



K. R. Saline & Associates, PLC

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Mr. Michael A. Gazda
Interim Acting Executive Director
Arizona Power Authority
1810 W. Adams St.
Phoenix, Az 85007-2697

Dear Mike,

RE: Arizona Power Authority Hoover Power Allocation Process - Data Submittal Consistency Issues

Many smaller utilities in Arizona do not own their own system and are embedded within the electric systems of other utilities or Balancing Areas (BA). They use Federal Energy Regulatory Commission (FERC) regulated or FERC comparable Open Access Transmission Tariff's (OATT) to contractually deliver their resources to their loads. In many instances, their demand and energy information is calculated based upon the accumulation of individual metering information which is metered at the distribution or subtransmission level. For entities with their own systems, their load information is usually directly available from substation meters.

For Arizona Power Authority data requests, we suggest each entity provide their demand and energy data including a narrative, if necessary, as to how such data may have been determined or estimated including any supporting information.

It is recommended the APA methodologies use consistent demand information for each entity in its methodologies based upon their coincident peak demand reflected to a common point of reference, i.e., at the transmission system level adjusted for local system losses. If the demand load data submitted is based upon an accumulation of individual end use customer metered demands, then such data should also be adjusted for coincidence to estimate the entities coincident peak demand.

For example, Arizona Public Service Company has historically estimated that individually metered irrigation pumps are 85% coincident to their single combined coincident peak demand. Therefore using the APS example, the coincident peak demand would be 15% lower than the sum of the non-coincident demands. We recommend the APA use coincident peak demands of each entity and the submitting entities explain if their demands reported are coincident or non-coincident and any assumptions used in determining their coincident peak demands.

In methodologies where the APA requests information for equivalent pumping loads to replace nonpermanent water supplies that a customer has used instead of pumping groundwater, it is also suggested the APA seek explanations as to whether such estimated replacement pumping demand is coincident or non-coincident for consistency in the APA methodologies.

Historically the APA and Western requested entity information be reflected at the transmission system level so they are consistently using such data in their determinations. The application load information should be reflected at the transmission system level, and if necessary, the application should provide any supporting information regarding how the load data was adjusted for system losses to the transmission system level.

Thank you for the opportunity to comment on the process.



Kenneth R. Saline, PE

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