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September 4, 2001

By Federal Express

Arizona Corporation Commission
Docket Control Center
ATTN: Vicki
1200 West Washington Street
Phoenix, Arizona 85007-2996

Re: Docket No. E-00000A-01-0630

To Whom It May Concern:

Please find enclosed for filing the original and 12 copies of the "Comments of the Arizona Consumer-Owned Electric Systems on Procedural Order." Please file-stamp the extra 2 copies and return them in the enclosed self-addressed, stamped envelope.

Your assistance in this matter is greatly appreciated.

Yours truly,

Jon R. Stickman
Jon R. Stickman

Enclosures

Arizona Corporation Commission

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ORIGINAL

BEFORE THE ARIZONA CORPORATION COMMISSION

2001 SEP -5 P 1:02

IN THE MATTER OF THE GENERIC
PROCEEDING CONCERNING THE ARIZONA
INDEPENDENT SCHEDULING
ADMINISTRATOR

} DOCKET NO.
AZ CORP COMMISSION
E 000000A-01-0680
DOCUMENT CONTROL
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**COMMENTS OF THE ARIZONA CONSUMER-OWNED
ELECTRIC SYSTEMS ON PROCEDURAL ORDER**

The Arizona Consumer-Owned Electric Systems ("ACES") is comprised of the following electric systems which are engaged in wholesale electric utility operations and serve end-use loads in the state of Arizona:

- Aguila Irrigation District
- Ak-Chin Indian Community Utility Authority
- Arizona Power Authority
- Buckeye Water Conservation & Drainage District
- Central Arizona Water Conservation District
- Electrical District No. 1, Pinal County
- Electrical District No. 2, Pinal County
- Electrical District No. 3, Pinal County
- Electrical District No. 6, Pinal County
- Electrical District No. 7, Maricopa County
- Electrical District No. 8, Maricopa County
- Harquahala Valley Power District
- Maricopa County Municipal Water Conservation
District No.1
- McMullen Valley Water Conservation & Drainage District
- City of Mesa

Roosevelt Irrigation District
Town of Thatcher
Tonopah Irrigation District

ACES members, described in greater detail in the Attachment to this document, hereby submit the following comments in the Arizona Corporation Commission's ("ACC" and "Commission") Docket No. E-00000A-01-0630 concerning the Arizona Independent Scheduling Administrator ("AISA").

ACES members are not subject to the ACC's jurisdiction. The sole focus of the ACES participation in the AISA forum has been to help prevent the establishment of unacceptable precedents having long-term application to a Desert STAR or other permanent regional transmission organization. Notwithstanding their non-jurisdictional status, ACES members have concluded that the following comments are relevant to the ACC's inquiry into the activities of the AISA and its future role in the supply of electric energy in Arizona. The ACES members have concluded that the AISA is no longer a viable organization and want to inform the Commission that they do not intend to continue their support of the AISA. The ACES members will be terminating their memberships and their representatives will be resigning from the AISA Board.

1. State and discuss the purpose of the AISA.

The By-Laws of the Arizona Independent Scheduling Administrator Association ("AISA") state:

“The Arizona Independent Scheduling Administrator Association (AISA) is a voluntary, non-profit Arizona corporation intended to become operational by January 1, 1999, as an interim electric transmission scheduling administrator to facilitate the operation of Arizona’s competitive electric retail market until a regional transmission system operator, currently known as Desert STAR, becomes operational. AISA will initially administer and oversee all activities on the OASIS of the CAOs.

AISA initially intends to serve as the scheduling administrator on behalf of the providers and users of the Interconnected Transmission System within the State of Arizona.

The character of the affairs which AISA intends to conduct is to facilitate open, non-discriminatory transmission access on the Interconnected Transmission System.”

The By-Laws clearly envisioned that the purpose of the AISA was to provide independent oversight of the use of the interconnected transmission system within Arizona. The ACC’s Retail Electric Competition Rules expanded the “purpose” of the AISA even though the ACC lacked jurisdiction over the majority of the AISA Members for purposes of regulating their AISA activities. The “Affected Utilities” and other stakeholders (including the Commission Staff)

attempted to fundamentally alter the existing norms of transmission service offered in Arizona. Consequently, Salt River Project and Western Area Power Administration withdrew from the AISA, and the existing wholesale transmission users protested the AISA filings to protect their current transmission service.

While stakeholders may very well argue over the "purpose" of the AISA, it is clear that the current form of the AISA lacks widespread acceptance in Arizona and does not accomplish the goals set forth in the AISA Bylaws and in the Commission Retail Electric Competition Rules in R14-2-1609. The AISA is not in the position to:

- a. Facilitate a competitive electric market in Arizona.
- b. Administer or oversee all activities on the OASIS of the control area operators.
- c. Serve as the scheduling administrator on behalf of all providers and users on the integrated transmission system.
- d. Calculate the available transmission capacity ("ATC") for the integrated transmission system in Arizona.
- e. Operate an overarching statewide OASIS.
- f. Implement or oversee the nondiscriminatory application of operating protocols to ensure statewide consistency for transmission access.
- g. Implement a transmission planning process that includes all AISA participants and aids in identifying the timing and key characteristics of required reinforcements to Arizona transmission facilities.

2. ***State and discuss the necessity of the AISA and whether it contributes (or not) to the development of retail competition.***

The development of a viable, competitive electric supply industry at retail in Arizona has not been enhanced by the creation or operation of the AISA. To the contrary, the current energy crisis facing the entire western interconnection, *together with the shopping credits embodied within the stranded cost settlements*, has for all practical purposes eliminated the possibility of any viable retail competition program developing in Arizona during the time the AISA is proposed to exist. The AISA will only add additional costs and scheduling complexities to Arizona's electric supply industry. Those complexities and additional costs will act as additional barriers to the development of viable retail competition in Arizona.

3. ***State and discuss the functions of the AISA.***

The functions of the AISA are currently set forth in the limited portions of the Protocol Manual which has been approved by FERC. Currently the AISA has delegated those limited functions back to the transmission providers for implementation. The scheduling coordinators for the APS and TEP standard offer customers are the only entities currently taking service. Therefore, the transmission owners, instead of any independent body, are providing the oversight over themselves.

One example of how the lack of any independent oversight threatens rather than strengthens the competition that the AISA was intended

to enhance is in the provision and calculation of energy imbalance services. The AISA presently intends to play no active role in this function. It is unclear how the many affiliates of the transmission owners, who clearly have no capability or incentive to provide independent regulation of this important activity, will deal with these services and charges. There is no effective mechanism or incentive to ensure that a transmission provider and its affiliates will not deal with one another in a self-serving manner. Moreover, at some point, the Commission will undoubtedly confront attempts by the transmission providers to recover these self-regulated energy imbalance charges from the end use consumers.

4. ***State and discuss the costs of the AISA. (How many employees, what do they do on a daily basis, etc.)***

The current operating costs of the AISA, while not insignificant, are not indicative of the real costs that will eventually have to be incurred if the AISA is ever to staff up to responsibly administer the Protocols. The events in California demonstrate beyond any refutable doubt that effective monitoring of the implementation of retail competition requires extensive staffing and procedures to ensure that retail consumers are not victimized by the exercise of market power. This will be an even greater concern in Arizona where divestiture of generation and other utility functions by vertically integrated transmission providers only involved transfers to affiliates and not to independent third parties.

Apart from future costs, the AISA is already faced with skyrocketing legal expenses associated with continued FERC filings, compliance filings and appeals. These have arisen in part because of the FERC's and the

ACC's disagreement over who should regulate transmission at retail. Without taking sides or making arguments on the current disagreements, the ACC must ask itself if implementation of retail competition in Arizona will be served by incurring costs arising from jurisdictional disputes at this point in time in the restructuring of the electric industry in the western interconnection and Arizona.

5. *State and discuss the need to continue the AISA. (If the AISA is terminated, how will independent transmission oversight be managed?)*

The AISA is currently not providing, nor is it expected to provide, any independent transmission oversight. Given this fact and the unexpected turn of events in the western interconnection, it is highly unlikely that the AISA will ever be called upon to be the guarantor or regulator of independent transmission service. There is, however, a federally supervised mechanism which has been effectively utilized in other states (most recently Illinois and Pennsylvania) to implement the transmission function of establishing a restructured and competitive electric industry. That mechanism is the FERC's *pro forma* Open Access Transmission Tariff or "OATT" which does not rely on the creation of any independent transmission regulator or supervisor to implement. Under these circumstances, there is no need to continue the AISA. Instead, the Commission should require the transmission providers to restore their Open Access Transmission Tariffs and rely on those existing procedures, with whatever implementing adjustment may be necessary to extend the OATT to retail service.

6. *State and discuss the timing and procedures for terminating the AISA. (Discuss the legal ramifications of withdrawing funding.)* _____

There are no legal impediments to unwinding the agreements the AISA has entered into with transmission providers. Indeed, the drafters of those agreements have worked hard through their phased implementation and "sunset" provisions to ensure that neither the AISA nor the transmission providers would ever be saddled with arrangements from which they could not escape. This includes their filings at FERC (which they have already withdrawn once). In light of its tenuous existence, the AISA has also kept itself on a very short financial leash and has constantly calculated and updated the financial implications of going out of existence, including the cost of employment severance arrangements. There are simply no material legal or financial impediments to the AISA winding up its affairs within a three-month period of time.

7. *State and discuss the AISA relationship to and with Desert Star.* _____

AISA has no formal relationship with Desert Star. The AISA was not envisioned to continue beyond the formation of a regional transmission organization in the Southwest. Many of the same stakeholders are involved in detailed negotiations to form Dessert STAR. In addition, the AISA's own Articles of Incorporation limit the life of the AISA to five-years (September 2003).

8. State and discuss the AISA relationship to and with any regional (multi-state) ISO or RTO that will serve Arizona.

The AISA has no relationships with any regional (multi-state) ISO or RTO and lacks the expertise and credibility to develop such relationships.

9. Address the legal ramifications to the APS and TEP settlement agreements if those utilities are no longer required to support the AISA.

ACES is not a party to either the APS or TEP settlement agreements. ACES continues to be concerned that the APS and TEP settlement agreements have seriously jeopardized the independence of the AISA. While ACES has two representatives who serve as directors on the AISA Board, and as such had certain fiduciary duties to the corporation, they consistently have opposed implementation of Protocols that, from the outset, provided no used or useful functions. Any legal ramifications should not be the responsibility of the Arizona consumers (retail or wholesale) who were not parties to the settlement agreements.

10. State and discuss any other relevant/pertinent items/information that you believe the Commission should consider regarding the AISA.

The Commission should not be persuaded by comments that suggest it would be difficult to disband the AISA. There is no FERC precedent that would preclude the AISA from simply terminating its tariff and

withdrawing from all further FERC proceedings and 9th Circuit Court Of Appeals litigation.

By Jon R. Stickman *Ben*

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September 4, 2001

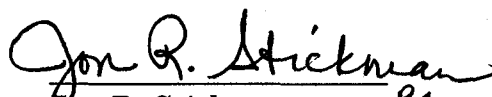
ATTACHMENTS

Attachment - Description of ACES

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document by depositing an addressed, stamped copy of the same in the U.S. mail to each person designated on the official service list compiled by the Secretary in this proceeding

Dated at Washington, D.C. this 4th day of September, 2001.


Jon R. Stickman *Ben*

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BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE GENERIC	}	DOCKET NO.
PROCEEDING CONCERNING THE ARIZONA	}	E-00000A-01-0630
INDEPENDENT SCHEDULING	}	
ADMINISTRATOR	}	

**COMMENTS OF THE ARIZONA CONSUMER-OWNED
ELECTRIC SYSTEMS ON PROCEDURAL ORDER**

ATTACHMENT

Description of "ACES"

Attachment

Description of "ACES"

1. Aguila Irrigation District

Aguila Irrigation District ("AID") has been providing electric service since 1987. Located in western Maricopa County with a small portion in La Paz County, AID serves predominately irrigation pumping loads and other loads (e.g., labor houses, coolers, gins, grain elevators, packing sheds). These other loads are referred to as "Agriculturally Related Loads". It serves 37 meters and has a staff of one part time Manager and one part time Office Manager. AID purchases power from the Authority (Hoover power) and APS. In addition, AID is a participant in an Experimental Hoover Power Layoff Program which permits AID and other similarly situated utilities to integrate and exchange Hoover power resources on a monthly basis to fully utilize the resource. The power purchased from the Authority is transmitted over Western's Parker-Davis transmission system to Eagle Eye Substation where it is then distributed to AID customers over APS's 69 kV and lower distribution system. AID customers receive power over APS's system at service voltages of 480v, 240v, and 120v.

2. Ak-Chin Indian Community

The Ak-Chin Indian Community ("Ak-Chin") has been operating since 1961. Ak-Chin purchases Salt Lake City Integrated Project (SLCA/IP) power from Western and Hoover B power when it is available from the Authority. In addition, Ak-Chin is a party to an Integrated Resource Scheduling Agreement and can participate in an Experimental Hoover Power Layoff Program which permits Ak-Chin and other similarly situated utilities to integrate and exchange SLCA/IP and Hoover power resources, respectively, on a monthly basis to fully utilize the resources. The power and energy from the Authority and Western are transmitted over the Western Parker-Davis transmission system, the Pacific Northwest-Pacific Southwest Intertie transmission system, and the CRSP transmission system to the Maricopa Substation of Electrical District No. 3 ("ED3"). Ak-Chin's power is then delivered pursuant to an agreement between APS and ED3 over ED3's radial 69 kV and 12 kV distribution facilities to Ak-Chin's own distribution system.

3. Arizona Power Authority

The Arizona Power Authority (APA) was created and exists pursuant to the Arizona Power Authority Act of 1944 and is a body corporate and politic in the State of Arizona which contracts with the federal government through the Western Area Power Administration (Western) for the State of Arizona's allocation of power and energy from the Boulder Canyon Project (Hoover Dam). The APA allocates, sells and delivers Arizona's Hoover Dam power and energy at wholesale to some thirty-one (31) customers comprised of irrigation districts, water conservation and drainage districts, electrical districts, municipalities, tribal utilities, and other utilities under State preference laws. The contracts between the APA and Western for Hoover Dam power and energy, as well as transmission services necessary for delivery of the power and energy, and the contracts between the APA and its customers are valid through 2017. The APA works closely with its customers to schedule and deliver the Hoover Dam power and energy through a variety of programs aimed at maximizing the efficient use of this valuable and important resource within the State. The APA delivers the Hoover Dam power and energy to its customers at various delivery points on Western's Parker-Davis Project and the Pacific Northwest-Pacific Southwest Intertie transmission systems through long-term transmission service contracts with Western.

4. Buckeye Water Conservation and Drainage District

Buckeye Water Conservation and Drainage District ("BWCDD") has been providing electric service since 1947. Located in western Maricopa County, west of the Phoenix metropolitan area, BWCDD serves irrigation pumping loads and Agriculturally Related Loads. BWCDD has 12 employees and serves 143 meters and purchases power from the Authority (Hoover power) and APS. In addition, BWCDD is a participant in an Experimental Hoover Power Layoff Program which permits BWCDD and other similarly situated utilities to exchange Hoover power resources on a monthly basis to fully utilize the resource. The power purchased from the Authority is transmitted over Western's Parker-Davis transmission system to Buckeye Substation where it is then distributed to BWCDD and its customers over APS's 69 kV and lower distribution system. BWCDD customers receive power over APS's system at service voltages of 12,500v, 480v, 240v, and 120v.

5. Central Arizona Water Conservation and Drainage District

The Central Arizona Water Conservation and Drainage District (CAWCD) is a multi-county water conservation district established in 1971 by Maricopa, Pima and Pinal Counties pursuant to the laws of the State of Arizona.

CAWCD is responsible for the Operations, Maintenance and repayment for the costs of the Central Arizona Project (CAP) that delivers a portion of the State of Arizona's share of Colorado River water into the central and southern parts of the State. CAWCD has an allocation of Hoover Dam power and energy from the Arizona Power Authority (APA) for a portion of its power requirements for water pumping in the CAP delivery system. In addition, CAWCD construct and owns electrical transmission facilities and contracts with the Western Area Power Administration (Western) and additional power supplies and transmission services.

6. Electrical District No. One, Pinal County

Electrical District No. One, Pinal County ("ED1") has been providing electric service since 1976. Located south of Phoenix, ED1 serves only agricultural irrigation pumping loads. It serves 74 meters and has a manager and a secretary who hold the same positions for Electrical District No. 3, Pinal County. ED1 owns a substantial amount of 12 kV distribution lines and a lesser amount of 69 kV lines purchased from APS in 1977 under a 25-year leaseback arrangement whereby APS leases all of ED1's electrical distribution equipment and is responsible for its operation and maintenance. ED1 purchases power from the Authority (Hoover Power), Western (Parker-Davis Project Power), and APS. In addition, ED1 is a party to an Integrated Resource Scheduling Agreement and participant in an Experimental Hoover Power Layoff Program which permits ED1 and other similarly situated utilities to integrate and exchange SLCA/IP and Hoover power resources on a monthly basis to fully utilize the resources. The power and energy from the Authority and Western are transmitted over the Western Parker-Davis transmission system, the Pacific Northwest - Pacific Southwest Intertie transmission system, and the CRSP transmission system to ED3's Maricopa Substation on the Parker-Davis transmission system. From Maricopa Substation, the power and energy is delivered over ED1's and ED3's 69 kV transmission system and 12 kV distribution system to the customers of ED1.

7. Electrical District No. 2, Pinal County

Electrical District No. 2 ("ED2") is an electrical district established in 1923 which has provided electric power and energy primarily for producing water for irrigation since 1927. ED2 is located in Pinal County, Arizona, with a service area of approximately 100,000 acres. Staff consists of a district manager and 25 employees. ED2 serves primarily agricultural irrigation pumping loads, with a small number of rural residential, commercial and industrial customers for a total of approximately 3100 meters. ED2 owns the Signal substation and is part owner of the ED2 and Casa Grande substation with Western. ED2 receives power and energy from Salt Lake City Integrated Project (SLCA/IP), Authority (Hoover Power), Arizona Electric Power Cooperative (AEPCO) and other market participants. In addition to these resources, ED2 is participant in a Hoover Power Resource Exchange Program with other similarly situated utilities to integrate and exchange Hoover Power resources. The Power and energy from the Authority, Western, AEPCO and other market participants are transmitted over the Parker-Davis transmission system to the three ED2 substation facilities. The power and energy are then distributed to the customers of ED2 over facilities owned and operated by the District.

8. Electrical District No. 3, Pinal County

Electrical District No. 3, Pinal County ("ED3") has been providing electric service southwest of Phoenix since 1961. ED3 serves 394 meters comprised of agricultural pumping loads and shares its staff of two with ED1. It owns a substantial amount of 12 kV distribution lines and a lesser amount of 69 kV lines purchased from APS in 1961 under a 30-year leaseback arrangement whereby APS leases all of ED3's electrical distribution equipment and is responsible for its operation and maintenance. ED3 purchases power from the Authority (Hoover Power), Western (Parker-Davis Project Power and SLCA/IP Power), and APS. In addition, ED3 is a party to an Integrated Resource Scheduling Agreement and participant in an Experimental Hoover Power Layoff Program which permits ED3 and other similarly situated utilities to integrate and exchange SLCA/IP and Hoover power resources on a monthly basis to fully utilize the resources. The power and energy from the Authority and Western are transmitted over the Western Parker-Davis transmission system, the Pacific Northwest - Pacific Southwest Intertie transmission system, and the CRSP transmission system to ED3's Maricopa Substation on the Parker-Davis transmission system. From Maricopa Substation, the power and energy is delivered over ED3's 69 kV transmission system and 12 kV distribution system to the customers of ED3.

9. Electrical District No. 6, Pinal County

Electrical District No. 6, Pinal County ("ED6") has been serving agricultural pumping loads in northeastern Pinal County and southeastern Maricopa County since 1964. ED6 serves 110 meters including irrigation pumping loads and Agriculturally Related Loads. ED6 purchases power and energy from the Authority (Hoover power), Western (SLCA/IP power), APS and Salt River Project (SRP). In addition, ED6 is a party to an Integrated Resource Scheduling Agreement and participant in an Experimental Hoover Power Layoff Program which permits ED6 and other similarly situated utilities to integrate and exchange SLCA/IP and Hoover power resources on a monthly basis to fully utilize the resources. ED6 does not own any portion of its electrical transmission system. The power and energy from the Authority and Western are transmitted to ED6's customers over Western's Parker-Davis and Intertie transmission systems to Pinnacle Peak Substation and Coolidge Substation. From Pinnacle Peak substation ED6 resources are delivered over the transmission and distribution system of SRP to ED6 loads and from Coolidge Substation ED6 resources are delivered radially over the subtransmission and distribution system of APS to ED6 loads in accordance with wheeling contracts with APS and SRP. ED6 customers receive power over APS's system at service voltages of 12,500v, 480v, 240v, and 120v.

10. Electrical District No. 7 of Maricopa County

Electrical District No. 7 of the County of Maricopa and the State of Arizona ("ED7") has served predominately irrigation pumping loads and certain other Agriculturally Related Loads since 1960 in western Maricopa County just west of the Phoenix metropolitan area. It serve 122 meters and employs a part time manager and part time office manager. ED7 purchases power from the Authority (Hoover Power), Western (SLCA/IP Power), and APS. In addition, ED7 is a party to an Integrated Resource Scheduling Agreement and participant in an Experimental Hoover Power Layoff Program which permits ED7 and other similarly situated utilities to integrate and exchange SLCA/IP and Hoover power resources on a monthly basis to fully utilize the resources. ED7 does not own any electrical transmission or distribution system, however, certain distribution transformers located at ED7 customer locations are owned by the ED7 customers. The power and energy from APS, the Authority, and Western are transmitted over the Western Parker-Davis transmission system, the Pacific Northwest - Pacific Southwest Intertie transmission system, the CRSP transmission system to Western's Buckeye Substation on the Parker-Davis transmission system. From Buckeye Substation, APS delivers the power and

energy over APS's 69 kV transmission system and lower voltage distribution system to the customers of ED7 under a wheeling contract with APS. APS provides retail service in direct competition to ED7 service and has several retail rates which are openly available to the customers of ED7. In many instances, APS and ED7 serve power to different loads of the same customer. ED7 customers receive power over APS's system at service voltages of 12,500v, 480v, 240v, and 120v.

11. Electrical District No. 8, Maricopa County

Electrical District No. 8, Maricopa County ("ED8") provides electric service to 372 meters primarily for pumping water for irrigation southwest of Phoenix and Agriculturally Related Loads. ED8 purchases power from the Authority (Hoover power) and APS. In addition, ED8 is a participant in an Experimental Hoover Power Layoff Program which permits ED8 and other similarly situated utilities to integrate and exchange Hoover power resources on a monthly basis to fully utilize the resource. ED8 does not own any portion of the electrical transmission system transmitting its power to its customers. The power purchased from the Authority is transmitted over Western's Parker-Davis transmission system to the Buckeye Substation where it is then distributed to ED8 customers over APS's transmission and lower voltage distribution system. ED8 customers receive power over APS's system at service voltages of 12,500v, 480v, 240v, and 120v.

12. Harquahala Valley Power District

Harquahala Valley Power District ("HVPD") has been providing electric service since 1987 to predominately irrigation pumping loads and certain other Agriculturally Related Loads west of Phoenix. It serves 61 meters. HVPD purchases power from the Authority (Hoover power) and APS. In addition, HVPD is a participant in an Experimental Hoover Power Layoff Program which permits HVPD and other similarly situated utilities to integrate and exchange Hoover power resources on a monthly basis to fully utilize the resource. The power purchased from the Authority is transmitted over Western's Parker-Davis transmission system to Buckeye Substation where it is then distributed to HVPD customers over APS's 69 kV and lower distribution system. HVPD customers receive power over APS's system at service voltages of 12,500v, 480v, 240v, and 120v.

13. Maricopa County Municipal Water Conservation District No. 1

Maricopa County Municipal Water Conservation District No. 1 ("MWD") serves 235 agricultural irrigation pumping loads, Agriculturally Related Loads and recreation and marina loads at Lake Pleasant. MWD has a staff of 40 full-time employees supervised by a General Manager. The staff is engaged in the irrigation and power service aspects of MWD's operations. MWD purchases its power from the Authority (Hoover power), Western (SLCA/IP power) and APS. MWD is a party to an Integrated Resource Scheduling Agreement and participant in an Experimental Hoover Power Layoff Program which permits MWD and other similarly situated utilities to integrate and exchange SLCA/IP and Hoover power resources on a monthly basis to fully utilize the resources. The power is transmitted over Western's Parker-Davis transmission system to Buckeye Substation and Westwing Substation and distributed to MWD loads over APS distribution facilities and a limited amount of MWD-owned distribution facilities. MWD customers receive power over APS's system at service voltages of 12,500v, 480v, 240v, and 120v.

14. McMullen Valley Water Conservation & Drainage District

McMullen Valley Water Conservation & Drainage District ("McMullen") serves 86 pumping and Agriculturally Related Loads. McMullen purchases power from the Authority (Hoover power) and APS. McMullen owns no electrical facilities. In addition, McMullen is a participant in an Experimental Hoover Power Layoff Program which permits McMullen and other similarly situated utilities to integrate and exchange Hoover power resources on a monthly basis to fully utilize the resource. The power purchased from the Authority is transmitted over Western's Parker-Davis transmission system to Eagle Eye Substation where it is then distributed to McMullen's customers over APS's 69 kV and lower distribution system. McMullen's customers receive power over APS's system at service voltages of 12,500v, 480v, 240v, and 120v.

15. City of Mesa

The City of Mesa Electric Utility ("Mesa") was acquired by the City of Mesa in 1917. It has a full-time staff of 56 and serves approximately 13,350 residential and 2400 commercial customers within its 5.5 square mile service area. Mesa purchases energy through two long term contracts with Western which provide power from the Parker-Davis Project and Colorado River Storage Project, a power sales agreement with SRP, an "Evergreen" agreement with AEPCO, a Long Term Firm Agreement with AEPCO and an integrated power sales agreement with PNM. As one of the three members of the Arizona Power Pooling Association, Mesa is a participant in integrated contracts jointly held by the APPA with Western, PAC and PNM. Mesa also has a withdrawable contract with the Authority for Hoover B power, when it is not used for the CAP and the Central Arizona Water Conservation District. Delivery of power to Mesa is through the Rogers Substation, which is jointly owned by the City of Mesa, Western and SRP. Transmission service is provided through SRP's Thunderstone line, Western's two Pinnacle Peak lines and Western's Coolidge 230,000 volt transmission line; Mesa provides service through three 69kV lines. Distribution of the power in the service area is through four 12470 volt and ten 4160 volt substations and the associated transmission lines.

16. Roosevelt Irrigation District

Roosevelt Irrigation District ("RID") has been providing electric service for irrigation pumping purposes and Agriculturally Related Loads at APS 250 meters west of phoenix since 1928. It has a total staff of 60 full-time employees primarily engaged in the irrigation and drainage service aspects of RID's operations. RID purchases from the Authority (Hoover power), Western (SLCA/IP power), APS and Salt River Project (SRP). In addition, RID is a party to an Integrated Resource Scheduling Agreement and participant in an Experimental Hoover Power Layoff Program which permits RID and other similarly situated utilities to integrate and exchange SLCA/IP and Hoover power resources on a monthly basis to fully utilize the resources. RID does not own any portion of the electrical transmission or distribution lines; however, RID and certain of its customers own distribution transformers. The power purchased from the Authority and Western is transmitted to its customers and its own pumps under wheeling and distribution services contracts with APS and Salt River Project. The power and energy from APS, the Authority, and Western are transmitted over the Western Parker-Davis transmission system, CRSP transmission system, and the Pacific Northwest - Pacific Southwest Intertie transmission system to Western's Buckeye and Pinnacle Peak Substations.

From Buckeye Substations, APS delivers the power and energy over APS's 69 kV transmission system and lower voltage distribution system to RID and the customers of RID under a wheeling contract with APS. RID customers receive power over APS's system at service voltages of 12,500v, 480v, 240v, and 120v.

17. Town of Thatcher

The Town of Thatcher ("Thatcher" or "Town") is located in the Gila River Valley approximately 160 miles southeast of Phoenix. Incorporated in 1889, Thatcher currently serves approximately 630 residential customers, 23 commercial customers and several irrigation pumps. Thatcher receives federal preference power and energy through its contracts with the Arizona Power Authority for Hoover power and contracts with Western for Parker-Davis, CRSP or SLCA/IP power. Thatcher also has a partial requirements supplemental supply contract and transmission contract with GCEC. Hoover or Western power is transported over Western's Parker-Davis transmission system to Arizona Electric Power Cooperative's ("AEPSCO") transmission system and Apache Substation, which in turn delivers the power and energy over Graham County Electric Cooperative's ("GCEC") sub-transmission system to the Town owned Thatcher Eighth Substation. The power and energy are distributed to the customers of Thatcher over facilities owned by the Town.

18. Tonopah Irrigation District

Tonopah Irrigation District ("TID") has been providing electrical service to predominately irrigation pumping loads and certain other Agriculturally Related Loads at 31 meters since 1987 in western Maricopa County, approximately 50 miles west of Phoenix. TID purchases power from the Authority (Hoover power) and APS. TID owns no electrical facilities. The power purchased from the Authority is transmitted over Western's Parker-Davis transmission system to Buckeye Substation where it is then distributed to TID customers over APS's 69 kV and lower distribution system. TID customers receive power over APS's system at service voltages of 480v, 240v, and 120v.