

SPPR Project Customer Comments Summary

DSW presented the SPPR proposal to its Parker Davis customers on October 6, 2010 and described the facility use charge initiative to address customer concerns regarding the potential to include SPPR costs into the Parker Davis rate. The results are expressed below.

Of Special Note: All comments received since the October 6, 2010 meeting are in support of Western moving forward with the SPPR project and in using the facility use charge process.

Entities Providing Comments:

The following entities have provided comments on the SPPR Project as proposed by Western in the October 6, 2010 customer meeting.

Colorado River Commission of Nevada	Aguila Irrigation District
Ocotillo Water Conservation District	Electrical District No.5, Maricopa County
Harquahala Valley Power District	City of Safford
Tonopah Irrigation District	Electrical District No. 8
McMullen Valley Water Conservation & Drainage District	Electrical District No. 7
Town of Wickenburg	San Carlos Irrigation Project
Salt River Project	Southwest Public Power Resources Group
Legends Property, LLC	Arizona Power Authority
	Southwest Transmission Cooperative

Summary of Comments:

The following is a summary of comments expressed by multiple entities:

- Support implementation of the proposed ED5-Palo Verde Hub (SPPR Group) Project
- Support the Facility Use Charge concept presented to mitigate the financial risk to other Parker-Davis Project customers who are not SPPR participants
- Segregates the SPPR proposal costs from impacting the PDP rate.
- Provides multiple benefits to both existing and potential new customers; including an opt-in feature for any customer who wishes to participate.
- Addresses all concerns expressed by current and potential customers.
- Expresses appreciation for the efforts Western put forth in developing unique concepts.

Other comments expressed by individual entities:

- The project would lead to construction of critical transmission assets within DSW.
- The transfer capability provided by the project would allow delivery from a new solar generation facility to the Palo Verde Hub.

Previous Meetings' Comments:

Comments from many of the same entities were received from prior customer meeting. Most of the entities expressed support for the project but a few had concerns regarding the possible financial impacts to the PDP customers. All entities that had expressed such concerns have since sent letters of support for the project after the October 6, 2010 meeting as well as their support for the facility use charge initiative.