AGREEMENT NO. XX-DSR-XXXX

BETWEEN

UNITED STATES
DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION
Desert Southwest Customer Service Region
Parker-Davis Project
Pacific Northwest-Pacific Southwest Intertie Project

AND

PARTICIPATING CONTRACTORS

FOR

JOINT PLANNING PROGRAM AGREEMENT

Table of Contents

<table>
<thead>
<tr>
<th>Section No.</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Preamble</td>
<td>1</td>
</tr>
<tr>
<td>2</td>
<td>Explanatory Recitals</td>
<td>1</td>
</tr>
<tr>
<td>3</td>
<td>Agreement Agreement</td>
<td>2</td>
</tr>
<tr>
<td>4</td>
<td>Termination of Prior Agreement</td>
<td>2</td>
</tr>
<tr>
<td>5</td>
<td>Term of Agreement</td>
<td>2</td>
</tr>
<tr>
<td>6</td>
<td>Definitions</td>
<td>3</td>
</tr>
<tr>
<td>7</td>
<td>Incorporation of the Explanatory Recitals, Exhibits, and Attachments</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Reviews, Comments, and Approvals</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Funding for DSW Expenses on Parker-Davis Project and Intertie Project Transmission Systems</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Prepayment Funding</td>
<td></td>
</tr>
</tbody>
</table>

DISCLAIMER:
The redlined changes are only provided to conform the Customer Technical Committee draft JPA to WAPA’s standard form of agreement and do not constitute WAPA’s full review of the document. Wording in the document that is not redlined does not represent WAPA’s approval of such wording.
10. Termination Conditions

11. Authorized Representatives

12. Applicable Laws, Modifications, Extensions, and Waivers

13. Relationship to Customer Contracts Agreement

14. Parker-Davis Project Priority Use Power

15. Limitations on What Parties are Obligated to Provide

16. No Limitation on Information to be provided to Customers

17. Headers and Captions Attachments


19. Conflict with Exhibits and Attachments Amendments and Modifications

20. Agreement Revisions Exhibit

21. Execution in Counterpart Authorized Representative

22. Continued Cooperation

23. Execution in Counterpart SIGNATURE IN COUNTERPART

24. AUTHORITY Authority to Execute

Signature Clause

Exhibit A. Attachment No. 1, Attachment No. 2.
EXHIBITS:
A. Review and Approval Process for Parties

ATTACHMENTS: [Attachments to be revised and finalized last.]
AGREEMENT NO. XX-DSR-XXXX
JOINT PLANNING PROGRAM AGREEMENT

BETWEEN

WESTERN AREA POWER ADMINISTRATION
Desert Southwest Region
Parker-Davis Project
Pacific Northwest-Pacific Southwest Intertie Project

AND

PARTICIPATING CONTRACTORS

FOR

JOINT PLANNING PROGRAM AGREEMENT

1. PREAMBLE: This Agreement No. XX-DSR-XXXX (Agreement) made this ___ day of __________, 2018, pursuant to the Acts of Congress approved June 17, 1902 (32 Stat. 388); December 21, 1928 (45 Stat. 1057); August 4, 1939 (53 Stat. 1187); July 19, 1940 (54 Stat. 774); May 28, 1954 (68 Stat. 143); April 11, 1956 (70 Stat. 105); August 4, 1977 (91 Stat. 565, 42 U.S.C. 7101); August 31, 1964 (78 Stat. 756); September 30, 1968 (82 Stat. 885); January 1, 1970 (83 Stat. 852); June 24, 1974 (88 Stat. 266); August 17, 1984 (98 Stat. 1333); October 24, 1992 (106 Stat. 2776); December 20, 2011 (25 Stat. 777); and Acts amendatory or supplementary to the foregoing Acts; between the United States of America, Department of Energy, acting by and through the Administrator, WESTERN AREA POWER ADMINISTRATION, hereinafter called WAPA, represented by the officer executing this Agreement or a duly appointed successor; and the CONTRACTOR(S) or a duly authorized representative, hereinafter called Contractor(s), its successors and assignees; each sometimes individually called Party, and
collectively called Parties, Western Area Power Administration (WAPA), acting through its Desert Southwest Region (DSW) and the customers executing this Joint Planning Program Agreement (JPPA), in consideration of the mutual and individual benefits to be derived hereby, receipt of which is acknowledged, agree, for the mutual benefit of WAPA, DSW and the Parties hereto, to be bound to and abide by the terms and conditions of this JPPA.

2. **EXPLANATORY RECITALS:**

2.1. The Joint Planning Principles Agreement became effective on December 1, 1995, and was to remain in effect until superseded by a Joint Planning Agreement. This JPPA Agreement supersedes and replaces the December 1995 Joint Planning Principles Agreement.

2.2. DSW and many of the Customers have executed the Memorandum of Understanding, Western Agreement No. 10-DSR-12175 for Prepayment Funding Process for Construction between DSW-WAPA and Long-Term Transmission Customers of the Parker-Davis Project and the Intertie Project (the “Prepayment Process MOU”). As to all Parties to this JPPA Agreement, this Agreement fully supersedes and replaces the Prepayment Process MOU.

2.3. This JPPA Agreement applies to the transmission systems in Arizona, southern California and southern Nevada administered and operated by DSW, which include, but are not limited to, the Parker-Davis Project (Parker-Davis Project) and the Pacific Northwest-Pacific Southwest Intertie Project (Intertie Project).

2.4. This JPPA Agreement implements an oversight process that provides Parties with the right to prioritize and approve the use of Prepayments and all other funding
This JPPA-Agreement likewise implements an oversight process for the Parties to review and discuss with WAPA and/or DSW O&M, Transmission Plans, Customer Funded Projects, HQ Expenses, long-term leases of transmission facilities owned by entities other than WAPA, any and all Materials related to Unobligated Balances and/or committed funds for Approved Projects interconnected with the Desert Southwest Region Systems, Purchase Power and Wheeling Expense (PPWE), Unobligated Balance Strategy, and rates and rate formulations for the Desert Southwest Region Systems.

Additionally, DSW and the Parties intend that the activities undertaken pursuant to this JPPA-Agreement provide to the Parties annual and multi-year transparency of data that WAPA and DSW utilize in the budgeting process, prior to such information being submitted to the Department of Energy for Office of Management and Budget, Administration and Congressional consideration of appropriations.

This JPPA-Agreement also provides an oversight process for the Parties to review and discuss WAPA and DSW budget execution and trends.

3. AGREEMENT: The Parties agree to the terms and conditions set forth herein.

4. TERMINATION OF PRIOR AGREEMENT(S):
4.1 This Agreement supersedes the 1995 Joint Planning Agreement Principles upon the effective date of this Agreement.

4.2 Memorandum of Understanding No. 10-DSR-12175 shall be terminated upon the effective date of this Agreement.

5. **TERM OF AGREEMENT:**

5.1 This **JPPA Agreement** shall become effective on the date of its execution by WAPA and shall remain in effect until all Parties have withdrawn their participation. This **JPPA Agreement** shall become effective as to each Party upon execution of this **JPPA Agreement** by such Party.

5.2 Any Party may terminate its voluntary participation in this Agreement with sixty (60) [180 days?] days advance written notice to DSW and all then existing Parties.

5.3 If a Party is no longer a Customer, such entity is no longer a Party to this Agreement. No action by WAPA, DSW or a Party is required to implement such termination.

5.4 WAPA shall remain a party to this Agreement and manage the Agreement process until such time as all Parties either terminate their participation or agree to terminate their participation.

6. **DEFINITIONS:**

6.1 **AoA Process.** The Analysis of Alternatives process (AoA Process) is Western’s planning process that the DSW uses to examine options for replacing large segments of the Desert Southwest Region Systems, including the value(s) and cost(s) of various alternatives in order to examine and define the Capital Improvements or Capital RRADs that become part of the TYP. The AoA Process
shall include the identification and consideration of alternatives identified and
developed by DSW and/or one or more Parties, or others.

6.2 Approved Project. A project funded by any means that is approved by the Parties,
as provided herein.

6.3 Associated Transmission Systems. The Parker-Davis Project Transmission
System, the Salinity Project Distribution System, and the Levee Project
Distribution System.

6.4 Capital Improvements. New permanent structural or equipment changes that are or
will be capitalized by WAPA or DSW.

6.5 Capital RRADs. RRADs associated with the Desert Southwest Region Systems
that WAPA capitalizes rather than fully expensing the cost in the first year.

6.6 Customer. An entity with one or more contractAgreements with WAPA, with a
term of at least one year, for i) firm-point-to-point or network transmission service
on the Parker-Davis Project or Intertie Project systems; ii) firm electric service
and/or Parker-Davis Project Priority Use Power service from Federal hydropower
projects that include transmission service on the Parker-Davis Project or Intertie
Project systems; or iii) firm transmission service on the Parker-Davis Project or
Intertie Project systems.

6.7 Customer Funded Projects. Customer Funded Projects are those projects and
facilities, including RRADs, that are: (1) funded and constructed by a Customer;
(2) connected to and integrated with the Desert Southwest Region Systems; (3)
operated by DSW or WAPA but still owned by the Customer, such as through a
lease agreement; and (4) whose costs incurred by WAPA or DSW in operating and
maintaining the same should be excluded from the rates until the asset is transferred to the Desert Southwest Region Systems.

6.8 Desert Southwest Region Systems. The Desert Southwest Region Systems include:

6.8.1 All existing Parker-Davis Project facilities and all Parker-Davis Project Capital Improvements;

6.8.2 All future additions to the Parker-Davis Project facilities and Parker-Davis Project Capital Improvements which may be added pursuant to the AoA process and/or the Transmission Infrastructure Program (TIP);

6.8.3 All existing 230 and 345-kV Intertie Project facilities in Arizona and Nevada;

6.8.4 All future 230 and 345 kV Intertie Project facilities in Arizona and Nevada which may be added pursuant to the AoA process and/or the TIP;

6.8.5 WAPA’s interest in the Westwing/Perkins to Mead/Marketplace 500-kV Transmission Line and related facilities (500kV Intertie System);

6.8.6 WAPA’s interest in the Marketplace to Adelanto 500-kV Transmission Line;

6.8.7 The Associated Transmission System; and

6.8.8 Transmission lines of 69-kV or higher voltage and related facilities that WAPA operates for a Customer and where a Customer has full or partial cost responsibility for such lines or related facilities.

6.9 DSW. Desert Southwest Region of WAPA.

6.10 Fiscal Year. The twelve (12) month period so designated by federal law. The Fiscal Year currently is the period commencing on October 1 of each year, immediately after
midnight on September 30, and ending at midnight on September 30 of the following year.

6.11 Functional Areas. DSW and WAPA HQ activities including, but not limited to, transmission, construction, operation, maintenance, administrative, and power marketing.

6.12 Funding Plan. An annual plan developed to fund Capital Improvements in the TYP and Capital RRADs for current, forecasted and budget year projects.

6.13 Funding Process. The process documented in this JPPA Agreement and the Attachments hereto to identify and provide for the approval of any funding source for funding of Capital Improvements in the TYP, Capital RRADs, and other Functional Areas and related Work Plans, as provide herein.

6.14 HQ Expenses. WAPA HQ office costs that get allocated to regions or power systems, costs and rate, through direct or indirect charging. The categories of such expenses shall cover costs associated with each Functional Area including, but not limited to:

   6.14.1 indirect costs, including overhead costs;
   6.14.2 direct charges and direct allocations;
   6.14.3 the number of contract staff;
   6.14.4 costs related to independent consultants;
   6.14.5 the number of full-time equivalents; and
   6.14.6 a summary of any expenditures described in this paragraph, with the total amount allocated to each region and power system.

6.15 Intertie Project. Pacific Northwest-Pacific Southwest Intertie Project.
6.16 **Materials.** Information, data, studies, reports, documentation and/or Work Plans, in whatever form, related to the Functional Areas and provided by WAPA to the Parties.

6.17 **NERC.** North American Electric Reliability Corporation. A not-for-profit international regulatory authority whose mission is to assure the reliability and security of the bulk power system in North America. NERC is the electric reliability organization for North America, subject to oversight from Federal Energy Regulatory Commission.

6.18 **Non-Capital RRADs.** Any RRAD associated with the Desert Southwest Region Systems that WAPA does not capitalize and is expensed in the first year.

6.19 **O&M.** Operation and Maintenance. O&M, which includes, but is not limited to, the following categories of annual maintenance expenses and administrative costs:

6.19.1 Preventive or scheduled maintenance to prevent failure, avoid safety violations or avoid larger costs;

6.19.2 Corrective maintenance to repair facilities/equipment following a breakdown or malfunction; and/or

6.19.3 Predictive maintenance developed using sensors to monitor equipment parameters and data with historical trends to predict breakdowns and to plan and implement prophylactic measures before such breakdowns occur.

6.19.4 Administrative costs, such as service contracts, travel and training, labor costs and other administrative expenses related to day-to-day office operations.
6.20 **Parker-Davis Project.** For purposes of this [JPPA Agreement](#), the 1,529 circuit-miles of high-voltage transmission lines in Arizona, southern Nevada and along the Colorado River in California, all Associated transmission systems, and any changes or additions thereto.

6.21 **Parker-Davis Project Priority Use Power or Project Use Power.** The capacity and associated energy including ancillary services, transmission services, and control area responsibilities associated with Parker-Davis Project generation for use on or by Federal reclamation projects delivered in accordance with Federal law to Priority Use Loads, sometimes referred to as Project Use Power.

6.22 **Party or Parties.** The Customer or group of Customers that execute the [JPPA Agreement](#).

6.23 **Power Repayment Study (PRS).** A study developed pursuant to Department of Energy Regulation RA6120.2 which is used by WAPA to calculate the Annual Revenue Requirements or annual rate to charge Customers of the Desert Southwest Region Systems.

6.24 **Prepayments.** Funds advanced pursuant to this [JPPA Agreement](#) or previously advanced pursuant to the Prepayment Process MOU and monthly revenues paid by the Parties to DSW.

6.25 **Prepayment Process MOU.** Western Area Power Administration Agreement No. 10-DSR-12175.

6.26 **Purchased Power and Wheeling Expenses (PPWE).** PPWE are those purchased power and wheeling expenses associated with each federal generation project that are included in operations of the Parker-Davis Project and the Intertie Project.
6.27 **Regional Planning Organization.** Any regional or subregional transmission planning body in which WAPA participates, either formally or informally, that receives transmission planning data and information from WAPA and others for the purpose of conducting transmission planning studies, defining regional transmission needs, or otherwise coordinating future transmission plans across multiple organizations including, but not limited to, NERC, WestConnect, SWAT, and any other similar or successor organizations in function thereto.

6.28 **RRADs.** Replacements, repairs, additions or deletions, that are not otherwise identified and included in the Ten-Year Plan, relating to the Desert Southwest Region Systems.

6.29 **SWAT.** Southwest Area Transmission (SWAT) is a subregional, voluntary and open study group comprised of regulators, governmental entities, transmission users, owner and operators, environmental entities and other stakeholders. SWAT promotes collaborative regional transmission planning in the Desert Southwest.

6.30 **Ten-Year Plan (TYP).** Also referred to as the “Capital Investment Plan” or “Ten-Year Capital Plan.” The TYP is the result of the planning processes identified and required by this [JPPA Agreement](#) and the Attachments hereto related to the Desert Southwest Regional System, and shall include the approved Capital Improvements that are scheduled to be completed within the ten-year planning period, together with the estimated cost thereof.

6.31 **Transmission Plan.** A document that covers a ten-year horizon and is updated annually by WAPA and includes the following information pertaining to the Desert Southwest Region Systems:
6.31.1 A summary of the results of system reliability studies including loadflow, stability, system protection, or other technical studies which are relied upon by WAPA to determine the need for Capital Improvements or Capital RRADs;

6.31.2 Other information relied upon by WAPA's Capital Planning Committee (CPC) and/or transmission planners to determine the need for Capital Improvements or Capital RRADs;

6.31.3 The results of the AoA process including the alternatives that were studied, the criteria used to assess the technical or financial merits of the alternatives, the recommended Capital Improvement or Capital RRAD, and the reason for the recommendation;

6.31.4 A description of demand response alternatives that were studied to mitigate the need for Capital Improvements or Capital RRADs;

6.31.5 A list of Capital Improvements proposed to be funded through the Ten-year Planning process;

6.31.6 A description of Capital Improvements or Capital RRADs that have been identified to address Project Use Power needs and local area needs, regardless of voltage;

6.31.7 Generator interconnections and other transmission facilities that WAPA intends to add as a result of requests made through their OATT process and a discussion of the possible impact of those projects on the capacity of the transmission system;
6.31.8 A description of other facilities that are planned to be electrically added to, or interconnected with, the Desert Southwest Region Systems;

6.31.9 A summary of Capital Improvements or Capital RRADs that have been submitted to any Regional Planning Organization for further study or incorporation into their models;

6.31.10 A description of transmission assets that may be acquired by WAPA or otherwise become part of the Desert Southwest Region Systems through long-term lease arrangements;

6.31.11 A discussion of WAPA's future plans to participate in, or become, a Regional Transmission Organization (RTO);

6.31.12 Copies of studies conducted, at WAPA's request, by any Regional Planning Organization; and

6.31.13 Provided that if any information referenced is considered sensitive, confidential, or otherwise non-public in nature pursuant to any Federal law related to critical infrastructure and security, then the Parties may enter into necessary agreements to protect the sensitivity or confidentiality of information.

6.32 Transmission Planning. The process utilized by WAPA in performing studies of the reliability of the Desert Southwest Region Systems over a ten-year study horizon which is provided in regional models to Regional Planning Organizations to be included in regional models.

6.33 Unobligated Balances. Unobligated Balances are the resulting annual net of Customer Prepayments, Customer revenues and Congressional funding, less Capital
Improvements, RRADs (Capital and Non-Capital), O&M and HQ Expense executed in the fiscal year. Unobligated Balances shall include all amounts retained by WAPA at the end of a fiscal year which at the conclusion of the Fiscal Year which are not committed for use in a future year. Unobligated Balances are the difference between the Desert Southwest Region System’s total annual revenue sources less the total of annual expenses. Unobligated Balances currently include DSW’s Approved Projects in the TYP for future years. WAPA HQ shall ensure that funds are not returned to the United States Treasury, and are reserved for use in connection with Approved Projects in the TYP.

6.34  **WestConnect.** The regional organization established to comply with FERC Order No. 1000 that identifies and facilitates regional transmission planning.

6.35  **WAPA.** Western Area Power Administration.

6.36  **WAPA HQ.** The headquarters of WAPA which oversees the administration of the Desert Southwest Region, Rocky Mountain Region, Sierra Nevada Region, Upper Great Plains Region, and Colorado River Storage Project Management Center, and Salt Lake City Area/Integrated Projects.

6.37  **Work Plan(s).** DSW and WAPA HQ estimates, projections, and/or related data associated with TYP, RRADs (both capital and noncapital), O&M, HQ Expenses, PPWE, and/or any and all other budgeting activities connected to or impacting the Desert Southwest Region Systems.

7.  **INCORPORATION OF THE EXPLANATORY RECITALS, EXHIBITS AND ATTACHMENTS:** The preamble, all explanatory recitals, Exhibits and Attachments.
REVIEWS, COMMENTS AND APPROVALS:

8.2.1 Approvals. The Parties will have the opportunity to review, comment on, revise, and ultimately approve the following:

8.2.1.1 TYP. The review and approval of the TYP shall be done according to the schedule included herewith at Attachment, and pursuant to the approval process outlined in Exhibit hereto.

8.2.1.2 In connection with the approval of Capital Improvements and Capital Replacements, the Parties will have the opportunity to review and discuss, develop, revise, finalize, and approve Capital Improvements that will be included in the TYP, as provided in Exhibit A and Attachment B hereto.

8.2.1.3 Prior to any meeting to review, discuss, or approve the TYP, DSW shall provide a draft TYP which the Parties will review and may approve, reject, or request modification thereof at the meeting where the same is to be discussed among the Parties.

8.2.1.4 The TYP will be jointly developed and revised as system conditions change or Parties’ and other Customers’ needs change. WAPA and DSW shall adhere to the TYP that has been reviewed and agreed to by the Parties unless
.emergencies occur. However, DSW may seek and obtain concurrence by Parties to revise the plan during a fiscal year.

8.2.1.4 As part of approving the TYP, as they relate to the Desert Southwest Region Systems, the Parties shall have an opportunity to review all projects undergoing any AoA Process which may impact, in any way, the Desert Southwest Region Systems. The Parties may provide alternatives to any such project going through the AoA Process, which alternatives shall be considered by WAPA and/or DSW before any such project is included in any Transmission Plan that ultimately is provided by WAPA to a Regional Planning Organization.

8.2.2 Capital RRADs. The review and approval of Capital RRADs provided for herein shall be done according to the schedule included herewith at Attachment, and pursuant to the approval process outlined in Exhibit hereto.

8.2.1.2.1 As part of approving Capital RRADs, the Parties shall have an opportunity to review all projects undergoing any AoA Process which may impact, in any way, the Desert Southwest Region Systems. The Parties may provide alternatives to any such project going through the AoA Process, which alternatives shall be considered by WAPA and/or DSW before any such project is included in Capital RRADs.
As a part of reviewing Capital RRADs, the Parties shall have an opportunity to review the DSW Capital RRADs program and discuss the projects and their estimated cost.

**Funding Plans.** The review and approval of Funding Plans provided for herein shall be done according to the schedule included herewith at Attachment__ and pursuant to the approval process outlined in Exhibit ___ hereto.

In connection with the funding meeting(s), the Parties will consider also have the opportunity to consider proposed expenditures of Prepayments or other funding sources, and approve or reject the same as provided for in Exhibit A hereto.

Prior to the funding meeting, DSW shall provide a draft Funding Plan which the Parties will review and may approve, reject, or request modification thereof at the funding meeting where the same is to be discussed.

Projects in the Funding Plan which are ultimately approved by the Parties are approved with an estimated total project cost provided by WAPA and/or DSW, and thereafter are considered Approved Projects, as that term is defined herein. DSW shall manage the funding of Approved Projects in the Funding Plan within the following limitations:
8.2.3.3.1 For Approved Projects that are expected to exceed the approved estimated total cost by not more than ten (10) percent or $2 million, whichever is less, no further approval is required by the Parties.

8.2.3.3.2 For Approved Projects that are expected to exceed the approved estimated total cost by ten (10) to fifteen (15) percent, DSW may re-program funds from other Approved Projects that have been completed or anticipated to be completed using less than their approved estimated total cost without further approval by the Parties.

8.2.3.3.3 If the funding of an Approved Project is transferred to another project, the original funding for the Approved Project shall not be increased later without the approval of the Parties.

8.2.3.4 For Approved Projects that are anticipated to exceed the estimated total cost limitations above described in Section 6.1.3.1, approval of the Parties for additional funding is required. DSW shall schedule a Cost Overrun funding meeting for approval by the Parties. Such meetings may occur when needed.
8.2.4 Funding Execution Reports. Prior to each funding meeting, DSW shall prepare and distribute a report of Approved Projects that are in progress or completed since the prior meeting to the Parties, as provided in Exhibit A hereto. The report shall include, at a minimum:

8.2.4.1 Each Approved Project’s status of completion; both current and completed Approved Projects.

8.2.4.2 Original estimated total cost for each Approved Project.

8.2.4.3 Actual costs to date.

8.2.4.4 Estimated remaining costs anticipated and justification of any change.

8.2.4.5 Anticipated total Approved Project cost.

8.2.5 Funding Approval Procedures.

8.2.5.1 DSW shall organize and host funding meetings, as described in Exhibit A and the Attachments thereto.

8.2.5.2 DSW shall provide the Parties notice of the date and location of a funding meeting at least twenty (20) business days in advance and provide the funding types and amount of funding available which shall be subject to discussion and consideration by the Parties at such meeting. DSW shall likewise provide the Parties with detailed Materials regarding any and all Unobligated Balances at least twenty (20) business days in advance of a funding meeting.
The Parties may provide DSW with agenda topics and/or Materials for distribution at least ten (10) business days prior to the meeting. DSW shall include any such Materials and agenda topics in the funding meeting.

DSW shall send out an agenda and distribute any Materials to the Parties at least five (5) business days prior to the meeting including, but not limited to, any and all Materials that commit funding to Functional Areas.

Nothing herein, shall prohibit or limit DSW from sharing information provided to the Parties pursuant to this subsection with Customers that are not Parties.

Oversight to Fund Capital Improvements and Capital RRADs and Costs for the Desert Southwest Region Systems.

As provided in Exhibit A hereto, the Parties shall work to identify and approve use of appropriated and prepayment funding for the Ten-Year Plan (Capital Improvements) and Capital RRADs.

The Parties shall have the opportunity to review, consider, and comment upon PPWE, if it exceeds a $5 million funding level in any given fiscal year.

The Parties shall have the opportunity to review, consider, and comment upon other Functional Areas that may be identified and agreed to in the future, insofar as such any
other Functional Area relies upon appropriated funding and/or Prepayments.

8.2.6.4 The Parties shall be entitled to review and provide comments on any other projects that may affect the Desert Southwest Region System’s rates, funding or transmission systems.

8.3 Review and Comment. The Parties shall have the opportunity to review, discuss with DSW and/or WAPA HQ, and comment on:

8.3.1 O&M. The O&M budget execution, which shall at least include the O&M and Non-Capital RRADs’ initial budget submission, the revised budget allocation levels, the actual budget execution, and Materials including RRADs that were not otherwise included in the TYP or identified as Capital RRADS, together with the prior three years’ O&M and Non-Capital RRADs budgets and actual expenditures. The review and comment process for the O&M Work Plan shall be done according to the schedule included herewith at Attachment.

8.3.1.1 O&M Work Plans may be revised as system conditions, DSW, Parties’ or other Customers’ needs change. DSW shall adhere to the O&M Work Plan provided to the Parties, except in the event of emergencies.

8.3.1.2 When emergencies occur, DSW shall conduct the work necessary to relieve the emergency, as provided herein and in the Exhibit and Attachments hereto.

20
8.3.1.3  DSW shall inform the Parties and other Customers of any noncapital O&M emergency within two weeks of its occurrence.

8.3.1.4  For emergencies with an anticipated cost in excess of $1 million, DSW shall provide the details of the emergency, anticipated costs, impact(s) to the Desert Southwest Region Systems and recommendations as to how DSW plans to offset the costs associated with an emergency by adjusting other Approved Projects or requesting additional funds as provided herein and in the Exhibit and Attachments hereto.

8.3.2.1 Transmission Planning. The review and comment process for Transmission Planning shall be done according to the schedule included herewith at Attachment__.

8.3.2.1 Staff and contractors employed by WAPA who are responsible for Transmission Planning for WAPA and DSW will work collaboratively with Parties to determine the need for Capital Improvements and Capital RRADs to meet the long-term transmission needs of Firm Electric Service customers, network service customers, generators, and other DSW transmission stakeholders. At the Parties’ request, such efforts shall include up to two additional meetings to those required in WAPA’s OATT.

21
8.3.2.2.7.3.2.2 Any and all Materials created or relied upon by WAPA’s CPC or/and transmission planners shall be made available to the Parties and other Customers in a timely fashion, as provided in Exhibit A and Attachment B hereto. The Parties will not approve any TYP or Capital Replacements unless and until they have been provided said Materials.

8.3.2.3.7.3.2.3 WAPA shall produce, on an annual basis, a Transmission Plan, and provide Parties with an opportunity to review and provide feedback on, the Transmission Plan.

8.3.2.3.1.7.3.2.3.1 By March 15 of each year, Parties will supply WAPA with a ten-year projection of their network loads and resources as specified in Attachment P of WAPA’s OATT, so that WAPA can accurately model the transmission system and conduct the technical studies that are needed to determine the need for Capital Improvements and Capital RRADs.

8.3.2.3.2.7.3.2.3.2 Parties will notify WAPA of material changes in load and resource forecasts (including demand response resources) or other aspects of their facilities or operations which may directly or indirectly affect WAPA’s ability to provide transmission service.
WAPA will meet informally with Parties in June of each year to review the Transmission Plan and give Parties an opportunity to ask questions and request additional information.

A draft of the Transmission Plan will be presented to Parties at least two weeks prior to the informal June meeting.

Within 30 days after the informal meeting in June, Parties shall have the opportunity to provide written comments to WAPA on the contents of the Transmission Plan including suggestions to study different technical alternatives.

Within 60 days following the receipt of Parties’ comments, WAPA shall finalize and provide a copy of the Transmission Plan to the Parties.

The process outlined herein is intended to supplement WAPA’s regional planning process as may be guided by FERC Order No. 1000 as defined in Attachment P of WAPA’s OATT, or any succeeding orders or attachments covering the same subject matter. Parties also may participate in WAPA’s regional planning process set forth in Attachment P of WAPA’s OATT, including participating in open, public, meetings hosted by WAPA or Regional Planning
Organizations and submitting requests for studies directly to Regional Planning Organizations.

**8.3.3** HQ Expenses. The review and comment process for HQ Expenses shall be done according to the schedule included herewith at Attachment.

**8.3.4** Customer Funded Projects. DSW and the Parties shall review and discuss any Customer Funded Projects prior to costs, which may be incurred by WAPA or DSW to operate and/or maintain the same, being included in the rates associated with the Desert Southwest Region Systems, as provided in Exhibit A hereto.

**8.3.5** Long-term Leases. Long-term leases of transmission facilities owned by entities other than WAPA. Parties shall have the opportunity to review and discuss, with DSW, any long-term leases of transmissions facilities owned by entities other than WAPA both prior to the execution of any said leases, and prior to the costs which may be incurred by WAPA or DSW in operating and maintaining the same being included in the rates associated with the Desert Southwest Region Systems.

**8.3.6** Budget Formulation. DSW and the Parties shall review and discuss WAPA HQ and DSW budget estimates including, but not limited to, variance reports prior to submission to DOE. The review and comment process for WAPA HQ and DSW budget estimates including, but not limited to, variance reports shall be done according to the schedule included herewith at Attachment.
8.3.6.1 WAPA HQ shall work with DSW to provide the Parties with updated information on the costs and capital project needs and balances of Unobligated Balances.

8.3.6.2 WAPA HQ shall prepare an annual report, allocated by Region, Project and funding source (appropriations, Prepayments, trust and any other funding source) for the purpose of identifying and maintaining adequate balances for reserves for each Region and adequate funding of the Desert Southwest Region System.

8.3.6.3 DSW shall cooperate with the Parties on the development and implementation a DSW-specific Unobligated Balance strategy to reflect the budget, rates, revenues, TYP, Capital RRADs, and the other amounts included in the Unobligated Balances retained to operate the Desert Southwest Region Systems in emergencies and other situations, as provided for in Attachment hereto.

8.3.6.4 In reporting on the status of Unobligated Balances, DSW shall identify the funding source for any Unobligated Balances, anticipated program allotment, and the underlying authority for the source of such funding, including but not limited to Prepayments, trust funding, and emergency appropriations. DSW shall report which Unobligated Balances are attributable to programs under the jurisdiction of DSW and
any Unobligated Balances attributable to WAPA HQ but allocable to DSW programs.

8.3.7 Rates. DSW and the Parties shall discuss, explore, and develop alternative rate formulas and rates resulting therefrom, as may be filed by WAPA for the Parker-Davis Project and/or Intertie Project, in accordance with RA6120.2. DSW and the Parties shall discuss and explore alternative scenarios to minimize anticipated large rate changes. This may include, but is not limited to, discussions and analysis to remove an Approved Project in the TYP or to move the Approved Project to a later date or to rework the TYP as necessary.

8.3.8 PPWE. The Parties shall have the opportunity to review, consider, and comment upon PPWE, if it exceeds a $5 million funding level in any given fiscal year, to confirm that such expenses are paid by the transmission customers of the Parker-Davis and Intertie projects including and to consider DSW’s forecast of costs and impacts to ancillary services.

8.3.9 Coordination of the Funding Plan with Transmission Plan. Through the Funding Process, the Parties shall have the opportunity to review and provide comments to DSW on its Desert Southwest Region Systems Transmission Plan through the procedures identified in [Attachment A].

Transmission projects that go through DSW’s Analysis of Alternatives (AoA) process shall be discussed by DSW with the Parties, and DSW shall determine, with input from the Parties, if a particular transmission project should be
revised or included in the TYP. The Parties may offer alternatives to projects going through the AoA process to WAPA and/or DSW, and such alternatives shall be considered by WAPA and/or DSW prior to completion of the AoA process.

8.3.9.2.7 Funding for projects identified in the Transmission Planning shall be voted on through the TYP when it is determined that the project shall be included in the TYP.

8.3.9.3.7 Nothing in the Transmission Planning process enables any facility, system, electrically interconnected to the Desert Southwest Region System to be added to the Parker-Davis Project or Intertie Project rates or affect other Desert Southwest Region Systems costs or rates.

8.3.10.7 Any other information or Materials related to any Functional Area that potentially impacts the rates, construction or operation of the Desert Southwest Region Systems.

8.4.7.4 Emergencies. When emergencies occur, DSW shall conduct the work necessary to relieve the emergency.

8.4.17.4.1 DSW shall inform the Parties and other Customers of an emergency within two weeks of its occurrence if the total cost of conducting the work necessary to relieve the emergency exceeds $1,000,000.00 or if the cost or nature of the work conducted as necessary to relieve the emergency impacts or alters the available funding or sequencing of any Capital Improvements in the TYP, Capital RRADs, or any Approved Projects.
8.4.2 With respect to any emergencies which DSW shall inform the Parties as provided in Paragraph 6.1.2., DSW shall provide the details of the emergency, anticipated costs, impact(s) to the Desert Southwest Region Systems and recommendations as to how DSW plans to offset the costs associated with an emergency by adjusting other Approved Projects or requesting additional funds as provided herein.

98 COMMITTEES: At the election of Customers that are Parties hereto, one or more Customer groups or committees may be formed to perform the functions and requirements of the Parties under this JPPA Agreement.

109 FUNDING FOR DSW EXPENSES ON PARKER-DAVIS PROJECT AND INTERTIE PROJECT TRANSMISSION SYSTEMS:

10.2 Net Zero. As long as this JPPA Agreement shall remain in effect, DSW–WAPA will not use Net Zero Funding for DSW’s annual expenses. Provided, that the Parties and DSW–WAPA and the Parties may re-evaluate the restriction contained in this subsection use Net Zero in the future. Such change shall not require amendment to the JPPA Agreement, however, the use of Net Zero Funding for annual expenses shall be included in the oversight processes outlined and required herein.

10.3 Criteria: Any Capital Improvement to the Desert Southwest Region Systems, other than those performed by DSW–WAPA in the event of emergencies, shall satisfy at least one of the following criteria:

10.3.1 The anticipated annual revenue received from the Capital Improvement meets or exceeds the total annual costs associated with the
TYP. When a TYP is included in the DSW revenue requirements for firm and nonfirm transmission service, it shall not increase transmission rates.

10.3.2.9.3.2 The Parties have approved the Capital Improvement, as provided for herein.

10.3.3.9.3.3 The proposed Capital Improvement is funded over its useful life by the entity requesting the Capital Improvement.

10.4.9.4 Voting. The voting on any approval required herein shall be conducted according to the requirements of **Exhibit A** hereto.

10.5.9.5 Coordination of the Ten-Year Plan Funding.

10.5.1.9.5.1 DSW shall first request appropriations for all expenses related to the Desert Southwest Region Systems and HQ Expenses through their budget formulation process. DSW shall use appropriations to fund its activities whenever available.

10.5.2.9.5.2 Through the review, funding and voting processes outlined herein, the Parties shall have the opportunity to vote on and to approve or reject the DSW TYP through the procedures identified herein and in **Attachment A**.

11.10 PREPAYMENT FUNDING.

11.2.9.2 For each Customer that becomes a Party to this **JPPA-Agreement** and the Prepayment MOU, the Prepayment MOU, (10-DSR-12175), is hereby terminated, superseded, and fully replaced by this **JPPA-Agreement** with respect to all Parties. For such Parties, upon termination of the Prepayment MOU, WAPA shall credit and account for the existing deposits as though they were paid hereunder. Provided that for
any Party obligated by contract to pay in advance, this JPPA Agreement shall not create any additional payment obligations. Provided further that nothing herein is meant to alter amend or modify any requirements for a Party to pay a month in advance or provide an advanced deposit pursuant to any other agreement. Provided further that nothing herein is meant to limit, restrict, or impact, in any way, WAPA or DSW’s ability and authority to require any Customer to pay a deposit or pay a month in advanced pursuant to any other contract.

11.3 DSW shall not transfer Prepayments to other WAPA regions or other DSW systems or fund transmission or construction projects with Prepayments that financially impact systems other than Desert Southwest Region System.

11.3.1 Prepayments shall only be used for Desert Southwest Region Systems as agreed to by the Parties.

11.3.2 DSW shall not transfer Prepayments made with respect to the Parker-Davis Project to the Intertie Project.

11.3.3 DSW shall not transfer Prepayments made with respect to the Intertie Project to the Parker-Davis Project.

11.4 A Party is obligated to provide Prepayments even if the Party terminates its participation in this JPPA Agreement, so long as such Party remains a Customer and the terms of their contract with WAPA requires the same.

11.5 Any Customer that signed the Prepayment MOU that does not become a Party will continue to be obligated to provide Prepayments pursuant to the Prepayment MOU.

**TERMINATION CONDITIONS:**
Any Party may terminate its voluntary participation in this JPPA with sixty (60) days advance written notice to DSW and all then existing Parties. If a Party is no longer a Customer, such entity is no longer a Party to this JPPA. No action by WAPA, DSW or a Party is required to implement such termination. WAPA and DSW shall remain a party to this JPPA and manage the JPPA process until such time as all Parties either terminate their participation or agree to terminate their participation.

**AUTHORIZED REPRESENTATIVES:** Each Party, by written notice to DSW, shall designate the representative(s) who is (are) authorized to act on its behalf with respect to those matters contained herein which are the functions and responsibilities of its Authorized Representative(s). In case a Party designates more than one representative, the notice shall state the particular matter(s) upon which each designated representative is authorized to act. Either Party may change the designation of its Authorized Representative(s) upon oral notice given to DSW and confirmed promptly by written notice.

**APPLICABLE LAWS, MODIFICATIONS, EXTENSIONS, AND WAIVERS:**

**Applicable Laws.** Any reference in this JPPA to any Federal act, statute, or regulation, shall be deemed to be a reference to such act, statute, or regulation and all amendments and supplements thereto in existence on the date of execution of this JPPA, unless specifically noted otherwise; provided, that nothing in this JPPA is intended to limit the sovereign authority of Congress. In the event that a Change in Law materially impairs any right, benefit or interest of any Party under this Contract Agreement, DSW and the Parties shall promptly meet and discuss in good
faith regarding possible changes to the **JPPA Agreement** to mitigate the impact of the Change in Law. The rights herein are cumulative and in addition to, not exclusive of or in substitution for, any other rights and remedies available under law or equity.

### 13.3.12.3 Modifications, Extensions, and Waivers

Any modification, extension, or waiver of any provision or requirement of this **JPPA Agreement** shall be made in writing. Any modification, extension or waiver granted for the benefit of a Party or Parties shall not be denied to any other Party, provided that any Federal obligations, due to the unique constitutional and political status of Native American Tribes, shall remain exclusive to any Party that is a Federally Recognized Indian Tribe.

### 13.4.12.4 Modifications to Attachments

Certain terms of this **JPPA Agreement** that may change during the term of this **JPPA Agreement** are set forth in Attachments as formulated and modified from time to time. The initial **Attachments through** are attached hereto, and each is incorporated into this **JPPA Agreement** until superseded by a subsequent Attachment. The Attachments may only be changed by the Parties, as identified in **Exhibit A** hereto. Changes, additions, or modifications to the Attachments shall be reflected in new or revised Attachments. This section does not permit and shall not be interpreted to allow the Parties to distribute or issue any Attachment on a subject matter not addressed in an initial attachment without the consent of all Parties hereto.

### 14.13 RELATIONSHIP TO CUSTOMER CONTRACTS

Nothing in this **JPPA Agreement** supersedes preempts or otherwise modifies any existing transmission or Joint Participation **Contract Agreement** between WAPA and any Customer or group of Customers. In the event of a conflict between this **JPPA Agreement** and existing Customer-specific contracts or agreements, the Customer-specific contract or agreement controls.
**PARKER-DAVIS PROJECT PRIORITY USE POWER:** Nothing in this Joint Participation Agreement (JPPA) shall supersede, pre-empt, or modify the priority of Parker-Davis Project Priority Use Power and its related projects, or any existing obligation to provide the same. Transmission and delivery of Parker-Davis Project Priority Use Power has first priority over the Associated Transmission System.

**LIMITATION ON WHAT PARTIES ARE OBLIGATED TO PROVIDE:** The JPPA Agreement does not create any obligation for any Party to provide transmission transfer capacity, power supply, or individual customer planning services for Desert Southwest Region Systems resources. The extent of such obligations are detailed in transmission or Joint Participation Contract Agreements between Western and any Customer or group of Customer, and/or pursuant to Federal reclamation projects for Parker-Davis Project Priority Use Power.

**NO LIMITATION ON INFORMATION TO BE PROVIDED TO CUSTOMERS:** Nothing herein shall preclude WAPA or DSW from providing any and all information identified as part of the Funding Process or any Work Plan to any Customer. Provided further that it is the responsibility of any Customer that is not a Party to make arrangements with WAPA and/or DSW to receive said information, and any such Customer that is not a Party shall not be deemed to be a third-party beneficiary of this JPPA Agreement.

**HEADERS AND CAPTIONS:** The headings and captions used in the JPPA are for reference and convenience purposes only and should not have any effect on the interpretation of the JPPA or any Exhibits or Attachments hereto.
**19 INTEGRATION CLAUSE:** This JPPA, together with the Exhibits and Attachments, contains the entire agreement of DSW and the Parties with respect to the process and rights set forth in the JPPA. Except as provided in Paragraph 13 hereof, this JPPA supersedes any prior agreements, understandings, or negotiations, whether written or oral, between the Parties and the DSW concerning the subject matter of this JPPA.

**17 ATTACHMENTS:** Certain terms of this Agreement that may change during the term of this Agreement are set forth in attachments as formulated and modified from time to time. The initial Attachments ___ through ___ are attached hereto, and each is incorporated into this Agreement in accordance with its respective terms until superseded by a subsequent attachment. WAPA shall provide to the Contractors written notice of, and opportunity to comment on, any change, modification, or addition of an attachment at least thirty (30) Days prior to the effective date of such revised attachment and at least ninety (90) Days for an additional attachment. Changes, additions, or modifications to the attachments shall be reflected in new or revised attachments and will be distributed in accordance with Provision 40 of the General Power Contract Provisions. This section does not permit and shall not be interpreted to allow WAPA to distribute or issue any attachment on a subject matter not addressed in an initial attachment without the prior written consent of the Contractor.

**18 GENERAL POWER CONTRACT PROVISIONS:** The General Power Contract Provisions (GPCP), effective September 1, 2007, are attached hereto, and are hereby made a part of this Agreement the same as if they had been expressly set forth herein; provided, that if the provisions in the GPCP are in conflict with this Agreement, the terms of this Agreement shall control.
AMENDMENTS AND MODIFICATIONS: This Agreement may be amended or modified only by an amendment or modification duly executed by the Parties.

EXHIBITS: Certain requirements or provisions of this Agreement that may change during the term hereof are set forth in respective Exhibits through . The initial Exhibits through are attached hereto and made a part hereof, and each shall be in force and effect in accordance with its respective provisions until superseded by a subsequent exhibit executed by the Authorized Representative(s). Each superseding exhibit shall be attached to and become part of this Agreement by mutual written agreement of the Parties.

AUTHORIZED REPRESENTATIVES: Each Party, by written notice to the other, shall designate the representative(s) who is (are) authorized to act on its behalf with respect to those matters contained herein which are the functions and responsibilities of its Authorized Representative(s). In case a Party designates more than one (1) representative, the notice shall state the particular matter(s) upon which each designated representative is authorized to act. Either Party may change the designation of its Authorized Representative(s) upon oral notice given to the other and confirmed promptly by written notice.

CONTINUED COOPERATION: WAPA will coordinate with the Contractors and work together in a collaborative manner to accommodate changes in circumstances during the term of this Agreement. Nothing in this Agreement limits WAPA or Tribal Contractors from government-to-government relations.

EXECUTION IN COUNTERPART: This Agreement may be executed in any number of counterparts and, upon execution and delivery by each Party, the executed and delivered counterparts together shall have the same force and effect as an original instrument as if all
Parties had signed the same instrument. Any signature page of this Agreement may be detached without impairing the legal effect of any signatures thereon, and may be attached to another counterpart of this Agreement identical in form hereto, by having attached to it one (1) or more signature pages.

**AUTHORITY:** Each individual signing this JPPA Agreement certifies that the party represented has duly authorized such individual to execute, bind and obligate the party.

IN WITNESS WHEREOF, the Parties have caused this JPPA Agreement to be executed on their behalf.

[Remainder of Page Intentionally Blank]
The Parties agree this Agreement No. XX-DSR-XXXXX has been executed by duly authorized representatives of the Contractor and WAPA and is to be effective in accordance with section X, herein.

THE UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION

Date__________________________ By__________________________________________

__________________________________________ Name

Title

Address for Desert Southwest Region

P.O. Box 6457

Phoenix, AZ  85005-6457
The Parties agree this Agreement No. XX-DSR-XXXXX has been executed by duly authorized representatives of the Contractor and is to be effective in accordance with section X, herein.

(SEAL) NAME OF ORGANIZATION

ATTEST
By By

__________________________

Title

__________________________

Address

__________________________

__________________________
Review and Approval Process for Parties’ Rights Identified in the JPPA Agreement

1. The Parties may designate representative Parties to attend:
   A. Meetings Conducted by the WAPA Construction Planning Committee - Technical (CPC-T), as identified in Attachment ___ hereto.
   B. Meetings Conducted by the WAPA Construction Planning Committee - Financial (CPC-F), as identified in Attachment ___ hereto.
   C. Meetings Conducted by the WAPA HQ Construction Planning Committee generally, or other relevant subcommittees thereof, as identified in Attachment ___ hereto.
   D. Site visits of TYP and RRADs projects to further understand their development and plan preparation, a schedule of which will be provided by DSW on a regular basis, at least ____ days in advance of any.

2. Party Approval Process. For any action, project, or Work Plan requiring approval by the Parties, the approval process shall be as follows:
   A. The Parties shall meet to approve any of the items contained in Paragraph ___ of the JPPA Agreement, according to the schedule identified by WAPA or DSW, as reflected in Attachments ___ through ___ hereto.
      i. The Parties may also meet in addition to any of the meetings identified in the Attachments hereto upon the request of ___ or more Parties.
      ii. Provided that if ___ or more Parties request a meeting, DSW shall coordinate, organize, and provide notice of such a meeting to all Parties.
B. Any of the items contained in Paragraph ___ of the JPPA Agreement shall be deemed approved by the Parties if there is unanimous consent of the Parties present at the applicable meeting discussing a particular item contained in Paragraph 6 of the JPPA Agreement. For purposes voting whether to approve any of the items contained in Paragraph 6 of the JPPA Agreement, “present” shall mean that a Party’s Authorized Representative is either physically present at the meeting or present via remote means.

C. If unanimous consent cannot be obtained, then whether to approve the applicable item contained in Paragraph 6 of the JPPA for which the meeting is being conducted, then shall be determined by a majority vote of the Authorized Representatives of the Parties present. A majority vote shall mean greater than 50% of those Authorized Representatives present. Each Authorized Representative is entitled to one vote for each Party that has designated them as an Authorized Representative.

D. Parties Meeting Notes. When the Parties meet to approve any of the items contained in Paragraph 6 of the JPPA Agreement, notes will be taken and circulated to all Parties members for review and comment prior to finalization.

3. Any Customer shall be entitled to attend and participate in any meeting identified in Attachments ____ to ____ hereto. Provided that for any meeting where the Parties are approving any of the items contained in Paragraph ____ of the JPPA Agreement, each Party must designate a single Authorized Representative for purposes of voting to approve or reject any such item contained in Paragraph ____ of the JPPA Agreement.
4. Nothing herein shall limit the United States WAPA or Federally Recognized Indian Tribes and Tribal Contract Agreementors which are signatories to the JPPA Agreement from conducting government-to-government consultations and communications at any time.

5. All Customers, whether a Party or not, may participate in reviewing and commenting on all Materials considered by the Parties.