

**UNITED STATES DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION
DESERT SOUTHWEST CUSTOMER SERVICE REGION**

**NETWORK INTEGRATION TRANSMISSION SERVICE
ON THE PARKER-DAVIS PROJECT**

Effective:

The first day of the first full billing period beginning on or after October 1, 2011, through September 30, 2016.

Available:

In the area served by the Parker-Davis Project (P-DP) transmission facilities.

Applicable:

To Network Integration Transmission Service (Network Service) customers where capacity and energy are supplied to the P-DP transmission system from designated resources, transmitted subject to the availability of the transmission capacity, and delivered, less losses, to designated points of delivery on the P-DP system specified in the network service agreement.

Character and Conditions of Service:

Alternating current at 60 hertz, three-phase, delivered and metered at the voltages and points of delivery established by the network service agreement.

Monthly Rate:

Network Service Charge: Each contractor shall be billed an amount based on the contractor's load ratio share times one-twelfth of the P-DP annual revenue requirement. The load ratio share will be determined by the contractor's coincidental peak load averaged with the coincidental

Rate Schedule PD-NTS3
Schedule H to Tariff
(Supersedes Rate Schedule PD-NTS2)

peak loads of the previous 11 months divided by the average P-DP system peak for the same time period.

Revenue Requirement:

The projected annual revenue requirement allocated to transmission for FY 2012 for the P-DP is \$38,572,394. Based on updated financial and load data, a recalculated revenue requirement will go into effect on October 1 of each year during the effective rate schedule period.

Adjustment for Ancillary Services:

Network Service is offered under Western's Open Access Transmission Tariff, and contractors are responsible for all ancillary services set forth in the applicable rate schedules specified in the customer's network service agreement.

Adjustment for Losses:

Capacity and energy losses incurred in connection with the transmission and delivery of power and energy under this rate schedule shall be supplied by the customer in accordance with the network service agreement.

Modifications:

The Desert Southwest Customer Service Region may modify the charges for Network Service upon written notice to the transmission customer. Any change to the charges to the transmission customer for Network Service shall be included in a revision to this rate schedule promulgated under applicable Federal laws, regulations, and policies, and made part of the applicable network service agreement.