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MEMORANDUM

TO: Arizona Power Authority

FROM: Somach Simmons & Dunn

SUBJECT: Draft Application for Post-2017 Hoover Allocation Process

DATE: September 19, 2014

Attached is a Draft Application developed by Somach Simmons & Dunn and Mike Powell of UC Synergetic, LLC. This is a draft document proposed for use by the Arizona Power Authority (Authority) in the Post-2017 Allocation Process. The Authority has <u>not</u> initiated any allocation process. This draft document is intended to elicit comments from interested parties before the Post-2017 Allocation Process begins.

According to the Revised Allocation Timeline Proposal posted on the Authority's website, this Draft Application will be the subject of a Consultants' Workshop to be held on **September 29, 2014**, at the Authority's office.

Interested parties may submit written comments on the Draft Application by **October 3, 2014**. Written comments should be submitted to Mike Gazda at mike@powerauthority.org.

Footnotes in the Draft Application are intended to provide clarifying information for the public input process and will not be part of the final application. Likewise, some sections include bracketed statements, which will be removed or replaced with the final text in the final application. Regarding Section 8, there are two options: Section 8A and Section 8B. Section 8A represents the application requirements if the Authority decides to requires documentation with the application, and Section 8B represents the application requirements if no documentation is required. A similar distinction is made in Section 7.

Finally, at the September 16, 2014 monthly meeting, the Commission received comments on two policy questions related to agricultural preference and pumping equivalent water. The Commission has not yet taken any action with respect to these policy decisions. Accordingly, the Draft Application includes sections that cover the different policy options.

DRAFT 2017 Hoover Allocation Request

DRAFT Application for Electric Service

This is a Draft Application. The Arizona Power Authority has <u>NOT</u> initiated any allocation process. This draft document is intended to facilitate comments from interested parties.

On the Arizona Pow	ver Authority decided that a supply of Long term Power is available
pursuant to section R12-14-201(A) of the Arizona Administrative Code. Under section R12-14-202 of
the Arizona Administrative Code, a	a Qualified Entity that desires to purchase Long-term Power must file
a written Application for Electric So	ervice.
Please fill out the application com	pletely. If there is not enough room on this form, please attach the
information using a separate shee	t. Missing, erroneous, or incomplete information will lead to a delay
in processing your application and	d could possibly cause your application to be denied. Please return
	All information collected will be used to determine
final allocation amounts according	g to the methodology approved in the Final Marketing Plan for Post
•	ons please contact Mike Gazda, Interim Executive Director, Arizona
Power Authority (email: mike@po	werauthority.com Phone: (602) 368-4265).
L. Entity Information	
Name:	Authorized Representative:
Address:	Phone:
Email:	Fax:
ear Entity Formed	
	– pplied for power with the Arizona Power Authority? □ Yes □ No
f No, what year did you first apply?	, , , , , , , , , , , , , , , , , , , ,
	Arizona Power Authority? Yes No
are you currently a customer of the	Alizona Power Authority: Tes No
2. Entity Type	
District	Type of District
Municipality	
Other Governmental Agency	Type of Agency:
Electric Cooperative	
Water Users Association	
Corporation	
Business Trust	
Partnership	
Individual	
Federal Indian Tribe,	
or agency thereof	Name of Indian Tribe:

3. Boundary Info	ormation
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□ Legal Description □ GIS Shapefile	□ Мар	
4. Electric and/or Water Serv	rices Provided: By Perc	entage
Please provide information on the existing services are		
Electric	Provided To	% of Total Load
□ Wholesale	□ Agriculture	Percentage
□ Retail	□ Commercial	Percentage
	□ Industrial	Percentage
	□ Residential	Percentage
	□ Municipal	Percentage
	□ Other ˙	Percentage
Water	Provided To	
□ Wholesale	□ Agriculture	Percentage
□ Retail	□ Commercial	Percentage
	□ Industrial	Percentage
	□ Residential	Percentage
	□ Municipal	Percentage
	□ Other ˙	Percentage
For purposes of this application, "agric	culture" means [<i>insert final d</i>	efinition].
	•	
5. Electric and/or Water Serv	vices Provided: Descrip	tion
For the classifications in the above sec	ction, please explain the defin	ition or basis you used for each
classification. For example, "commerc	cial customers include office b	ouildings," etc. Please provide an
additional information that is relevant	to understanding the custom	ner base.

6. Power Supply

Please provide information regarding your existing power supplies.

In accordance with section R12-14-201(k), list all sources of Power available from the Federal Government.

Project	Capacity (kW)	Energy (kWh)	Contract Term
List all non-federal power	contracts for electric service.		
Provider		Description (e.g., s	upplemental supply, etc)
Capacity (kW)			
Energy (kWh)			
Contract Term			
Provider		Description (e.g., s	upplemental supply, etc.)
Capacity (kW)			
Energy (kWh)			
Contract Term			
Provider		Description (e.g., s	upplemental supply, etc.)
Capacity (kW)			
Energy (kWh)			
Contract Term			

DRAFT	DRA	AFT	DRAFT
Provider		Description (e.g., sup	plemental supply, etc.)
Capacity (kW)			
Energy (kWh)			
Contract Term			
List all contracts your service are	s for the sale of power to wholesale c ea.	ustomers (i.e., sales for re	esale or distribution) in
Purchaser		Description	
Capacity (kW)			
Energy (kWh)			
Contract Term			
Purchaser		Description	
Capacity (kW)			
Energy (kWh)			
Contract Term			
List all generation	on sources owned (partially or wholly) by entity.	
Туре	Nameplate Capacity	Nameplate Energy	% Owned

7. Power Usage History

As part of the application, section R12-14-202(A)(5) of the Arizona Administrative Code requires a statement of your kilowatt and kilowatt-hour sales or usage during each of the 24 months immediately preceding the date of the application, divided into reference classifications, such as residential, commercial, irrigation pumping, industrial, public use, or other classification that you may use or that is recognized in the electric utility industry. In addition, the Arizona Power Authority is requiring load information (peak monthly load and annual energy) for the three calendar years preceding the 24-month period immediately preceding the date of application.

[If APA decides to require substantiated data] Data reported in this section must be substantiated with documentation. An example of acceptable documentation would be power bills generated by the applicant for its customers, or generated by a third party. Failure to provide documentation could delay the application process and possibly prevent the applicant from receiving consideration for an allocation.

[If APA decides not to require substantiated data] Documentation to substantiate the data reported in this section is not required as part of the application, but should be available to supply to the Arizona Power Authority upon request.

In the Attachment to this application, please submit data for kilowatt and kilowatt-hour sales or usage for each of the 24 months immediately preceding the date of the application, divided into reference classifications, such as residential, commercial, irrigation pumping, industrial, public use, or other classification that you may use or that is recognized in the electric utility industry.

Using this information for the preceding 24 months, please report in this section the total monthly load, divided into reference classifications, for the peak month for Year 1 (months 1-12)¹ and for the peak month for Year 2 (months 13-24). Please provide the information for the peak month for Year 1 (months 1-12) below. Load data should be from the high side of the delivery point of Hoover power. If you have more than one delivery point for Hoover power, use the highest hour of coincidence of all aggregated delivery points.

Year	Month	Class Capacity (kW)	Class Energy (kWh)	Class Supplied To
				Residential
				Commercial
				Irrigation Pumping
				Industrial

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¹ The regulations require information for "24 months immediately preceding the date of application." A.A.C. § R12-14-202(A)(5). We will not know these dates until the application deadline is set. Accordingly, "year 1" and "month 1" are currently being used in the draft application as placeholders. "Month 1" represents the month immediately preceding the month of the application deadline. If the application deadline is March 1, 2015, then "month 1" would be February 2015, month 2 would be January 2015, and so on. Once the application deadline is known, these placeholders will be replaced with actual dates.

DRA	FT	DRA	FT	DRAFT
				Public Use
				Other
Total <i>Note: The tot</i>	al should match exactl	y the substantiated data tota	l provided with the applicati	on.
Annual Ene	ergy for Year 1 (kWl	n)		
be from the	e high side of the d	n for the peak month of elivery point of Hoover p hest hour or coincidence	ower. If you have more	than one delivery point
Year	Month	Class Capacity (kW)	Class Energy (kWh)	Class Supplied To
				Residential
				Commercial
				Irrigation Pumping
				Industrial
				Public Use
				Other
Total Note: The tot	al should match exactl	y the substantiated data tota	I provided with the applicati	on
Annual Ene	ergy for Year 2 (kWh	າ)		
load data for into referent (months 25 60). In add	or Years 3, 4, and 5 nce classifications. 5-36), the peak mor lition, please submi	nthly load for the peak m is not required, and it is Please submit the total of the for Year 4 (months 37) to the annual energy for 6 high side of the delivery power, use the highest h	not necessary to divide monthly load for the per 7-48), and the peak mon each year. point of Hoover power.	the total monthly load ak month for Year 3 th for Year 5 (months 49- If you have more than
	Dardy Barnah	Deal Constitution	Deal France (IAM)	A
Year	Peak Month	Peak Capacity (kW)	Peak Energy (kWh)	Annual Energy (kWh)

8A. In-Lieu Water Use [With Documentation]

For the three (3) calendar years preceding the date of this application, please provide the information below for pumping equivalent water during the peak month of the year. "Pumping equivalent water" means non-permanent, non-groundwater supplies that the entity used instead of pumping groundwater. For Capacity and Energy Equivalent calculations, please calculate the capacity and energy that would have been required for you or your entity to extract an equivalent amount of groundwater. Also, for Capacity and Energy Equivalent calculations, provide a statement of your facts, assumptions, methodology, and calculations utilized to produce the listed numbers.

Data reported in this section must be substantiated with documentation, including the supplier of the pumping equivalent water, a description of the supply arrangement, month and year received, and amount received. An example of acceptable documentation would be water bills generated by the applicant for its customers, or generated by a third party. Failure to provide substantiated data or calculation information could delay the application process and possibly prevent the applicant from receiving consideration for an allocation. Use a separate sheet if additional space is required.

Year 1 (Months 1-12)

Capacity Equivalent and Energy Equivalent should be calculated using only the amount of Pumping Equivalent Water used for Ag Purposes.

Supplier	Total Water Received for Year 1	Percentage of Water Used for Ag Purposes	Annual Capacity Equivalent (kW)	Annual Energy Equivalent (kWh)
	Af	%	kW	kWh
	Af	%	kW	kWh
	Af	%	kW	kWh
	Af	%	kW	kWh
	•	poses, sum Annual Capa	kWkWh city Equivalents from each So	
•	iges Used for Ag nthly Averages Use	•	de Total Used for Ag Purpose.	s kW and kWh by 12.
Monthly Capac	city Equivalent ((W) Monthly En	ergy Equivalent (kWh)	
	kW		kWh	

Year 2 (Months 13-24)

Energy Equivalents from each Supplier.

Capacity Equivalent and Energy Equivalent should be calculated using only the amount of Pumping Equivalent Water used for Ag Purposes.

Supplier	Total Water Received for Year 1	Percentage of Water Used for Ag Purposes	Annual Capacity Equivalent (kW)	Annual Energy Equivalent (kWh)
	Af	%	kW	kWh
	Af	%	kW	kWh
	Af	%	kW	kWh
	Af	%	kW	kWh
		_		
To Calculate M Monthly Cap Year 3 (Mont	acity Equivalent (I	ed for Ag Purposes, dividended with the least	e Total Used for Ag Purpose rgy Equivalent (kWh) kWh ated using only the amount	
To Calculate M Monthly Cap Year 3 (Mont	acity Equivalent (I kV ths 25-36)) ralent and Energy Eq	ed for Ag Purposes, dividended with the least	rgy Equivalent (kWh)	
To Calculate M Monthly Cap Year 3 (Mont Capacity Equiv Water used for	acity Equivalent (I ths 25-36)) ralent and Energy Equivalent and Energy Equivalent Ag Purposes. Total Water Received for	ed for Ag Purposes, dividence W ruivalent should be calcul Percentage of Water Used for Ag	rgy Equivalent (kWh) kWh ated using only the amount Annual Capacity	t of Pumping Equivalent Annual Energy
To Calculate M Monthly Cap Year 3 (Mont Capacity Equiv Water used for	acity Equivalent (I eths 25-36)) ralent and Energy Eq r Ag Purposes. Total Water Received for Year 1	Monthly Energy Monthly Monthly Energy Monthly Monthly Energy Monthly Monthl	rgy Equivalent (kWh) kWh ated using only the amount Annual Capacity Equivalent (kW)	t of Pumping Equivalent Annual Energy Equivalent (kWh)
To Calculate M Monthly Cap Year 3 (Mont Capacity Equiv Water used for	acity Equivalent (I ths 25-36)) relent and Energy Equivalent and Energy Equivalent Ag Purposes. Total Water Received for Year 1 Af	Monthly Energy Water Used for Ag Purposes Purposes """ "" """ """ """ """ """	rgy Equivalent (kWh) _kWh ated using only the amount Annual Capacity Equivalent (kW) kW	t of Pumping Equivalent Annual Energy Equivalent (kWh)kWh

To Calculate Monthly Ave	ed for Ag Purpo erages Used for A		s, divide Total Used for A	g Purposes kW and kWh by 12.
Monthly Capacity Equi	ivalent (kW)	Month	ly Energy Equivalent (kWh)
	kW		kW	h
8B. In-Lieu Water	r Usage [<i>Wi</i>	thout D	ocumentation]	
information below for non-groundwater supplemergy Equivalent calculations utilized to produce the process and possibly publication, but should Year 1	pumping equivolies that the enulations please to extract an equivole, provide a state listed numbers revent the appoint of the available to energy Equivaler	ralent watentity used in calculate quivalent a tement of s. Failure alicant from the cata reported supply to	er. "Pumping equivaler instead of pumping grand the capacity and energy mount of groundwater your facts, assumption to provide this information receiving an allocation of the Arizona Power August 1985.	oplication, please provide the ent water" means non-permanent, oundwater. For Capacity and gy that would have been required er. Also, for Capacity and Energy and calculations ation could delay the application on. It required as part of the authority if requested to do so.
Total Water Received for Year 1	Percentage U		Annual Capacity Equivalent (kW)	Annual Energy Equivalent(kWh)
Af		%	kW	kWh
Monthly Averages Use To Calculate Monthly Ave and Annual Energy Equiv	erages Used for A		s, divide Total Water Use	ed for Ag, Annual Capacity Equivalent,
To Calculate Monthly Ave	erages Used for A alent by 12.	Ag Purposes	s, divide Total Water Use • Equivalent (kW)	ed for Ag, Annual Capacity Equivalent, Mthly Energy Equivalent (kWh

Total Water	Percentage Used for Ag Purposes	Annual Capacity	Annual Energy
Received for Year 2		Equivalent (kW)	Equivalent(kWh)
Af	%	kW	kWh

Water used for Ag Purposes

Monthly Averages Use To Calculate Monthly Ave and Annual Energy Equive	erages Used for Ag Purpos	es, divide Total Water Us	ed for Ag, Annual Capacity Equivalent,
Mthly Water Received	Mthly Capacit	y Equivalent (kW)	Mthly Energy Equivalent (kWh)
Af		kW	kWh
Year 3 Capacity Equivalent and E Water used for Ag Purpos	=	pe calculated using only t	he amount of Pumping Equivalent
Total Water Received	Percentage Used for Ag Purposes	Capacity Equivalent (kW)	Energy Equivalent (kWh)
Af	%	kW	kWh
Mthly Water Received Af 9. Desired Points		y Equivalent (kW) kW	Mthly Energy Equivalent (kWh)
	concerning the Point or	•	nistrative Code, please provide the D) where you will receive electric
POD	Maximum Capacity (k	W) to Deliver	Annual Energy (kWh) to Deliver
		kW	kWh
		kW	kWh
		k\٨/	kW/h

10. Proposed Use of Long-term Power

In accordance with section R1 statement and summary of you		izona Administrative Code, please provide a br g-term Power.	ef
11. Requested Long-te	erm Power Allocation	on	
Please provide the following i and energy amounts to delive		sted amount should match exactly the capacity (s).	,
Current Hoover Allocation (P	ost 1987)	Current Allocation Schedule	
kW	kWh	□ A	
kW	kWh	□В	
Tentative Allocation of Scheo	lule D Power from West	ern ("D-1 Power") (Post 2017)	
Requested:	kW	kWh	
Proposed Allocation	kW	kWh	
Requested Long-term Power	Allocation (Post 2017)	Requested Allocation Schedule	
kW	kWh	□ A	
kW	kWh	□В	
kW	kWh	□ D2/A	
kW	kWh	□ D2/B	

Attachment: Preceding 24 Months of Data Months 1-3

Year	Month	Class Capacity (kW)	Class Energy (kWh)	Class:
				Residential
				Commercial
				Irrigation Pumping
				Industrial
				Public Use
				Other
Total				
Year	Month	Class Capacity (kW)	Class Energy (kWh)	Class:
				Residential
				Commercial
				Irrigation Pumping
				Industrial
				Public Use
				Other
Total				
Year	Month	Class Capacity (kW)	Class Energy (kWh)	Class:
				Residential
				Commercial
				Irrigation Pumping
				Industrial
				Public Use
				Other
Total				

Months 4-6

Year	Month	Class Capacity (kW)	Class Energy (kWh)	Class: Residential Commercial Irrigation Pumping Industrial
				Public Use
				Other
Total				
Year	Month	Class Capacity (kW)	Class Energy (kWh)	Class:
				Residential
				Commercial
				Irrigation Pumping
				Industrial
				Public Use
				Other
Total				
Year	Month	Class Capacity (kW)	Class Energy (kWh)	Class:
				Residential
				Commercial
				Irrigation Pumping
				Industrial
				Public Use
				Other
Total				

Months 7-9

Year	Month	Class Capacity (kW)	Class Energy (kWh)	Class:
				Residential
				Commercial
				Irrigation Pumping
				Industrial
				Public Use
				Other
Total				
Year	Month	Class Capacity (kW)	Class Energy (kWh)	Class:
				Residential
				Commercial
				Irrigation Pumping
				Industrial
				Public Use
				Other
Total				
Year	Month	Class Capacity (kW)	Class Energy (kWh)	Class:
				Residential
				Commercial
				Irrigation Pumping
				Industrial
				Public Use
				Other
Total				

Months 10-12

Year	Month	Class Capacity (kW)	Class Energy (kWh)	Class:
				Residential
				Commercial
				Irrigation Pumping
				Industrial
				Public Use
				Other
Total				
Year	Month	Class Capacity (kW)	Class Energy (kWh)	Class:
				Residential
				Commercial
				Irrigation Pumping
				Industrial
				Public Use
				Other
Total				
Year	Month	Class Capacity (kW)	Class Energy (kWh)	Class:
				Residential
				Commercial
				Irrigation Pumping
				Industrial
				Public Use
				Other
Total				

Months 13-15

Year	Month	Class Capacity (kW)	Class Energy (kWh)	Class:
				Residential
				Commercial
				Irrigation Pumping
				Industrial
				Public Use
				Other
Total				
Year	Month	Class Capacity (kW)	Class Energy (IVMh)	Class:
Teal	WOILLI	Class Capacity (KW)	Class Energy (kWh)	Residential
				Commercial
				Irrigation Pumping
				Industrial
				Public Use Other
Total				Other
TOLAI				
Year	Month	Class Capacity (kW)	Class Energy (kWh)	Class:
				Residential
				Commercial
				Irrigation Pumping
				Industrial
				Public Use
				Other
Total				

Months 16-18

Year	Month	Class Capacity (kW)	Class Energy (kWh)	Class:
				Residential
				Commercial
				Irrigation Pumping
				Industrial
				Public Use
				Other
Total				
Year	Month	Class Capacity (kW)	Class Energy (kWh)	Class:
Teal	WOILLI	Class Capacity (KW)		Residential
				Commercial
				Irrigation Pumping
				Industrial
				Public Use Other
Total				Other
TOLAI				
Year	Month	Class Capacity (kW)	Class Energy (kWh)	Class:
				Residential
				Commercial
				Irrigation Pumping
				Industrial
				Public Use
				Other
Total				

Months 19-21

Year	Month	Class Capacity (kW)	Class Energy (kWh)	Class:
				Residential
				Commercial
				Irrigation Pumping
				Industrial
				Public Use
				Other
Total				
Year	Month	Class Capacity (kW)	Class Energy (kWh)	Class:
				Residential
				Commercial
				Irrigation Pumping
				Industrial
				Public Use
				Other
Total				
Year	Month	Class Capacity (kW)	Class Energy (kWh)	Class:
				Residential
				Commercial
				Irrigation Pumping
				Industrial
				Public Use
				Other
Total				

Months 22-24

Year	Month	Class Capacity (kW)	Class Energy (kWh)	Class:
				Residential
				Commercial
				Irrigation Pumping
				Industrial
				Public Use
				Other
Total				
Year	Month	Class Capacity (kW)	Class Energy (kWh)	Class:
Teal	WOILLI	Class Capacity (KW)		Residential
				Commercial
				Irrigation Pumping
				Industrial
				Public Use Other
Total				Other
TOLAI				
Year	Month	Class Capacity (kW)	Class Energy (kWh)	Class:
				Residential
				Commercial
				Irrigation Pumping
				Industrial
				Public Use
				Other
Total				