50
Energy Charge/kWh		
First 1,000 kWh	\$0.101	\$0.110
All Additional kWh	\$0.085	\$0.080
Power Cost Adjustor kWh**	TBD	TBD
Monthly Minimum	\$13.30	\$32.50

Tax Plus applicable sales tax to the above.

** ED3 may increase or decrease the Power Cost Adjustor based on the actual change in the average cost of purchased power. The price for the Power Cost Adjustor is calculated for each month based on the historical average cost of purchased power above or below the base purchased power cost of \$0.0310/kWh. In any month the PPCA will not exceed \$0.01/kWh.

ELECTRICAL DISTRICT NO. THREE **LARGE COMMERCIAL SERVICE – 03**
 41630 W. Louis Johnson Dr.
 Maricopa, AZ 85239

Effective: 01/01/2005

Applicability

To commercial customers whose monthly maximum demand is greater than 50 kW for three (3) consecutive months in any continuous twelve (12) month period ending with the current month. Service is applied at one point of delivery and measured through one meter with an actual or estimated demand reading

Availability

In all areas within the District as now served. Subject to the requirements of the primary purposes of the District and the availability of power and energy as determined in the opinion of the District.

Type of Service

Single and three phase, 60 Hertz 120/240 and 480 overhead. Transformation is included in this rate. Subject to all standard policies, conditions, rules and regulations as adopted and amended by the District Board of Directors "Underground Service" applies to all customers who are served off of primary 12.5kV feeders that are required to be constructed underground specifically for their area. Underground Service does not include individual underground service drops from overhead lines.

Rates - The monthly charges for this class of service shall consist of a summation of the following costs based on usage:

	<u>Overhead Service</u>	<u>Underground Primary Service</u>
Customer Charge/Month	\$27.00	\$64.00
Demand Charge/kW-mo	\$9.10	\$9.10
Energy Charge/kWh All kWh	\$0.0450	\$0.0450
Power Cost Adjustor kWh**	TBD	TBD
Monthly Minimum	\$27.00	\$64.00

Tax Plus applicable sales tax to the above.

*** ED3 may increase or decrease the Power Cost Adjustor based on the actual change in the average cost of purchased power. The price for the Power Cost Adjustor is calculated for each month based on the historical average cost of purchased power above or below the base purchased power cost of \$0.0310/kWh. In any month the PPCA will not exceed \$0.01/kWh.*

Determination of kW

1. The actual kW supplied during the period of maximum use during the month as determined from reading of the Company's meter.

ELECTRICAL DISTRICT NO. THREE
41630 W. Louis Johnson Dr.
Maricopa, AZ 85239

INDUSTRIAL SERVICE – 04

Effective: 01/01/2005

Applicability

To non-agricultural customers whose monthly maximum demand is greater than 500 kW for three (3) consecutive months in any continuous twelve (12) month period ending with the current month. Service is applied at one point of delivery and measured through one meter with an actual or estimated demand reading

Availability

In all areas within the District as now served. Subject to the requirements of the primary purposes of the District and the availability of power and energy as determined in the opinion of the District.

Type of Service

Single and three phase, 60 Hertz 120/240 and 480 overhead. Transformation is included in this rate. Subject to all standard policies, conditions, rules and regulations as adopted and amended by the District Board of Directors "Underground Service" applies to all customers who are served off of primary 12.5kV feeders that are required to be constructed underground specifically for their area. Underground Service does not include individual underground service drops from overhead lines.

Rates - The monthly charges for this class of service shall consist of a summation of the following costs based on usage:

	<u>Overhead Service</u>	<u>Underground Primary Service</u>
Customer Charge/Month	\$32.00	\$69.00
Demand Charge/kW-mo	\$8.95	\$8.95
Energy Charge/kWh All kWh	\$0.042	\$0.042
Power Cost Adjustor kWh**	TBD	TBD
Monthly Minimum	\$32.00	\$69.00

Tax Plus applicable sales tax to the above.

** ED3 may increase or decrease the Power Cost Adjustor based on the actual change in the average cost of purchased power. The price for the Power Cost Adjustor is calculated for each month based on the historical average cost of purchased power above or below the base purchased power cost of \$0.0310/kWh. In any month the PPCA will not exceed \$0.01/kWh.

Determination of kW

1. The actual kW supplied during the period of maximum use during the month as determined from reading of the Company's meter.

ELECTRICAL DISTRICT NO. THREE
41630 W. Louis Johnson Dr.
Maricopa, AZ 85239

AGRICULTURAL RELATED
IRRIGATION PUMPING SERVICE - 05
Effective: 01/01/2005

Applicability

To all irrigation motors operated for the exclusive use of pumping water for the purposes of irrigating farm fields or to fill canals which are ultimately used to irrigate fields.

Availability

In all areas within the District as now served. Subject to the requirements of the primary purposes of the District and the availability of power and energy as determined in the opinion of the District.

Type of Service

Three phase, 60 Hertz 120/240 and 480 overhead. Transformation is included in this rate. Subject to all standard policies, conditions, rules and regulations as adopted and amended by the District Board of Directors.

Rates - The monthly charges for this class of service shall consist of a summation of the following costs based on usage:

	<u>Overhead Service</u>
Customer Charge/Month	\$11.00
Demand Charge/kW-mo	\$3.75
Energy Charge/kWh All kWh	\$0.0114
Power Cost Adjustor kWh**	TBD
Monthly Minimum	\$11.00

*** ED3 may increase or decrease the Power Cost Adjustor based on the actual change in the average cost of purchased power. The price for the Power Cost Adjustor is calculated for each month based on the historical average cost of purchased power above or below the base purchased power cost of \$0.0310/kWh. In any month the PPCA will not exceed \$0.01/kWh.*

Tax Plus applicable sales tax to the above.

ELECTRICAL DISTRICT NO. THREE
41630 W. Louis Johnson Dr.
Maricopa, AZ 85239

**AGRICULTURAL RELATED
PUMPING SERVICE - 06**

Effective: 01/01/2005

Applicability

To all irrigation motors operated for the exclusive use of pumping water for agricultural related purposes other than irrigating farm fields.

Availability

In all areas within the District as now served. Subject to the requirements of the primary purposes of the District and the availability of power and energy as determined in the opinion of the District.

Type of Service

Three phase, 60 Hertz 120/240 and 480 overhead. Transformation is included in this rate. Subject to all standard policies, conditions, rules and regulations as adopted and amended by the District Board of Directors.

Rates - The monthly charges for this class of service shall consist of a summation of the following costs based on usage:

	Overhead Service
Customer Charge/Month	\$11.00
Demand Charge/kW-mo	\$3.75
Energy Charge/kWh All kWh	\$0.0114
Power Cost Adjustor kWh**	TBD
Monthly Minimum	\$11.00

*** ED3 may increase or decrease the Power Cost Adjustor based on the actual change in the average cost of purchased power. The price for the Power Cost Adjustor is calculated for each month based on the historical average cost of purchased power above or below the base purchased power cost of \$0.0310/kWh. In any month the PPCA will not exceed \$0.01/kWh.*

Tax Plus applicable sales tax to the above.

ELECTRICAL DISTRICT NO. THREE
41630 W. Louis Johnson Dr.
Maricopa, AZ 85239

**NON-AGRICULTURAL RELATED
PUMPING SERVICE - 07**
Effective: 01/01/2005

Applicability

To all motors operated for the exclusive use of pumping water for all non-agricultural related purposes.

Availability

In all areas within the District as now served. Subject to the requirements of the primary purposes of the District and the availability of power and energy as determined in the opinion of the District.

Type of Service

Single and three phase, 60 Hertz 120/240 and 480 overhead. Transformation is included in this rate. Subject to all standard policies, conditions, rules and regulations as adopted and amended by the District Board of Directors.

Rates - The monthly charges for this class of service shall consist of a summation of the following costs based on usage:

	<u>Overhead Service</u>	<u>Underground Primary Service</u>
Customer Charge/Month	\$27.00	\$64.00
Demand Charge/kW-mo	\$4.45	\$4.45
Energy Charge/kWh	\$0.060	\$0.060
Power Cost Adjustor kWh**	TBD	TBD
Monthly Minimum	\$27.00	\$64.00

Tax Plus applicable sales tax to the above

*** ED3 may increase or decrease the Power Cost Adjustor based on the actual change in the average cost of purchased power. The price for the Power Cost Adjustor is calculated for each month based on the historical average cost of purchased power above or below the base purchased power cost of \$0.0310/kWh. In any month the PPCA will not exceed \$0.01/kWh.*

Determination of kW

1. The actual kW supplied during the period of maximum use during the month as determined from reading of the Company's meter.

ELECTRICAL DISTRICT NO. THREE
41630 W. Louis Johnson Dr.
Maricopa, AZ 85239

COTTON GIN SERVICE – 08

Effective: 01/01/2005

Applicability

To all cotton seed milling gins which are primarily operated on a seasonal basis.

Availability

In all areas within the District as now served. Subject to the requirements of the primary purposes of the District and the availability of power and energy as determined in the opinion of the District.

Type of Service

Three phase, 60 Hertz 120/240 and 480 service. Transformation is included in this rate. Subject to all standard policies, conditions, rules and regulations as adopted and amended by the District Board of Directors.

Rates - The monthly charges for this class of service shall consist of a summation of the following costs based on usage:

Summer Season – March through September

Winter Season – October through February

	SUMMER SEASON	WINTER SEASON
Customer Charge/Month	\$30.00	\$30.00
Demand Charge/kW-mo	\$12.50	\$8.50
Energy Charge/kWh All kWh	\$0.042	\$0.042
Power Cost Adjustor kWh**	TBD	TBD
Monthly Minimum	\$30.00	\$30.00

Tax Plus applicable sales tax to the above.

*** ED3 may increase or decrease the Power Cost Adjustor based on the actual change in the average cost of purchased power. The price for the Power Cost Adjustor is calculated for each month based on the historical average cost of purchased power above or below the base purchased power cost of \$0.0310/kWh. In any month the PPCA will not exceed \$0.01/kWh.*

Determination of kW

1. The actual kW supplied during the period of maximum use during the month as determined from reading of the Company's meter.

ELECTRICAL DISTRICT NO. THREE DUSK TO DAWN LIGHTING – 09

41630 W. Louis Johnson Dr.

Maricopa, AZ 85239

Effective: 01/01/2005

Applicability

To all customers for the purpose of outdoor lighting other than street & highway lighting service of privately owned property. Electric service is provided from dusk to dawn. ED3 will install, own, operate and maintain the complete lighting installation, including lamp replacements.

Availability

In all areas within the District as now served. Subject to the requirements of the primary purposes of the District and the availability of power and energy as determined in the opinion of the District.

Rates

Customer is responsible for all installation costs. \$100 Minimum Installation Charge.

Nonrefundable One-Time Security Deposit per light	\$15.00

<u>Lamp Type</u>	<u>Lamp Wattage</u>	<u>Lumens</u>	<u>All Night kWh/Month</u>	<u>Charges per Lamp per Month</u>
Mercury Vapor	175 W	7,900	74.5	\$ 7.40
	400 W	21,000	168.5	\$ 17.00
High Pressure Sodium	50 W	4,000	20	\$ 6.40
	70 W	5,800	28.6	\$ 6.90
	100 W	9,500	40.3	\$ 7.20
	150 W	16,000	66.6	\$ 7.40
	200 W	22,000	84.9	\$ 8.50
Low Pressure Sodium	35 W	4,800	21.7	\$ 6.40
	55 W	8,000	28.9	\$ 6.90
	90 W	13,500	45.2	\$ 7.20
	135 W	22,500	62.8	\$ 7.40
	185 W	33,000	79	\$ 8.50
Metal Halide	75 W	5,600	32.7	\$ 6.90
	100 W	8,500	44.5	\$ 7.20
	175 W	12,000	74.2	\$ 8.50
	250 W	19,500	101.8	\$ 10.60

Tax Plus applicable sales tax to the above.

ELECTRICAL DISTRICT NO. THREE
41630 W. Louis Johnson Dr.
Maricopa, AZ 85239

GATES & TURNOUTS - 10

Effective: 01/01/2005

Applicability

To all irrigation motors operated for the exclusive use of opening or closing gates or turnouts for the purposes of irrigating farm fields or to fill canals which are ultimately used to irrigate fields.

Availability

Rates

ELECTRICAL DISTRICT NO. THREE
41630 W. Louis Johnson Dr.
Maricopa, AZ 85239

STREET LIGHTING – 11

Effective: 01/01/2005

Applicability

To all customers for the purpose of outdoor lighting of streets alleys, thoroughfares, public parks and playgrounds. Service is dusk to dawn and District will own, operate and maintain the street lighting system including lamps and glass replacements.

Availability

In all areas within the District as now served. Subject to the requirements of the primary purposes of the District and the availability of power and energy as determined in the opinion of the District.

Rates

Sodium Vapor Lighting Charges	
High Pressure Sodium Lamps, Luminaries & Brackets (Lumens and Wattages are Nominal Initial Ratings)	Charges per Lamp per Month
Pedestrian Light, 9,500 lumens, 100 watts, HPS	\$19.00
Pedestrian Light, 16,000 lumens, 150 watts, HPS	\$22.20
Single Fixture Light, 28,000 lumens, 250 watts, HPS	\$31.10
Double Fixture Light, 56,000 lumens, 500 watts, HPS	\$40.70

Tax Plus applicable sales tax to the above.

ELECTRICAL DISTRICT NUMBER THREE

Demand @ Meters (kW)

Year	October	November	December	January	February	March	April	May	June	July	August	September	Max
1997	16,349	14,278	15,516	15,461	16,228	20,984	22,028	20,938	24,268	25,903	26,962	22,662	26,962
1998	13,413	9,465	12,088	13,126	13,489	14,952	23,554	25,488	25,249	26,738	25,940	19,535	26,738
1999	14,556	10,017	10,559	10,738	12,548	20,095	21,753	22,729	25,462	26,463	23,833	18,981	26,463
2000	14,287	15,841	11,346	14,050	15,933	19,285	24,555	25,471	26,108	24,927	24,785	19,185	26,108
2001	15,194	11,239	10,182	11,702	13,161	18,996	19,386	19,237	20,798	20,473	20,080	18,871	20,798
2002	13,901	16,429	16,333	12,266	14,056	20,346	21,889	22,318	26,409	32,380	33,245	32,177	33,245
2003	29,703	23,746	24,526	24,377	30,614	38,383	46,418	55,811	55,811	58,951	53,327	47,965	58,951
2004	45,799	38,514	34,183	36,152	39,879	52,061	63,556	63,113	66,669	71,558	71,899	68,169	71,899
2005	60,808	50,238	47,596	52,239	50,503	55,682	65,812	73,017	78,765	90,689	85,717	78,765	90,689
2006	70,974	58,230	54,969	57,245	53,860	39,107	54,488	81,257	93,071	98,791	87,212	81,080	98,791

Demand @ Substation (kW)

Year	October	November	December	January	February	March	April	May	June	July	August	September	Max
1997	18,009	15,728	17,092	17,031	17,876	23,115	24,264	23,064	26,733	28,533	29,700	24,963	29,700
1998	14,775	10,427	13,315	14,459	14,859	16,470	25,946	28,076	27,812	29,453	28,574	21,519	29,453
1999	16,034	11,034	11,632	11,828	13,822	22,135	23,962	25,037	28,047	29,150	26,253	20,908	29,150
2000	15,737	17,229	12,498	15,477	17,551	21,243	27,049	28,057	28,759	27,458	27,302	21,133	28,759
2001	16,737	12,380	11,215	12,890	14,498	20,925	21,354	21,190	22,910	22,552	22,119	21,133	22,910
2002	15,312	18,098	17,991	13,512	15,483	22,412	24,584	29,090	29,090	35,668	36,620	35,444	36,620
2003	32,719	26,157	27,016	26,852	33,722	36,605	42,281	61,132	61,478	64,937	58,742	52,835	64,937
2004	50,449	42,424	37,654	39,823	43,929	57,347	64,282	69,522	73,439	78,824	79,189	75,091	79,189
2005	66,982	55,339	52,429	57,543	55,631	61,336	72,495	80,431	86,763	99,898	94,421	86,697	99,898
2006	78,181	64,143	60,551	63,058	59,329	43,078	60,021	89,508	102,521	108,822	96,068	89,313	108,822

Energy @ Meters (kWh)

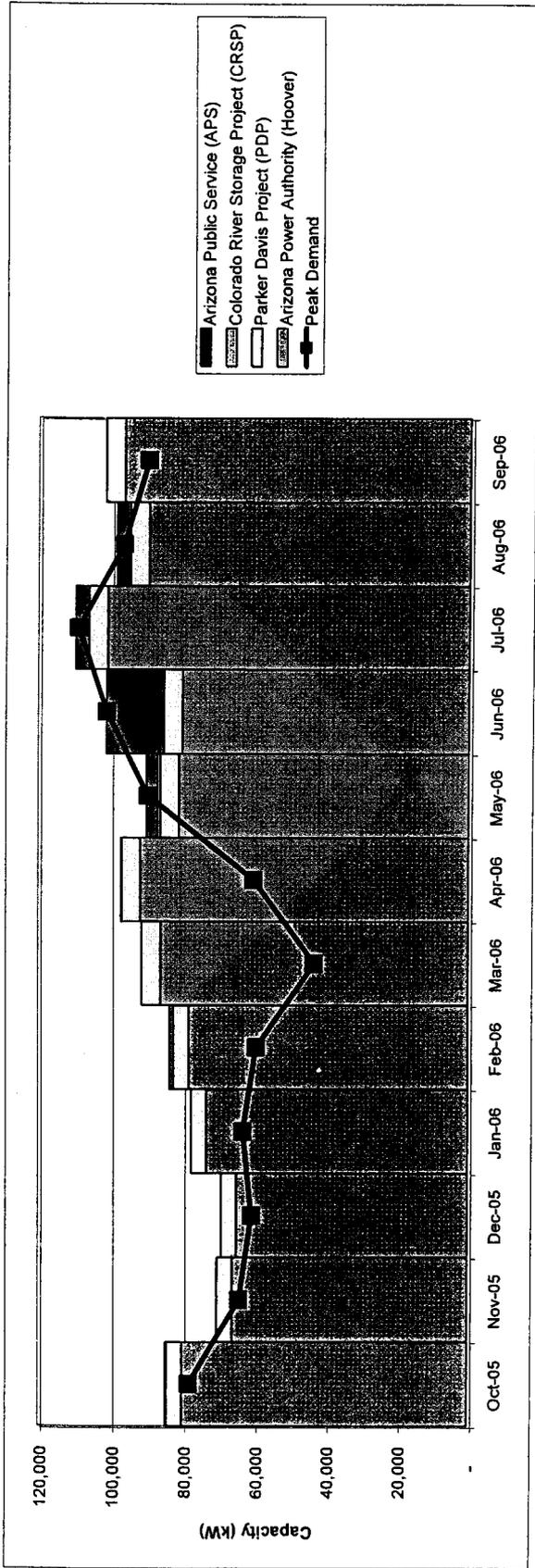
Year	October	November	December	January	February	March	April	May	June	July	August	September	Total
1997	6,958,513	4,193,941	5,098,790	6,888,898	6,193,772	9,209,744	9,714,482	10,478,755	13,595,564	14,480,785	12,207,925	6,665,580	105,686,749
1998	4,741,914	2,199,049	2,224,668	3,924,982	3,052,375	4,598,101	8,689,192	11,217,786	12,419,767	14,100,057	11,827,414	9,387,278	88,382,584
1999	5,741,444	2,732,075	2,393,755	3,537,165	4,760,457	9,768,669	9,412,819	11,007,047	12,436,993	12,086,551	10,803,570	8,327,028	93,017,573
2000	4,664,324	5,597,127	3,217,935	4,551,178	5,740,878	7,668,800	10,701,656	12,061,081	14,776,896	13,859,480	12,073,458	8,064,418	102,977,031
2001	6,334,212	1,166,803	2,409,887	3,429,960	4,202,228	7,623,383	8,449,340	9,609,810	12,300,474	10,799,480	10,047,493	8,188,095	84,560,975
2002	5,128,237	7,134,730	6,325,987	5,205,637	6,200,659	10,233,275	11,119,478	11,485,401	15,022,757	16,678,011	16,637,178	12,431,640	123,602,990
2003	10,823,710	7,700,721	7,879,610	7,398,547	8,811,193	12,811,527	16,174,984	20,723,251	25,597,041	27,939,658	25,664,152	19,993,505	191,517,899
2004	17,389,412	11,064,318	10,441,775	10,695,213	10,930,331	17,137,500	20,217,179	25,228,245	28,703,665	32,290,962	29,507,187	25,247,751	238,853,538
2005	21,538,202	12,749,120	10,306,804	10,563,781	10,745,625	13,404,145	24,419,125	23,556,621	30,682,167	38,126,514	31,763,469	29,559,909	257,415,482
2006	22,779,898	13,667,712	14,154,449	15,714,123	19,562,579	20,622,336	25,015,558	38,421,888	47,491,477	51,682,616	44,211,494	34,187,461	347,511,591

Energy @ Substation (kWh)

Year	October	November	December	January	February	March	April	May	June	July	August	September	Total
1997	7,420,831	4,472,583	5,437,549	7,346,591	6,605,281	9,821,631	10,359,904	11,174,954	14,498,842	15,453,540	13,019,009	7,108,436	112,719,151
1998	5,056,962	2,345,152	2,372,474	4,185,754	3,255,172	4,903,595	9,266,494	11,963,087	13,244,926	15,036,853	12,613,218	10,010,961	94,254,648
1999	6,122,900	2,913,592	2,552,794	3,772,171	5,076,738	10,417,691	10,038,199	11,738,346	13,263,296	12,900,236	11,521,350	8,880,269	99,187,582
2000	4,974,218	5,968,996	3,431,732	4,853,554	6,122,297	8,178,096	11,412,667	12,862,409	14,780,292	14,780,292	12,875,608	8,600,211	109,818,739
2001	6,755,051	1,244,111	2,570,009	3,657,876	4,481,420	8,129,874	9,010,707	10,248,278	13,117,707	11,516,988	10,715,040	8,732,105	90,179,166
2002	5,468,953	7,608,756	6,746,280	5,551,495	6,612,626	10,913,165	11,858,246	12,248,482	16,020,857	17,796,084	17,742,538	13,257,587	131,815,069
2003	11,542,828	8,212,350	8,403,125	7,800,101	9,396,601	13,862,714	17,249,637	22,100,087	27,297,687	29,795,946	27,369,256	21,321,857	204,242,189
2004	18,544,750	11,799,422	11,135,518	11,405,794	11,459,556	18,276,101	21,560,391	26,904,389	30,610,712	34,436,346	31,467,620	26,925,141	254,722,767
2005	22,969,182	13,596,161	10,991,579	11,265,629	11,459,556	14,294,705	26,041,511	25,121,703	32,720,664	40,659,608	33,873,807	31,523,894	274,517,949
2006	24,293,376	14,575,783	15,094,859	16,758,156	20,862,300	21,992,467	26,677,571	40,974,606	50,646,771	55,116,366	47,148,869	36,458,847	370,599,971

ELECTRICAL DISTRICT NUMBER THREE

SCHEDULED RESOURCES TO COVER TYPICAL PEAK DEMAND



Resources

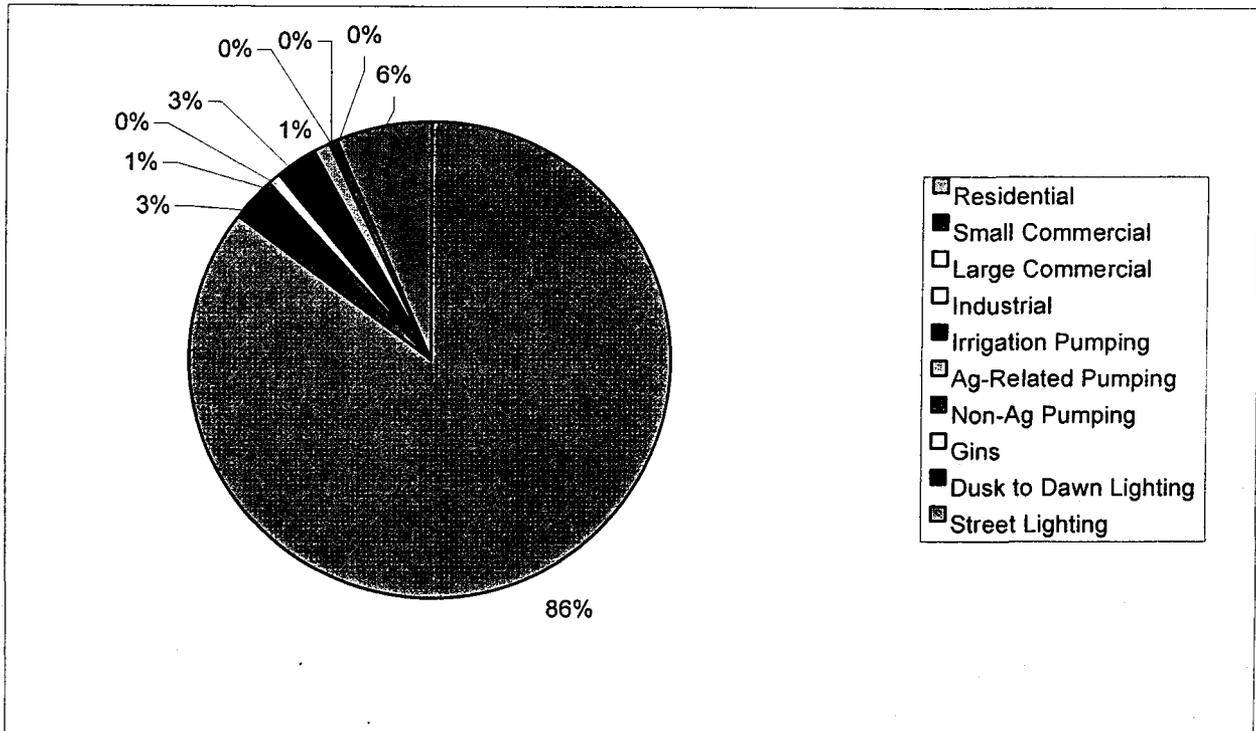
	Oct-05	Nov-05	Dec-05	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06
Arizona Power Authority (Hoover)	79,970	65,981	64,782	73,130	78,019	85,880	91,499	80,755	79,833	100,613	89,155	95,921
Parker Davis Project (PDP)	4,230	4,230	4,230	4,230	4,230	5,200	5,200	5,200	5,200	5,200	5,200	5,200
Colorado River Storage Project (CRSP)	-	-	-	-	-	-	-	750	-	-	-	-
Arizona Public Service (APS)	408	-	-	-	1,173	-	94	3,148	15,876	3,779	3,710	-
Peak Demand	78,181	64,143	60,551	63,058	59,329	43,078	60,021	89,508	100,909	108,822	96,068	89,313

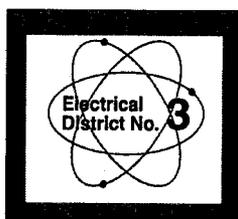
ELECTRICAL DISTRICT NUMBER THREE

Customer Profile

Customer Type	# of Customers
<i>Residential</i>	9,726
<i>Small Commercial</i>	354
<i>Large Commercial</i>	111
<i>Industrial</i>	3
<i>Irrigation Pumping</i>	298
<i>Ag-Related Pumping</i>	126
<i>Non-Ag Pumping</i>	54
<i>Gins</i>	3
<i>Dusk to Dawn Lighting</i>	23
<i>Street Lighting</i>	719
Total	11,417

* As of August 2006





41630 W. LOUIS JOHNSON DRIVE
MARICOPA, AZ 85239

Office (520) 424-9021 • Fax (520) 424-9065

PUBLIC NOTICE

Electrical District No. 3 of Pinal County ("the District") will be holding a Regular Board meeting at 10:00 a.m. on Wednesday, December 13, 2006, at the District Main Office located at 41630 West Louis Johnson Drive, Maricopa, Arizona.

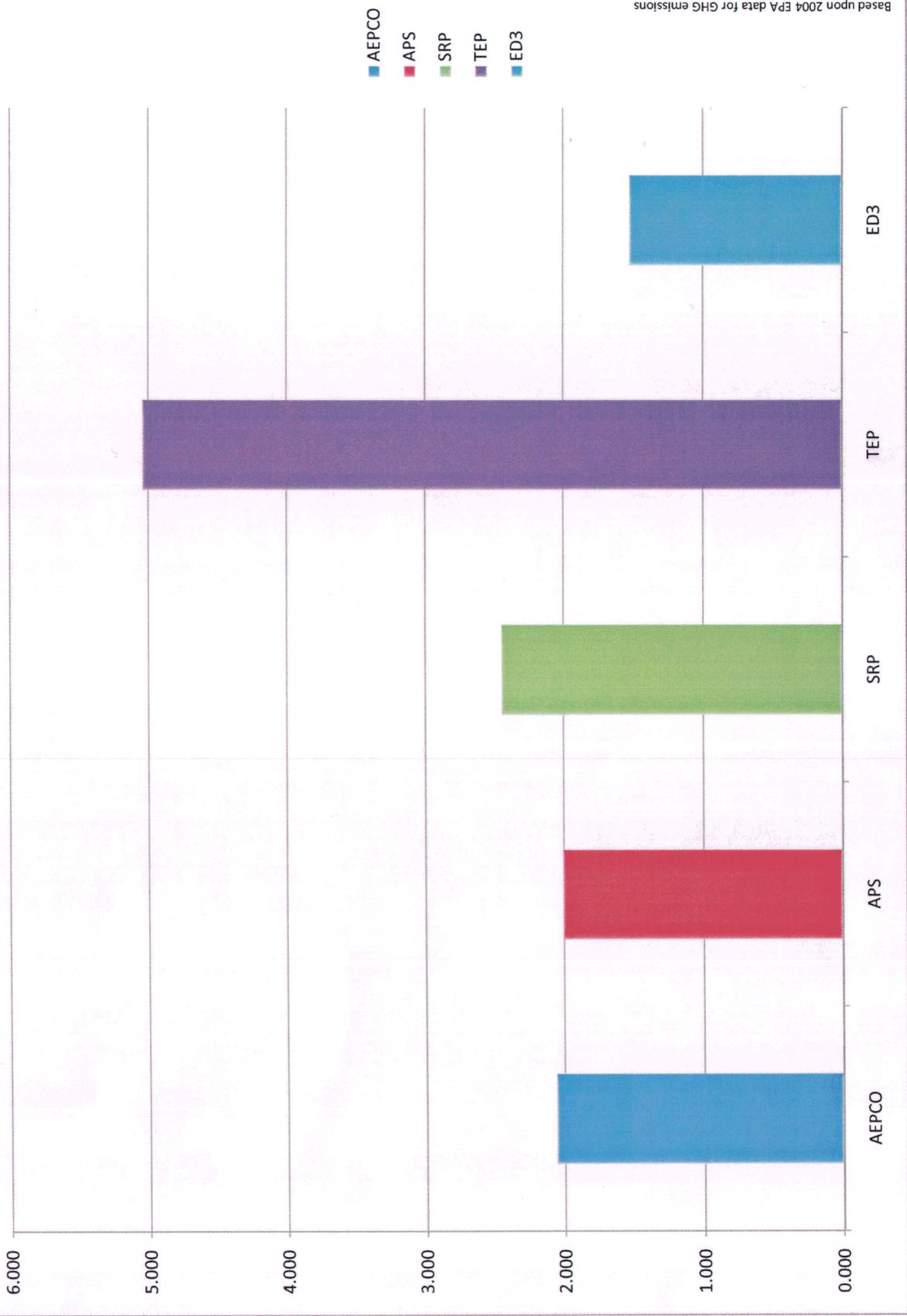
At that board meeting, the District will review and approve its updated Integrated Resource Plan (IRP). This Integrated Resource Plan, which is required by the Western Area Power Administration, details the District's power resource plan for the next five years.

The final Integrated Resource Plan will be available to the public prior to the meeting. Written comments regarding the Integrated Resource Plan will be accepted anytime prior to or at the meeting. Public comments will also be accepted at this time. Please contact Nancy Messer at (520) 424-9021 for more information.

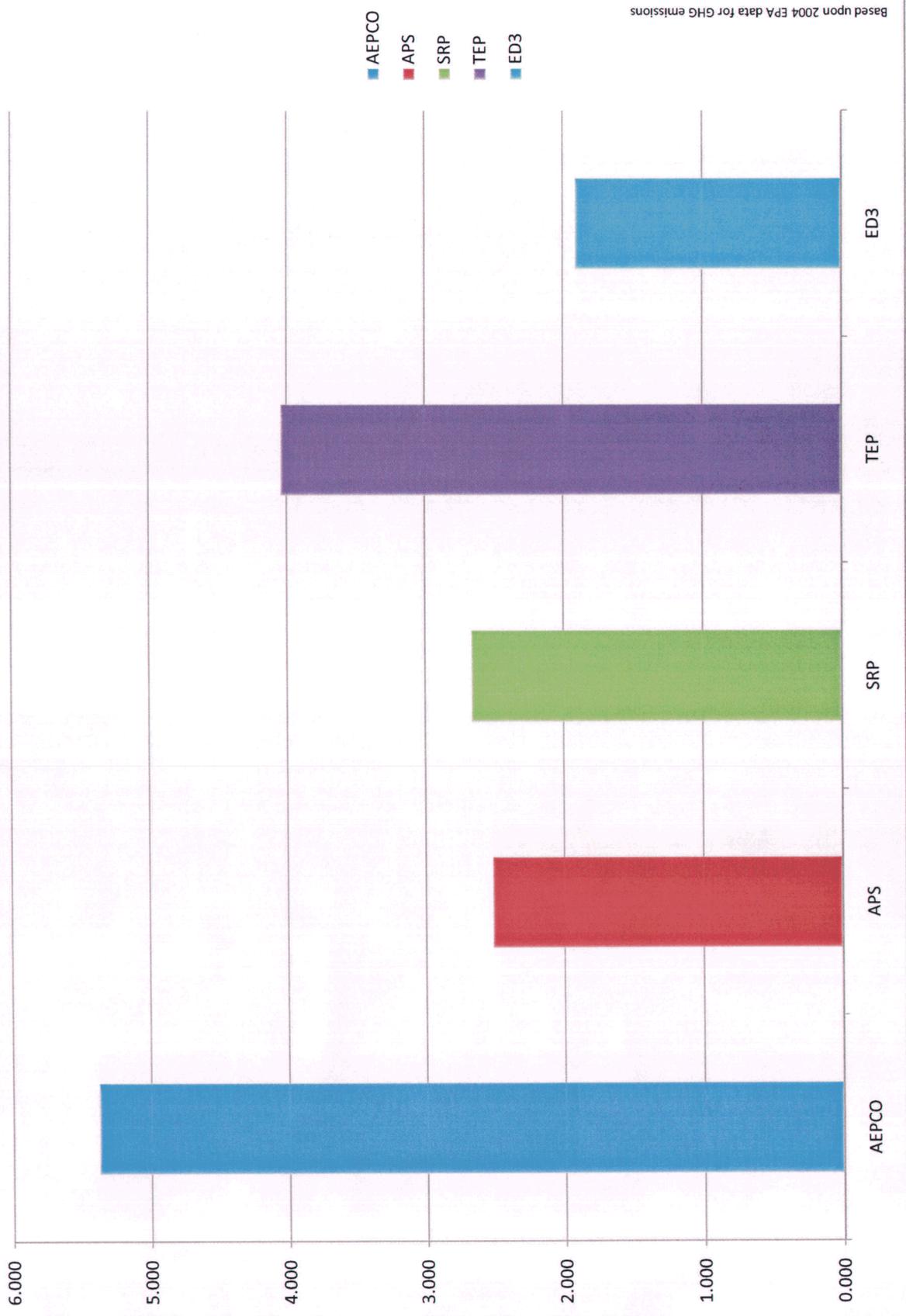
5

Exhibit ED3-20:
Comparison of Emissions Rates (pounds per MWh) of
Certain Arizona Utilities

Annual SO2 Output lb/MWh



Annual NOx Output lb/MWh



Annual CO2 Output lb/MWh

