

## TRANSMISSION SYSTEM RESERVATION DATA

|  |                   | Fiscal Year Average |                |                |                |                |
|--|-------------------|---------------------|----------------|----------------|----------------|----------------|
|  |                   | 2005                | 2006           | 2007           | 2008           | 2009           |
| <b><u>PACIFIC NW PACIFIC SW INTERTIE PROJECT FIRM TRANSMISSION</u></b> |                   |                     |                |                |                |                |
| 230/345-kV   |                   |                     |                |                |                |                |
| AEPCO  | 03-DSR-11153      | 40,000              | 40,000         | 40,000         | 40,000         | 0              |
| AJO Improvement  | 96-DSR-10749      | 2,910               | 2,910          | 2,910          | 2,910          | 2,910          |
| APA  | DE-MS65-85WP39502 | 180,536             | 180,536        | 180,536        | 180,536        | 0              |
| APPA-Mesa  | 87-BCA-10135      | 19,319              | 28,546         | 47,000         | 47,000         | 0              |
| APPA-SWTC  | 87-BCA-10135      | 75,179              | 75,248         | 75,248         | 75,248         | 0              |
| Blythe Energy, LLC   | 00-DSR-11087      | 100,000             | 100,000        | 100,000        | 100,000        | 100,000        |
| CAWCD  | 93-PAO-10537      | 83,618              | 147,407        | 147,407        | 147,407        | 0              |
| Griffith Energy LLC  | 99-DSR-11034      | 108,000             | 108,000        | 108,000        | 108,000        | 108,000        |
| Griffith Energy LLC  | 99-DSR-11036      | 75,000              | 75,000         | 75,000         | 75,000         | 75,000         |
| IID  | 90-PAO-10337      | 123,750             | 123,750        | 123,750        | 123,750        | 0              |
| MCMWCD #1  | 87-BCA-10011      | 930                 | 930            | 930            | 930            | 930            |
| SRP  | 14-06-300-2002    | 160,000             | 160,000        | 160,000        | 160,000        | 160,000        |
| UNS Electric   | 01-DSR-11113      | 110,000             | 110,000        | 110,000        | 110,000        | 110,000        |
| USBR   | 87-BCA-10047      | 26,433              | 26,433         | 26,433         | 26,433         | 0              |
| WAPA-SLCA  | 88-BCA-10149      | <u>134,000</u>      | <u>134,000</u> | <u>134,000</u> | <u>134,000</u> | <u>134,000</u> |
|  |                   | 1,239,675           | 1,312,760      | 1,331,214      | 1,331,214      | 690,840        |
| 500-kV   |                   |                     |                |                |                |                |
| Griffith Energy LLC  | 99-DSR-11034      | 325,000             | 325,000        | 325,000        | 325,000        | 325,000        |
| Griffith Energy LLC  | 99-DSR-11035      | 87,000              | 87,000         | 87,000         | 87,000         | 87,000         |
| POWEREX  | 01-DSR-11108      | 100,000             | 100,000        | 100,000        | 100,000        | 100,000        |
| Sierra Pacific Resources   | 03-DSR-11150      | 52,000              | 52,000         | 52,000         | 52,000         | 52,000         |
| New Firm Transmission Service/Sales                                    |                   | <u>198,000</u>      | <u>298,000</u> | <u>398,000</u> | <u>398,000</u> | <u>398,000</u> |
|  |                   | 762,000             | 862,000        | 962,000        | 962,000        | 962,000        |
| Intertie Total   |                   | 2,001,675           | 2,174,760      | 2,293,214      | 2,293,214      | 1,652,840      |
| <b><u>CENTRAL ARIZONA PROJECT FIRM TRANSMISSION</u></b>                |                   |                     |                |                |                |                |
| APS  | 02-DSR-11143      | 35,000              | 35,000         | 35,000         | 35,000         | 35,000         |
| CPN South Point, LLC   | 99-DSR-11050      | 240,000             | 240,000        | 240,000        | 240,000        | 240,000        |
| UNS Electric   | 87-BCA-10140      | <u>106,536</u>      | <u>106,536</u> | <u>106,536</u> | <u>106,536</u> | 0              |
|  |                   | 381,536             | 381,536        | 381,536        | 381,536        | 275,000        |
| PROJECT USE  |                   |                     |                |                |                |                |
| CAWCD  | 93-PAO-10537      | <u>462,000</u>      | <u>522,000</u> | <u>522,000</u> | <u>522,000</u> | <u>522,000</u> |
|  |                   | 462,000             | 522,000        | 522,000        | 522,000        | 522,000        |
| CAP Total  |                   | 843,536             | 903,536        | 903,536        | 903,536        | 797,000        |
| <b><u>PARKER-DAVIS PROJECT FIRM TRANSMISSION</u></b>                   |                   |                     |                |                |                |                |
| EXISTING FIRM TRANSMISSION SERVICE                                     |                   |                     |                |                |                |                |
| AHA MACAV  | 93-PAO-10529      | 6,500               | 8,500          | 10,000         | 10,000         | 10,000         |
| APA  | DE-MS65-85WP39502 | 229,579             | 229,579        | 229,579        | 229,579        | 0              |
| APPA-ED2   | 87-BCA-10135      | 28,000              | 29,333         | 32,000         | 32,000         | 32,000         |
| APPA-Mesa  | 87-BCA-10135      | 93,813              | 121,440        | 121,440        | 121,440        | 0              |
| APPA-SWTC  | 87-BCA-10135      | 194,333             | 196,066        | 199,400        | 199,400        | 0              |
| APS  | DE-MS65-85WP39510 | 123,753             | 124,253        | 126,085        | 126,085        | 126,085        |
| CAWCD  | 93-PAO-10537      | 48,958              | 111,458        | 111,458        | 111,458        | 0              |
| CRA  | 92-PAO-10481      | 10,000              | 10,000         | 10,000         | 10,000         | 10,000         |

|              |              | Fiscal Year Average |               |               |               |               |
|--------------|--------------|---------------------|---------------|---------------|---------------|---------------|
|              |              | 2005                | 2006          | 2007          | 2008          | 2009          |
| IID          | 90-PAO-10337 | 160,000             | 160,000       | 160,000       | 160,000       | 0             |
| SCE          | 95-PAO-10656 | 9,000               | 9,000         | 9,000         | 9,000         | 9,000         |
| SCIP         | 87-BCA-10127 | 78,000              | 78,000        | 78,000        | 78,000        | 78,000        |
| UNS Electric | 87-BCA-10140 | 314,487             | 314,487       | 314,487       | 314,487       | 0             |
| USBR         | 87-BCA-10047 | 25,673              | 25,673        | 25,673        | 25,673        | 0             |
| WMI&DD       | 87-BCA-10142 | <u>13,000</u>       | <u>13,000</u> | <u>13,000</u> | <u>13,000</u> | <u>13,000</u> |
|              |              | 1,335,096           | 1,430,789     | 1,440,122     | 1,440,122     | 278,085       |

#### TARIFF FIRM TRANSMISSION SERVICE

|                         |              |                |                |                |                |                |
|-------------------------|--------------|----------------|----------------|----------------|----------------|----------------|
| AEPCO                   | 03-DSR-11153 | 40,000         | 40,000         | 40,000         | 40,000         | 0              |
| Blythe Energy, LLC      | 00-DSR-11087 | 85,000         | 85,000         | 85,000         | 85,000         | 85,000         |
| Calpine Energy Services | 01-DSR-11118 | 76,000         | 76,000         | 76,000         | 76,000         | 76,000         |
| CPN South Point, LLC    | 99-DSR-11050 | 285,000        | 285,000        | 285,000        | 285,000        | 285,000        |
| ED-2                    | 02-DSR-11129 | 2,000          | 2,000          | 2,000          | 2,000          | 2,000          |
| FPL (previously MWD)    | 01-DSR-11116 | 50,000         | 50,000         | 50,000         | 50,000         | 50,000         |
| FPL (previously MWD)    | 01-DSR-11117 | 30,000         | 30,000         | 30,000         | 30,000         | 30,000         |
| Sundance Energy, LLC    | 01-DSR-11119 | <u>320,000</u> | <u>320,000</u> | <u>320,000</u> | <u>320,000</u> | <u>320,000</u> |
|                         |              | 888,000        | 888,000        | 888,000        | 888,000        | 848,000        |

#### SLCA/IP FIRM ELECTRIC SERVICE

|                |              |            |            |            |            |            |
|----------------|--------------|------------|------------|------------|------------|------------|
| APPA-ED2       | 87-BCA-10001 | 7,853      | 7,853      | 7,853      | 7,853      | 7,853      |
| AK-CHIN        | 87-BCA-10000 | 2,988      | 2,988      | 2,988      | 2,988      | 2,988      |
| CRA            | 87-BCA-10003 | 641        | 641        | 641        | 641        | 641        |
| CRC            | 87-BCA-10004 | 23,408     | 23,408     | 23,408     | 23,408     | 23,408     |
| CRIT           | 02-DSR-11360 | 4,728      | 4,728      | 4,728      | 4,728      | 4,728      |
| ED-3, P        | 87-BCA-10005 | 5,192      | 5,192      | 5,192      | 5,192      | 5,192      |
| ED-4, P        | 87-BCA-10006 | 3,868      | 3,868      | 3,868      | 3,868      | 3,868      |
| ED-5, P        | 87-BCA-10008 | 2,516      | 2,516      | 2,516      | 2,516      | 2,516      |
| ED-7, M        | 87-BCA-10010 | 2,497      | 2,497      | 2,497      | 2,497      | 2,497      |
| FMIT           | 02-DSR-11362 | 268        | 268        | 268        | 268        | 268        |
| Gila River     | 02-DSR-11363 | 13,216     | 13,216     | 13,216     | 13,216     | 13,216     |
| MCMWCD #1      | 87-BCA-10011 | 2,732      | 2,732      | 2,732      | 2,732      | 2,732      |
| Safford, AZ    | 87-BCA-10016 | 805        | 805        | 805        | 805        | 805        |
| SCIP           | 87-BCA-10018 | 1,555      | 1,555      | 1,555      | 1,555      | 1,555      |
| Thatcher, AZ   | 87-BCA-10020 | 414        | 414        | 414        | 414        | 414        |
| Tohono O'odham | 02-DSR-11370 | 1,984      | 1,984      | 1,984      | 1,984      | 1,984      |
| WMI&DD         | 87-BCA-10021 | 268        | 268        | 268        | 268        | 268        |
| YPG            | 87-BCA-10023 | <u>343</u> | <u>343</u> | <u>343</u> | <u>343</u> | <u>343</u> |
|                |              | 75,276     | 75,276     | 75,276     | 75,276     | 75,276     |

#### FIRM ELECTRIC SERVICE

|               |              |        |        |        |        |        |
|---------------|--------------|--------|--------|--------|--------|--------|
| APPA-AEPCO    | 87-BCA-10085 | 21,550 | 21,550 | 21,550 | 21,550 | 21,550 |
| APPA-Mesa     | 87-BCA-10085 | 9,429  | 9,429  | 9,429  | 9,429  | 9,429  |
| CRA           | 87-BCA-10087 | 7,666  | 7,666  | 7,666  | 7,666  | 7,666  |
| CRC           | 87-BCA-10086 | 50,308 | 50,308 | 50,308 | 50,308 | 50,308 |
| ED-3          | 87-BCA-10089 | 2,208  | 2,208  | 2,208  | 2,208  | 2,208  |
| ED-3          | 87-BCA-10090 | 2,587  | 2,587  | 2,587  | 2,587  | 2,587  |
| Edwards AFB   | 87-BCA-10088 | 16,762 | 16,762 | 16,762 | 16,762 | 16,762 |
| FMIT          | 87-BCA-10091 | 1,649  | 1,649  | 1,649  | 1,649  | 1,649  |
| Fredonia, AZ  | 87-BCA-10092 | 1,479  | 1,479  | 1,479  | 1,479  | 1,479  |
| Gila Bend Aux | 87-BCA-10094 | 394    | 394    | 394    | 394    | 394    |
| IID           | 87-BCA-10095 | 29,945 | 29,945 | 29,945 | 29,945 | 29,945 |
| Luke AFB      | 87-BCA-10096 | 2,230  | 2,230  | 2,230  | 2,230  | 2,230  |
| March AFB     | 92-PAO-10469 | 4,379  | 4,379  | 4,379  | 4,379  | 4,379  |
| MCAS -Yuma    | 87-BCA-10097 | 2,006  | 2,006  | 2,006  | 2,006  | 2,006  |
| Needles, Ca   | 87-BCA-10098 | 4,668  | 4,668  | 4,668  | 4,668  | 4,668  |
| Nellis AFB    | 87-BCA-10099 | 2,779  | 2,779  | 2,779  | 2,779  | 2,779  |
| NTS           | 87-BCA-10100 | 2,216  | 2,216  | 2,216  | 2,216  | 2,216  |
| SCIP          | 87-BCA-10104 | 15,495 | 15,495 | 15,495 | 15,495 | 15,495 |
| SRP           | 87-BCA-10103 | 27,866 | 27,866 | 27,866 | 27,866 | 27,866 |
| Thatcher, AZ  | 87-BCA-10105 | 308    | 308    | 308    | 308    | 308    |

|                |              | Fiscal Year Average |              |              |              |              |
|----------------|--------------|---------------------|--------------|--------------|--------------|--------------|
|                |              | 2005                | 2006         | 2007         | 2008         | 2009         |
| Tohono O'odham | 87-BCA-10102 | 2,664               | 2,664        | 2,664        | 2,664        | 2,664        |
| Wickenburg, AZ | 87-BCA-10107 | 1,709               | 1,709        | 1,709        | 1,709        | 1,709        |
| WMI&DD         | 87-BCA-10106 | 2,827               | 2,827        | 2,827        | 2,827        | 2,827        |
| YID            | 87-BCA-10108 | 885                 | 885          | 885          | 885          | 885          |
| YPG            | 87-BCA-10109 | <u>4,753</u>        | <u>4,753</u> | <u>4,753</u> | <u>4,753</u> | <u>4,753</u> |
|                |              | 218,762             | 218,762      | 218,762      | 218,762      | 218,762      |

PROJECT USE

|        |              |              |              |              |              |              |
|--------|--------------|--------------|--------------|--------------|--------------|--------------|
| WMI&DD | 96-DSR-10715 | 33,066       | 33,066       | 33,066       | 33,066       | 33,066       |
| YCWUA  | 96-DSR-10715 | <u>4,237</u> | <u>4,237</u> | <u>4,237</u> | <u>4,237</u> | <u>4,237</u> |
|        |              | 37,303       | 37,303       | 37,303       | 37,303       | 37,303       |

Parker-Davis Total 2,554,437 2,650,130 2,659,463 2,659,463 1,457,426

**MULTI-SYSTEM**

|                                     |                   |          |          |          |          |               |
|-------------------------------------|-------------------|----------|----------|----------|----------|---------------|
| AEPCO                               | 03-DSR-11153      | 0        | 0        | 0        | 0        | 40,000        |
| APA                                 | DE-MS65-85WP39502 | 0        | 0        | 0        | 0        | 229,579       |
| APPA-Mesa                           | 87-BCA-10135      | 0        | 0        | 0        | 0        | 121,440       |
| APPA-SWTC                           | 87-BCA-10135      | 0        | 0        | 0        | 0        | 199,400       |
| CAWCD                               | 93-PAO-10537      | 0        | 0        | 0        | 0        | 147,407       |
| IID                                 | 90-PAO-10337      | 0        | 0        | 0        | 0        | 160,000       |
| UNS Electric                        | 87-BCA-10140      | 0        | 0        | 0        | 0        | 314,487       |
| USBR                                | 87-BCA-10047      | 0        | 0        | 0        | 0        | 26,433        |
| New Firm Transmission Service Sales |                   | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>78,000</u> |
|                                     |                   | 0        | 0        | 0        | 0        | 1,316,746     |

Multi-System Total 0 0 0 0 1,316,746

## ASSUMPTIONS USED TO DETERMINE FIRM TRANSMISSION SERVICE CAPACITY RESERVATIONS FOR FISCAL YEARS 2005-2009

### PARKER-DAVIS PROJECT

- AK-CHIN; 87-BCA-10000; terminates 9/30/24  
Increased existing capacity reservation by 1% for change in Parker-Davis loss adjustment factor
- Arizona Electric Power Cooperative; 03-DSR-11153; terminates 12/31/08  
Extended existing 40,000 kW capacity reservation from 1/09 to 9/09
- Arizona Power Pooling Association-AEPCO; 87-BCA-10085; terminates 9/30/08  
Extended existing 21,550 kW capacity reservation from 10/08 to 9/09
- Arizona Power Pooling Association-Mesa; 87-BCA-10085; terminates 9/30/08  
Extended existing 9,429 kW capacity reservation from 10/08 to 9/09
- Arizona Power Pooling Association-ED-2; 87-BCA-10001; terminates 9/30/24  
Increased existing capacity reservation by 1% for change in Parker-Davis loss adjustment factor
- Arizona Power Pooling Association-ED-2; 87-BCA-10135; terminates 9/30/08  
Extended existing 32,000 kW capacity reservation from 10/08 to 9/09
- Arizona Power Pooling Association-Mesa; 87-BCA-10135; terminates 9/30/08  
Extended existing 121,440 kW capacity reservation from 10/08 to 9/09
- Arizona Power Pooling Association-SWTC; 87-BCA-10135; terminates 9/30/08  
Extended existing 199,400 kW capacity reservation from 10/08 to 9/09
- Aha Macav; 93-PAO-10529; terminates 9/30/08  
Extended existing 10,000 kW capacity reservation from 10/08 to 9/09
- Arizona Public Service; DE-MS65-85WP39510; terminates 9/30/08  
Extended existing typical 126,086 kW reservation from 10/08 to 9/09
- Colorado River Agency; 87-BCA-10003; terminates 9/30/24  
Increased existing capacity reservation by 1% for change in Parker-Davis loss adjustment factor
- Colorado River Agency; 87-BCA-10087; terminates 9/30/08  
Extended existing 7,667 kW capacity reservation from 10/08 to 9/09
- Colorado River Commission; 87-BCA-10086; terminates 9/30/08  
Extended existing 50,308 kW capacity reservation from 10/08 to 9/09
- Colorado River Indian Tribe; 02-DSR-11360; terminates 9/30/24  
Anticipated new reservation from Post-2004 Resource Pool
- Edwards AFB; 87-BCA-10088; terminates 9/30/08  
Extended existing 16,762 kW capacity reservation from 10/08 to 9/09
- Electrical District 3; 87-BCA-10089; terminates 9/30/08  
Extended existing 2,208 kW capacity reservation from 10/08 to 9/09
- Electrical District 3; 87-BCA-10090; terminates 9/30/08  
Extended existing 2,588 kW capacity reservation from 10/08 to 9/09
- Electrical District 5; 87-BCA-10008; terminates 9/30/24  
Increased existing capacity reservation by 1% for change in Parker-Davis loss adjustment factor
- Fort Mojave Indian Tribe; 87-BCA-10091, terminates 9/30/08  
Extended existing 1,649 kW capacity reservation from 10/08 to 9/09
- Fort Mojave Indian Tribe; 02-DSR-11362; terminates 9/30/24  
Anticipated new reservation from Post-2004 Resource Pool
- Fredonia, AZ; 87-BCA-10092, terminates 9/30/08  
Extended existing 1,479 kW capacity reservation from 10/08 to 9/09
- Gila Bend Aux; 87-BCA-10094, terminates 9/30/08  
Extended existing 394 kW capacity reservation from 10/08 to 9/09
- Gila River Indian Community; 02-DSR-11363; terminates 9/30/24  
Anticipated new reservation from Post-2004 Resource Pool
- Imperial Irrigation District; 90-PAO-10337; terminates 12/31/04  
Extended existing 160,000 kW capacity reservation from 1/05 to 9/09
- Imperial Irrigation District; 87-BCA-10095, terminates 9/30/08  
Extended existing 29,946 kW capacity reservation from 10/08 to 9/09

**NOTE:** These assumptions were used for Rate Design Methodology purposes only and do not imply that these specific contractors will elect to continue Firm Transmission Service. If not, this capacity will be marketed/sold as these specific contracts terminate.

Luke AFB; 87-BCA-10096, terminates 9/30/08  
     Extended existing 2,230 kW capacity reservation from 10/08 to 9/09  
 March AFB; 92-PAO-10469, terminates 9/30/08  
     Extended existing 4,380 kW capacity reservation from 10/08 to 9/09  
 Marine Corps Air Station Yuma; 87-BCA-10097, terminates 9/30/08  
     Extended existing 2,006 kW capacity reservation from 10/08 to 9/09  
 Needles, CA; 87-BCA-10098, terminates 9/30/08  
     Extended existing 4,668 kW capacity reservation from 10/08 to 9/09  
 Nellis AFB; 87-BCA-10099, terminates 9/30/08  
     Extended existing 2,780 kW capacity reservation from 10/08 to 9/09  
 Nevada Operations Office for the Test Site; 87-BCA-10100, terminates 9/30/08  
     Extended existing 2,217 kW capacity reservation from 10/08 to 9/09  
 Salt River Project; 87-BCA-10103, terminates 9/30/08  
     Extended existing 27,867 kW capacity reservation from 10/08 to 9/09  
 San Carlos Irrigation Project; 87-BCA-10104; terminates 9/30/08  
     Extended existing 15,496 capacity reservation from 10/08 to 9/09  
 San Carlos Irrigation Project; 87-BCA-10127; terminates 9/30/08  
     Extended existing 78,000 capacity reservation from 10/08 to 9/09  
 Southern California Edison; 95-PAO-10656; terminates 8/31/04  
     Extended existing 9,000 kW capacity reservation from 9/04 to 9/09  
 Sundance Energy; 01-DSR-11119; terminates 5/31/07  
     Extended existing 320,000 kW capacity reservation from 6/07 to 9/09  
 Thatcher, AZ; 87-BCA-10105, terminates 9/30/08  
     Extended existing 308 kW capacity reservation from 10/08 to 9/09  
 Tohona O'odham; 87-BCA-10102, terminates 9/30/08  
     Extended existing 2,665 kW capacity reservation from 10/08 to 9/09  
 Tohona O'odham; 02-DSR-11370; terminates 9/30/24  
     Anticipated new reservation from Post-2004 Resource Pool  
 UNS Electric; 87-BCA-10140; terminates 5/31/08  
     Extended existing 314,487 kW capacity reservation from 6/08 to 9/09  
 Wellton-Mohawk Irrigation Drainage District; 87-BCA-10142; terminates 9/30/08  
     Extended existing 13,000 kW capacity reservation from 10/08 to 9/09  
 Wellton-Mohawk Irrigation Drainage District; 87-BCA-10106, terminates 9/30/08  
     Extended existing 2,827 kW capacity reservation from 10/08 to 9/09  
 Wellton-Mohawk Irrigation Drainage District; 96-DSR-10715, terminates 9/30/08  
     Extended existing 33,066 kW capacity reservation from 10/08 to 9/09  
 Wickenburg, AZ; 87-BCA-10107, terminates 9/30/08  
     Extended existing 1,709 kW capacity reservation from 10/08 to 9/09  
 Yuma County Water Users' Association; 96-DSR-10715, terminates 9/30/08  
     Extended existing 4,237 kW capacity reservation from 10/08 to 9/09  
 Yuma Irrigation District; 87-BCA-10108, terminates 9/30/08  
     Extended existing 885 kW capacity reservation from 10/08 to 9/09  
 Yuma Proving Ground; 87-BCA-10109, terminates 9/30/08  
     Extended existing 4,754 kW capacity reservation from 10/08 to 9/09  
 Yuma Proving Ground; 87-BCA-10023; terminates 9/30/24  
     Increased existing capacity reservation by 1% for change in Parker-Davis loss adjustment factor

## INTERTIE PROJECT

### *230/345-kV Transmission System:*

Arizona Power Authority; DE-MS65-85WP39502; terminates 9/30/17  
     Reduced existing capacity reservation by 1% for change in Parker-Davis loss adjustment factor  
 Arizona Electric Power Cooperative; 03-DSR-11153; terminates 12/31/08  
     Extended existing 40,000 kW capacity reservation from 1/09 to 9/09  
 AJO Improvement Company; 96-DSR-10749; terminates 1/1/07  
     Extended existing 2,910 kW capacity reservation from 1/07 to 9/09  
 Arizona Power Pooling Association-Mesa; 87-BCA-10135; terminates 9/30/08  
     Extended existing 47,000 kW capacity reservation from 10/08 to 9/09

**NOTE:** These assumptions were used for Rate Design Methodology purposes only and do not imply that these specific contractors will elect to continue Firm Transmission Service. If not, this capacity will be marketed/sold as these specific contracts terminate.

Arizona Power Pooling Association-SWTC; 87-BCA-10135; terminates 9/30/08  
Extended existing 75,248 kW capacity reservation from 10/08 to 9/09  
Central Arizona Water Conservation District; 93-PAO-10537; terminates 9/30/11  
Reduced existing capacity reservation by 1% for change in Parker-Davis loss adjustment factor  
Imperial Irrigation District; 90-PAO-10337; terminates 12/31/04  
Extended existing 123,750 kW capacity reservation from 1/05 to 9/09  
US Bureau of Reclamation; 87-BCA-10047, terminates 9/30/21  
Reduced existing capacity reservation by 1% for change in Parker-Davis loss adjustment factor

*500-kV Transmission System:*

POWEREX and/or New Contractor(s); 01-DSR-11108; terminates 1/1/05  
Extended existing 100,000 kW capacity reservation from 1/05 to 9/09  
Sierra Pacific Resources and/or New; 03-DSR-11150; terminates 1/31/05  
Extended existing 52,000 kW capacity reservation from 2/05 to 9/09  
New Firm Transmission Service Sales; Intertie 500-kV phase-in period  
10/04 to 9/05 - 198,000 kW; 10/05 to 9/06 - 298,000 kW;  
10/06 to 9/07 - 398,000 kW; 10/07 to 9/08 - 398,000 kW;  
10/08 to 9/19 – 398,000 kW

**CENTRAL ARIZONA PROJECT**

Arizona Public Service; 02-DSR-11143; terminates 8/31/07  
Extended existing 35,000 kW capacity reservation from 9/07 to 9/09  
UNS Electric; 87-BCA-10140; terminates 2/28/08  
Extended existing 106,536 kW capacity reservation from 3/08 to 9/09

**MULTI-SYSTEM**

New Firm Transmission Service Sales resulting from the additional capacity made available by implementing a Multi-System Transmission Service Rate: 78,000 kW

**NOTE:** These assumptions were used for Rate Design Methodology purposes only and do not imply that these specific contractors will elect to continue Firm Transmission Service. If not, this capacity will be marketed/sold as these specific contracts terminate.

# CONVERGENCE RATE DESIGN METHODOLOGY - APPLY MSTR 5TH YEAR

## FIRM POINT-TO-POINT TRANSMISSION SERVICE

### Section 1: Transmission Revenue Requirements

|                       | Total               | Parker-Davis Project | Central Arizona Project | Intertie Project    |
|-----------------------|---------------------|----------------------|-------------------------|---------------------|
| FY 2005               | \$61,591,782        | \$29,786,901         | \$3,754,012             | \$28,050,869        |
| FY 2006               | \$64,609,065        | \$31,027,082         | \$3,578,651             | \$30,003,332        |
| FY 2007               | \$66,329,662        | \$31,148,038         | \$3,744,280             | \$31,437,344        |
| FY 2008               | \$66,276,001        | \$31,148,038         | \$3,701,292             | \$31,426,671        |
| FY 2009               | \$64,303,605        | \$31,148,037         | \$3,565,003             | \$29,590,565        |
| <b>5 Year Average</b> | <b>\$64,622,023</b> | <b>\$30,851,619</b>  | <b>\$3,668,648</b>      | <b>\$30,101,756</b> |

### Section 2A: Capacity Reservations with Pancaking

|         | Total        | P-DP         | CAP        | IP 230/345-kV | IP 500-kV  |
|---------|--------------|--------------|------------|---------------|------------|
| FY 2005 | 4,575,047 kW | 2,298,372 kW | 275,000 kW | 1,239,675 kW  | 762,000 kW |
| FY 2006 | 4,843,825 kW | 2,394,065 kW | 275,000 kW | 1,312,760 kW  | 862,000 kW |
| FY 2007 | 4,971,612 kW | 2,403,398 kW | 275,000 kW | 1,331,214 kW  | 962,000 kW |
| FY 2008 | 4,971,612 kW | 2,403,398 kW | 275,000 kW | 1,331,214 kW  | 962,000 kW |

### Section 2B: Capacity Reservations with Pancaking Eliminated

|                       | Total               | P-DP                | CAP               | IP 230/345-kV       | IP 500-kV         | Multi-System      |
|-----------------------|---------------------|---------------------|-------------------|---------------------|-------------------|-------------------|
| FY 2009               | 4,445,947 kW        | 1,201,361 kW        | 275,000 kW        | 690,840 kW          | 962,000 kW        | 1,316,746 kW      |
| <b>5 Year Average</b> | <b>4,761,609 kW</b> | <b>2,140,119 kW</b> | <b>275,000 kW</b> | <b>1,181,141 kW</b> | <b>902,000 kW</b> | <b>263,349 kW</b> |

### Section 3: Calculate Power System and Multi-System Transmission Rates

|         | 20% Annual Convergence |               | \$1.15 /kW-Mo Target Rate |               |               |
|---------|------------------------|---------------|---------------------------|---------------|---------------|
|         | P-DP                   | CAP           | IP 230/345-kV             | IP 500-kV     | Multi-System  |
| FY 2004 | \$1.08 /kW-Mo          | \$0.82 /kW-Mo | \$1.00 /kW-Mo             | \$1.44 /kW-Mo | n/a           |
| FY 2005 | \$1.09 /kW-Mo          | \$0.89 /kW-Mo | \$1.03 /kW-Mo             | \$1.38 /kW-Mo | n/a           |
| FY 2006 | \$1.11 /kW-Mo          | \$0.95 /kW-Mo | \$1.06 /kW-Mo             | \$1.32 /kW-Mo | n/a           |
| FY 2007 | \$1.12 /kW-Mo          | \$1.02 /kW-Mo | \$1.09 /kW-Mo             | \$1.27 /kW-Mo | n/a           |
| FY 2008 | \$1.14 /kW-Mo          | \$1.08 /kW-Mo | \$1.12 /kW-Mo             | \$1.21 /kW-Mo | n/a           |
| FY 2009 | \$1.15 /kW-Mo          | \$1.15 /kW-Mo | \$1.15 /kW-Mo             | \$1.15 /kW-Mo | \$1.15 /kW-Mo |

### Section 4: Calculate Power System and Multi-System Transmission Revenue

|         | P-DP         | CAP         | IP 230/345-kV | IP 500-kV    | Multi-System | Total        |
|---------|--------------|-------------|---------------|--------------|--------------|--------------|
| FY 2005 | \$30,173,028 | \$2,923,800 | \$15,322,383  | \$12,637,008 | n/a          | \$61,056,219 |
| FY 2006 | \$31,831,488 | \$3,141,600 | \$16,698,307  | \$13,695,456 | n/a          | \$65,366,851 |
| FY 2007 | \$32,359,351 | \$3,359,400 | \$17,412,279  | \$14,614,704 | n/a          | \$67,745,734 |
| FY 2008 | \$32,763,122 | \$3,577,200 | \$17,891,516  | \$13,945,152 | n/a          | \$68,176,990 |
| FY 2009 | \$16,578,782 | \$3,795,000 | \$9,533,592   | \$13,275,600 | \$18,171,095 | \$61,354,069 |

### Section 5: Calculate Power System and Multi-System Transmission Revenue Allocation

|         | P-DP   | CAP   | IP     | Total   |
|---------|--------|-------|--------|---------|
| FY 2005 | 48.37% | 6.09% | 45.54% | 100.00% |
| FY 2006 | 48.02% | 5.54% | 46.44% | 100.00% |
| FY 2007 | 46.96% | 5.64% | 47.40% | 100.00% |
| FY 2008 | 47.00% | 5.58% | 47.42% | 100.00% |
| FY 2009 | 48.44% | 5.54% | 46.02% | 100.00% |

# CONVERGENCE RATE DESIGN METHODOLOGY - APPLY MSTR 5TH YEAR

## FIRM POINT-TO-POINT TRANSMISSION SERVICE

### Section 6: Comparison of Multi-System Transmission Revenue Allocation & Power System Revenue Requirements

|         | Parker-Davis Project |                     |                      | Intertie Project    |                     |                      |
|---------|----------------------|---------------------|----------------------|---------------------|---------------------|----------------------|
|         | Revenue Allocation   | Revenue Requirement | Over (Under) Collect | Revenue Allocation  | Revenue Requirement | Over (Under) Collect |
| FY 2005 | \$29,532,893         | \$29,786,901        | (\$254,008)          | \$27,805,002        | \$28,050,869        | (\$245,867)          |
| FY 2006 | \$31,389,162         | \$31,027,082        | \$362,080            | \$30,356,366        | \$30,003,332        | \$353,034            |
| FY 2007 | \$31,813,397         | \$31,148,038        | \$665,359            | \$32,111,478        | \$31,437,344        | \$674,134            |
| FY 2008 | \$32,043,185         | \$31,148,038        | \$895,147            | \$32,329,529        | \$31,426,671        | \$902,858            |
| FY 2009 | <u>\$29,719,911</u>  | <u>\$31,148,037</u> | <u>(\$1,428,126)</u> | <u>\$28,235,143</u> | <u>\$29,590,565</u> | <u>(\$1,355,422)</u> |
| Total   | \$154,498,548        | \$154,258,096       | \$240,452            | \$150,837,518       | \$150,508,781       | \$328,737            |

|         | Central Arizona Project |                     |                      | All Power Systems   |                     |                      |
|---------|-------------------------|---------------------|----------------------|---------------------|---------------------|----------------------|
|         | Revenue Allocation      | Revenue Requirement | Over (Under) Collect | Revenue Allocation  | Revenue Requirement | Over (Under) Collect |
| FY 2005 | \$3,718,324             | \$3,754,012         | (\$35,688)           | \$61,056,219        | \$61,591,782        | (\$535,563)          |
| FY 2006 | \$3,621,324             | \$3,578,651         | \$42,673             | \$65,366,852        | \$64,609,065        | \$757,787            |
| FY 2007 | \$3,820,859             | \$3,744,280         | \$76,579             | \$67,745,734        | \$66,329,662        | \$1,416,072          |
| FY 2008 | \$3,804,276             | \$3,701,292         | \$102,984            | \$68,176,990        | \$66,276,001        | \$1,900,989          |
| FY 2009 | <u>\$3,399,015</u>      | <u>\$3,565,003</u>  | <u>(\$165,988)</u>   | <u>\$61,354,069</u> | <u>\$64,303,605</u> | <u>(\$2,949,536)</u> |
| Total   | \$18,363,798            | \$18,343,238        | \$20,560             | \$323,699,864       | \$323,110,115       | \$589,749            |



**PACIFIC NORTHWEST-PACIFIC SOUTHWEST INTERTIE PROJECT**  
**ESTIMATED ANNUAL REVENUE REQUIREMENT - P-PT 10-Year**  
**Fiscal Year 2004 Power Repayment Study**

|                                       | FY 2004                        | FY 2005                        | FY 2006                        | FY 2007                        | FY 2008                        | FY 2009                        | FY 2010                        |
|---------------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| O&M Expenses                          | 5,453,567                      | 5,716,695                      | 6,196,786                      | 6,196,786                      | 6,196,786                      | 6,196,786                      | 6,196,786                      |
| Other Expenses                        | 990,466                        | 985,987                        | 981,507                        | 490,224                        | 485,746                        | 481,267                        | 476,789                        |
| Abandoned Plant Expense               | 401,082                        | 413,115                        | 425,508                        | 438,273                        | 451,422                        | 464,964                        | 478,913                        |
| Interest Expense                      |                                |                                |                                |                                |                                |                                |                                |
| Abandoned Plant Investment            | 787,565                        | 775,533                        | 763,140                        | 750,374                        | 737,226                        | 723,683                        | 709,735                        |
| Principal Payment                     | 19,389,519                     | 19,164,320                     | 18,893,390                     | 18,417,686                     | 17,815,644                     | 17,291,893                     | 17,289,818                     |
| Estimated Total Annual Gross Expenses | <u>1,925,831</u><br>28,948,030 | <u>4,513,946</u><br>31,569,596 | <u>6,261,729</u><br>33,522,059 | <u>8,662,728</u><br>34,956,071 | <u>9,258,575</u><br>34,945,398 | <u>7,950,698</u><br>33,109,292 | <u>7,957,251</u><br>33,109,292 |
| Estimated Total Annual Other Revenue  | 3,518,727                      | 3,518,727                      | 3,518,727                      | 3,518,727                      | 3,518,727                      | 3,518,727                      | 3,518,727                      |
| Estimated Annual Revenue Requirement  | 25,429,303                     | 28,050,869                     | 30,003,332                     | 31,437,344                     | 31,426,671                     | 29,590,565                     | 29,590,565                     |

**PARKER-DAVIS PROJECT ANNUAL TRANSMISSION REVENUE REQUIREMENT**  
**Fiscal Year 2004 Power Repayment Study**

|                                | FY05         | FY06         | FY07          | FY08          | FY09          |
|--------------------------------|--------------|--------------|---------------|---------------|---------------|
| Trans Expenses                 |              |              |               |               |               |
| O&M                            | \$19,641,196 | \$20,031,697 | \$21,013,252  | \$21,113,744  | \$21,206,656  |
| Other                          | \$1,658,975  | \$1,672,209  | \$1,694,822   | \$1,695,570   | \$1,700,200   |
| Principal and Interest Payment | \$16,181,257 | \$16,503,674 | \$18,215,038  | \$20,682,390  | \$23,185,329  |
| Other Trans Rev                | \$4,896,051  | \$4,895,492  | \$3,430,159   | \$3,426,651   | \$3,423,383   |
| Carry over                     | \$520,126    | \$1,033,597  | (\$3,026,312) | (\$5,598,413) | (\$8,202,161) |
| Transmission RR for MSTR       | \$33,105,504 | \$34,345,685 | \$34,466,640  | \$34,466,640  | \$34,466,640  |

# PARKER-DAVIS PROJECT

## MSTR REVENUE REQUIREMENT CONTRIBUTION

### Section 1: Transmission Revenue Requirement (via P-DP Cost Apportionment Study)

|                       |                     |
|-----------------------|---------------------|
| FY 2005               | \$33,105,504        |
| FY 2006               | \$34,345,685        |
| FY 2007               | \$34,466,641        |
| FY 2008               | \$34,466,641        |
| FY 2009               | \$34,466,640        |
| <b>5 Year Average</b> | <b>\$34,170,222</b> |

### Section 2: Transmission Component Charge for Statutory Use (via P-DP Rate Design)

|                       |                      |
|-----------------------|----------------------|
| FY 2005               | \$1.08 /kW-Mo        |
| FY 2006               | \$1.08 /kW-Mo        |
| FY 2007               | \$1.08 /kW-Mo        |
| FY 2008               | \$1.08 /kW-Mo        |
| FY 2009               | \$1.08 /kW-Mo        |
| <b>5 Year Average</b> | <b>\$1.08 /kW-Mo</b> |

### Section 3: Capacity Reservations for Statutory Use

|                       | <b>Total</b>      | <b>Priority Use<br/>Power</b> | <b>Firm Electric<br/>Service</b> |
|-----------------------|-------------------|-------------------------------|----------------------------------|
| FY 2005               | 256,065 kW        | 37,303 kW                     | 218,762 kW                       |
| FY 2006               | 256,065 kW        | 37,303 kW                     | 218,762 kW                       |
| FY 2007               | 256,065 kW        | 37,303 kW                     | 218,762 kW                       |
| FY 2008               | 256,065 kW        | 37,303 kW                     | 218,762 kW                       |
| FY 2009               | 256,065 kW        | 37,303 kW                     | 218,762 kW                       |
| <b>5 Year Average</b> | <b>256,065 kW</b> | <b>37,303 kW</b>              | <b>218,762 kW</b>                |

### Section 4: Calculate Transmission Component Revenue of Statutory Use

|         | <b>Total</b> | <b>Priority Use<br/>Power</b> | <b>Firm Electric<br/>Service</b> |
|---------|--------------|-------------------------------|----------------------------------|
| FY 2005 | \$3,318,603  | \$483,447                     | \$2,835,156                      |
| FY 2006 | \$3,318,603  | \$483,447                     | \$2,835,156                      |
| FY 2007 | \$3,318,603  | \$483,447                     | \$2,835,156                      |
| FY 2008 | \$3,318,603  | \$483,447                     | \$2,835,156                      |
| FY 2009 | \$3,318,603  | \$483,447                     | \$2,835,156                      |

### Section 5: Determine MSTR Revenue Requirement Contribution

|         | <b>[1]<br/>Transmission<br/>Revenue<br/>Requirement</b> | <b>[2]<br/>Transmission<br/>Component<br/>Revenue</b> | <b>[1] - [2]<br/>MSTR Revenue<br/>Requirement<br/>Contribution</b> |
|---------|---|---|--|
| FY 2005 | \$33,105,504  | \$3,318,603   | \$29,786,901   |
| FY 2006 | \$34,345,685  | \$3,318,603   | \$31,027,082   |
| FY 2007 | \$34,466,641  | \$3,318,603   | \$31,148,038   |
| FY 2008 | \$34,466,641  | \$3,318,603   | \$31,148,038   |
| FY 2009 | \$34,466,640  | \$3,318,603   | \$31,148,037   |

**CENTRAL ARIZONA PROJECT  
MSTR REVENUE REQUIREMENT CONTRIBUTION**

|   | FY 2005              | FY 2006              | FY 2007              | FY 2008              | FY 2009              |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b><u>AMORTIZATION COSTS</u></b>                          |                      |                      |                      |                      |                      |
| Principal & Interest                                      | \$6,572,074          | \$6,516,441          | \$6,460,808          | \$6,405,174          | \$6,336,702          |
| <b>TOTAL AMORTIZATION COSTS</b>                           | <b>\$6,572,074</b>   | <b>\$6,516,441</b>   | <b>\$6,460,808</b>   | <b>\$6,405,174</b>   | <b>\$6,336,702</b>   |
| <b><u>ESTIMATED OPERATION &amp; MAINTENANCE COSTS</u></b> |                      |                      |                      |                      |                      |
| WESTERN OPERATION & MAINTENANCE                           | \$1,741,566          | \$1,858,871          | \$2,396,277          | \$2,329,075          | \$2,004,308          |
| RECLAMATION OPERATION & MAINTENANCE                       | \$10,500             | \$10,500             | \$10,500             | \$10,500             | \$10,500             |
| OTHER WESTERN EXPENSES                                    |                      |                      |                      |                      |                      |
| Unfunded Civil Service Retirement Costs                   | \$36,832             | \$35,081             | \$33,331             | \$31,580             | \$29,830             |
| Capitalized Movable Equipment                             | \$1,246              | \$1,246              | \$1,246              | \$1,246              | \$1,246              |
| Warehouse Stores  | \$870                | \$870                | \$870                | \$870                | \$870                |
| <b>TOTAL OPERATION &amp; MAINTENANCE COSTS</b>            | <b>\$1,791,014</b>   | <b>\$1,906,568</b>   | <b>\$2,442,224</b>   | <b>\$2,373,272</b>   | <b>\$2,046,753</b>   |
| <b>TOTAL ANNUAL COSTS</b>                                 | <b>\$8,363,088</b>   | <b>\$8,423,009</b>   | <b>\$8,903,032</b>   | <b>\$8,778,446</b>   | <b>\$8,383,455</b>   |
| <b><u>REVENUE CREDITS</u></b>                             |                      |                      |                      |                      |                      |
| UNS Electric (formerly CUC)                               | (\$234,337)          | (\$234,337)          | (\$234,337)          | (\$234,337)          | (\$234,337)          |
| Central Arizona Water Conservation District               | (\$4,374,740)        | (\$4,610,021)        | (\$4,924,415)        | (\$4,842,817)        | (\$4,584,116)        |
| <b>TOTAL REVENUE CREDITS</b>                              | <b>(\$4,609,076)</b> | <b>(\$4,844,358)</b> | <b>(\$5,158,751)</b> | <b>(\$5,077,153)</b> | <b>(\$4,818,452)</b> |
| <b><u>NET CAP REVENUE REQUIREMENT CONTRIBUTION</u></b>    | <b>\$3,754,012</b>   | <b>\$3,578,651</b>   | <b>\$3,744,280</b>   | <b>\$3,701,292</b>   | <b>\$3,565,003</b>   |