



**United States
Department of Energy**

**WESTERN AREA
POWER ADMINISTRATION**

**Desert Southwest
Regional Office**

AGREEMENT

AGREEMENT NO. 18-DSR-12868

BETWEEN

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

AND

CONTRACTORS

FOR

JOINT PLANNING AGREEMENT

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Final Draft 11-9-18

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CONTRACTORS

FOR

JOINT PLANNING AGREEMENT

1. **PREAMBLE:** This Joint Planning Agreement No. 18-DSR-12868 (Agreement) made this ___ day of _____, 2018, 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) named on the signature page(s), attached hereto, hereinafter called Contractor(s), its successors and assignees; each sometimes individually called Party, and collectively called Parties.
2. **EXPLANATORY RECITALS:**
 - 2.1 The Joint Planning Agreement Principles Contract No. 95-DSR-10534 (JPA Principles) between WAPA and certain Parker-Davis Project (P-DP) and Pacific Northwest-Pacific Southwest Intertie Project (Intertie) customers became effective on December 1, 1995.

- 2.2 WAPA and certain P-DP and Intertie customers executed the Memorandum of Understanding Prepayment Funding Process for Construction, WAPA Agreement No. 10-DSR-12175 (MOU) dated September 29, 2010.
- 2.3 WAPA receives Prepayments from P-DP and Intertie customers for Long-Term Firm Point-to-Point transmission service on the DSW Transmission Systems. Prepayments fund Construction Projects on the DSW Transmission Systems.
- 2.4 Certain P-DP and Intertie customers requested that WAPA replace the JPA Principles with a successor agreement.
- 2.5 This Agreement applies to the DSW Transmission Systems.
- 2.6 The Parties have a vested interest in WAPA managing the DSW Transmission Systems in a responsible manner, and maintaining safe, secure, and reliable transmission service.
- 2.7 The Parties desire to memorialize a process for sharing information and collaborating on issues that materially impact the DSW Transmission Systems. The Parties acknowledge that the opportunities for collaboration and information sharing set forth under this Agreement are open to all customers of WAPA's Desert Southwest Region (DSW).

3. **GOALS AND OBJECTIVES:**

- 3.1 This Agreement will be used as a framework among the Parties to provide Contractors with pertinent Materials and opportunities for input and

recommendations regarding the following as it relates to the DSW Transmission Systems:

- i) Construction Projects.
- ii) RRADs.
- iii) Budget Formulation and Execution Review.
- iv) Transmission Planning.
- v) Rate Impact Assessments.

3.2 WAPA intends to continue the use of Prepayments for Construction Projects, which promotes reliable transmission service at the lowest rates consistent with sound business principles, as outlined in the MOU.

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

5. **TERMINATION OF PRIOR AGREEMENT(S)**: This Agreement supersedes the JPA Principles upon the effective date written in Section 1, herein. This Agreement does not modify or supersede the MOU.

6. **TERM OF AGREEMENT**:

6.1 This Agreement will become effective upon the date written in Section 1, herein, and execution by the Parties. Subject to prior termination as otherwise provided for herein, this Agreement will remain in effect until midnight September 30, 2028. This Agreement will automatically renew for additional ten (10) year terms after September 30, 2028, unless WAPA delivers written notice of its desire to terminate this Agreement to the Contractors on or before October 1, 2026, or at least twenty-four (24) months prior to the end of a successive ten (10) year term. Upon notification of desire to terminate, the Parties will negotiate in

good faith terms for Agreement revisions or a replacement agreement. If the Parties do not agree to revised terms or a replacement agreement on or before the termination date set forth in WAPA's notice of intention to terminate, then this Agreement will terminate as of that date.

6.2 A Contractor may terminate its participation in this Agreement with sixty (60) Days advance written notice to WAPA and subsequent notices to all other Contractors in accordance with Section 17, herein.

6.3 A Contractor that no longer has a contract or agreement with WAPA will, upon receipt of advanced written notice from WAPA, no longer be a Party to this Agreement.

6.4 In the event attendance, either in person or remotely, by the Authorized Representatives of the Contractors falls below twenty-five percent (25%), as measured by WAPA, for four (4) consecutive Quarterly TYP Meetings, as described in Attachment No 1, attached hereto, WAPA may terminate this Agreement by providing twelve (12) months advance written notice to the Contractors.

7. **DEFINITIONS:** All capitalized terms, whether singular or plural, when used herein and in the Attachments, will have the meaning specified below:

7.1 **Authorized Representative:** A representative of a Contractor or WAPA designated in accordance with Section 10, herein.

7.2 **Analysis of Alternatives (AOA):** The document(s) used by WAPA to examine options for replacing and adding segments of the DSW Transmission Systems, including the value(s) and cost(s) of various alternatives leading to

recommendations that help define Construction Projects that become part of the TYP.

- 7.3 Construction Project(s): New or large-scale replacement, upgrade or change of permanent structures or equipment related to the DSW Transmission Systems that are or will be capitalized by WAPA.
- 7.4 Contractor: An entity other than WAPA, Desert Southwest Region, with one (1) or more contracts or agreements with WAPA who has chosen to be Party to this Agreement.
- 7.5 Day: A calendar day.
- 7.6 Desert Southwest Region Transmission Systems (DSW Transmission Systems): All P-DP and the Intertie assets managed by WAPA.
- 7.7 Fiscal Year (FY): The twelve (12) month period so designated by Federal law. Until changed by Federal law, FY means 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.
- 7.8 Intertie: The southern portion of the Pacific Northwest-Pacific Southwest Intertie Project assets managed by WAPA consisting of a 345-kV transmission line from Mead Substation to Liberty Substation, a 230-kV line from Liberty Substation to Westwing Substation, a 230-kV line from Westwing Substation to Pinnacle Peak Substation, and two (2) 500-kV segments from Mead Substation to Perkins Substation and Mead Substation to Marketplace Substation and any changes or additions thereto.

- 7.9 Materials: Documents, data, studies, reports, records, printed booklets, presentations and/or other relevant information related to, but not limited to, transmission, construction, operations, maintenance, administrative, and power marketing functions associated with this Agreement.
- 7.10 Native American Tribe: A Federally recognized Indian Tribe.
- 7.11 Operation and Maintenance (O&M): WAPA's planned and/or unplanned operations and preventative and/or corrective maintenance activities on the DSW Transmission Systems.
- 7.12 Parker-Davis Project (P-DP): For the purpose of this Agreement, the Federally owned and managed transmission facilities integrated by the Parker-Davis Project Consolidation Act dated May 28, 1954 (68 Stat. 143), and any changes or additions thereto.
- 7.13 P-DP Priority Use Power or Project Use Power (PUP): The capacity and associated energy including ancillary services, transmission services, and control area responsibilities associated with P-DP generation for use on or by Bureau of Reclamation projects.
- 7.14 Prepayments: Payments made in advance for transmission service in accordance with the applicable transmission rate schedules on the DSW Transmission Systems.
- 7.15 Prepayment Funding Meeting: A meeting held for certain customers to vote on the use of Prepayments to fund Construction Projects as described in the MOU.

- 7.16 Purchased Power and Wheeling Expenses (PPW): Those purchased power and wheeling expenses associated with the operation of the DSW Transmission Systems.
- 7.17 Quarterly TYP Meetings: The four (4) primary TYP meetings described in Section 1 of Attachment No. 1, attached hereto.
- 7.18 Replacements, Retirements, Additions and Deletions (RRADs): Moveable property, software, and capitalized maintenance-related work, typically smaller than Construction Projects and normally, but not always, designed, built, and commissioned by WAPA's internal workforce.
- 7.19 10-Year Plan (TYP): The TYP is the result of the planning processes identified by this Agreement that provides planned Construction Projects for the DSW Transmission Systems.
- 7.20 Unobligated Balances: The amounts of budget authority that WAPA has not yet obligated by contract or other legally binding action.
- 7.21 WAPA HQ: The Headquarters of WAPA which oversees and supports the administration of the Desert Southwest Region, Rocky Mountain Region, Sierra Nevada Region, Upper Great Plains Region, and Colorado River Storage Project Management Center.
- 7.22 Work Plan(s): WAPA's estimates, projections, and/or related Materials associated with Construction Projects, RRADs, O&M and administrative expenses, PPW, and/or any other relevant budgeting activities connected to or impacting the DSW Transmission Systems. Work Plans may include DSW and/or WAPA HQ Materials.

8. **EXCHANGE OF INFORMATION:**

8.1 **10-Year Plan:** In connection with WAPA's development of the TYP for the DSW Transmission Systems, Contractors will have the opportunity to review, comment, and provide input on Construction Projects that are on-going or scheduled to be initiated within a ten (10) year planning period.

8.1.1 At meetings held by WAPA throughout the year, it will collaborate with Contractors to:

- i) Identify and formulate AOA studies.
- ii) Discuss current and planned Construction Project(s) costs, scope, and schedule.
- iii) Review and discuss current Construction Project(s) and related AOA hypothetical scenarios and potential rate impacts.
- iv) Document Contractor input, concerns, and recommendations.

8.1.2 **Process and Schedule:** Attachment No. 1, attached hereto, documents the TYP process and schedule.

8.1.3 **Information:** Prior to any meeting to discuss the TYP, or upon request by a Contractor, WAPA will share information and pertinent Materials with the Contractors; provided, information does not conflict with Section 19, herein. Contractors will provide feedback on TYP proposals and Materials in a manner that promotes the goals and objectives of this Agreement.

8.1.4 In WAPA's development of the TYP:

- i) WAPA will consult with Contractors on the options to be considered in AOAs for potential Construction Projects prior to performing studies.
- ii) Contractors will have an opportunity to submit comments on WAPA's proposed Construction Projects within thirty (30) Days after the meetings described in Attachment No. 1, attached hereto.
- iii) WAPA will respond in writing to comments received within thirty (30) Days after the associated comment due date.
- iv) WAPA will post comments, responses, and pertinent TYP Materials to WAPA's website.
- v) WAPA will consult with Contractors before reclassifying a Construction Project as RRADs.

8.2 RRADs: Contractors will have the opportunity to review, comment, and provide input on RRADs.

8.2.1 At meetings held by WAPA throughout the year, it will collaborate with Contractors to review and discuss:

- i) RRADs budget estimates.
- ii) RRADs-related Materials.
- iii) RRADs budget vs. actual cost.

8.2.2 In WAPA's development of RRADs:

- i) Contractors will have an opportunity to submit comments to RRADs within thirty (30) Days after the meetings described in Attachment No. 2, attached hereto.
- ii) WAPA will respond in writing to comments received within thirty (30) Days after the associated comment due date.
- iii) WAPA will post comments, responses, and pertinent RRADs Materials to WAPA's website.

8.2.3 Process and Schedule: Attachment No. 2, attached hereto, documents the RRADs process and schedule.

8.2.4 Information: Prior to any meeting to discuss RRADs projects, or upon request by a Contractor, WAPA will share information and pertinent Materials; provided, information does not conflict with Section 19, herein. Contractors will provide feedback on RRADs projects and Materials in a manner that promotes the goals and objectives of this Agreement.

8.2.5 For RRADs projects that have an estimated cost in excess of One Million Dollars (\$1,000,000), WAPA will provide more detailed information regarding scope and cost.

8.2.6 WAPA will administer the RRADs program in consultation with Contractors as described in Attachment No. 2, attached hereto.

8.3 Budget Review: Attachment No. 3, attached hereto, documents the process to review Work Plan reporting, budget versus actual reporting, and Unobligated Balances.

8.3.1 At meetings held by WAPA throughout the year, it will collaborate with Contractors to review and discuss:

- i) Actual costs. This will include at least three (3) years of actual costs.
- ii) Budget estimates. This will include the budget formulation year and three (3) additional forecasted years.
- iii) Unobligated Balances and cash flow forecasts.
- iv) Related rate impacts and hypothetical scenarios.

8.3.2 In WAPA's development of budgets:

- i) Contractors will have an opportunity to provide written comments on budgets.
- ii) Contractors will have an opportunity to submit comments on budgets within thirty (30) Days after the meetings described in Attachment No. 3, attached hereto.
- iii) WAPA will respond in writing to comments received within thirty (30) Days after the associated comment due date.
- iv) WAPA will post comments, responses, and pertinent budget Materials to WAPA's website.

8.4 Transmission Planning: WAPA provides transmission service under: 1) an Open Access Transmission Service Tariff (OATT); 2) Federal transmission agreements; 3) Federal Electric Service agreements; and 4) grandfathered agreements. Attachment No. 4, attached hereto, documents additions to the transmission planning process intended to supplement the OATT process.

8.4.1 At meetings held by WAPA throughout the year, it will collaborate with Contractors to review and discuss:

- i) The development of transmission study groups.
- ii) Transmission study results.
- iii) Potential new projects and impacts.

8.5 Emergencies: For emergency responses with an estimated cost in excess of One Million Dollars (\$1,000,000), WAPA will provide the Contractors details of the emergency, estimated costs, impacts (if any) to the DSW Transmission Systems, and anticipated source(s) of funding in a timely fashion.

9. COMMITTEES: At the election of the Parties, one (1) or more groups or committees may be formed to perform certain functions under this Agreement.

10. AUTHORIZED REPRESENTATIVES: Each Contractor, by written notice to WAPA, will designate the representative(s) who is (are) authorized to act on its behalf with respect to those matters contained herein and pursuant to this Agreement. WAPA will also designate an Authorized Representative. If a Contractor designates more than one (1) Authorized Representative, the written notice will state the particular matter(s) upon which each designated representative is authorized to act. A Contractor may change the designation of its Authorized Representative(s) upon notice given to WAPA and confirmed promptly by written notice in accordance with Section 17, herein.

11. APPLICABLE LAWS, MODIFICATIONS, EXTENSIONS, AND WAIVERS:

11.1 Applicable Laws: Any reference in this Agreement to any Federal act, statute, or regulation will 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 Agreement, unless specifically noted otherwise; provided, that nothing in this Agreement is intended to limit the sovereign authority of Congress. In the event that a change in law materially impairs any obligation, benefit, or interest of any Party under this Agreement, the Parties will promptly meet and consult in good faith regarding possible changes to the Agreement to address the impact of the change in law. The obligations, benefits, or interests contained herein are cumulative and in addition to, not exclusive of or in substitution for, any other obligations, benefits, or interests that a Party may otherwise have.

- 11.2 Modifications, Extensions, and Waivers: Any modification, extension, or waiver of any provision or requirement of this Agreement will be made in writing. Any modification, extension, or waiver granted for the benefit of a Party will not be denied to any other Party, provided that any Federal obligations, resulting from the unique constitutional and political status of Native American Tribes, will remain exclusive to any Party that is a Native American Tribe.
12. **RELATIONSHIP TO CONTRACTOR AGREEMENTS**: Nothing in this Agreement supersedes, pre-empts, or otherwise modifies any existing agreement(s) or contract(s) between WAPA and the Contractor. In the event of a conflict between this Agreement and existing agreement(s) or contract(s) between WAPA and the Contractor, the existing agreement(s) or contract(s) will govern.
13. **PARKER-DAVIS PROJECT PRIORITY USE POWER (PUP)**: Nothing in this Agreement will supersede, pre-empt, or modify the statutory priority of PUP and its related projects, or any existing obligation to provide the same.

14. **SOVEREIGN IMMUNITY**: Nothing in this Agreement or in any current or future schedule, attachment, exhibit, amendment, or addendum is intended to be or will be construed as a waiver of any Native American Tribe's sovereign immunity. The Parties understand and agree that neither this Agreement nor any underlying law or procedure will confer jurisdiction of any state or Federal court over any Native American Tribe for claims under this Agreement.
15. **LIMITATIONS ON WHAT PARTIES ARE OBLIGATED TO PROVIDE**: This Agreement does not create any obligation for any Party to provide transmission transfer capacity or power supply, or for WAPA to provide individual Contractor planning services. The extent of such obligations are set forth in transmission or joint participation contracts between WAPA and any Contractor or group of Contractors, and/or are pursuant to Bureau of Reclamation projects for PUP.
16. **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 1 through 4 are attached hereto, and each is incorporated into this Agreement in accordance with its respective terms until superseded by a subsequent attachment. WAPA or any Contractor may propose revisions to the attachments. A Contractor proposing revisions will forward the proposal to WAPA. WAPA will distribute any proposed revisions received by a Contractor or desired by WAPA to all Contractors. The Contractors will have an opportunity to meet and discuss the revisions, and offer written comments 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 prior to the addition of a new attachment. WAPA will document changes, additions, or modifications in revised attachments and distribute the attachments in accordance with Section 17, herein. In the event of a conflict between an attachment and the Agreement, the Agreement shall control.

17. **NOTICES**: Any notice, demand, or request authorized in connection with this Agreement must be in writing and will be deemed properly served or given if delivered in person, sent by certified or first class mail (postage prepaid), email, or fax to an Authorized Representative.
18. **EFFECT OF SECTION HEADINGS**: Section headings or titles appearing in this Agreement are inserted for convenience only and will not be construed as interpretations of text.
19. **ACCESS TO MATERIALS AND MEETINGS**:
 - 19.1 The Contractor may request, and WAPA will provide, applicable portions of all WAPA Materials associated with this Agreement subject to limitations described herein, Federal laws, regulations, and WAPA's retention policies. Information sharing under this Agreement will not violate confidentiality limitations, restrictions on proprietary information, or compel the Parties to be a conduit to sensitive materials or arrangements with third parties or Native American Tribes. In the event WAPA is not able to provide Materials requested by a Contractor, WAPA will generally reference by category the Materials not provided and the associated limitation(s).
 - 19.2 The Parties may participate in meetings conducted under this Agreement either in person or remotely.

20. **AMENDMENTS AND MODIFICATIONS:** Except for the revision of attachments under Section 16, herein, this Agreement may be amended or modified only by mutual written agreement duly executed by the Parties.
21. **INCORPORATION OF THE PREAMBLE, EXPLANATORY RECITALS, AND GOALS AND OBJECTIVES:** The Preamble, Explanatory Recitals, and the Goals and Objectives referenced herein are hereby fully incorporated by this reference, and are considered a material part of this Agreement.
22. **EXHIBITS:** Exhibits may be added, as required, and will be made a part of this Agreement by mutual written agreement by the Parties.
23. **CONTINUED COOPERATION:** The Parties will work together in a collaborative, good faith manner to accommodate changes in circumstances during the term of this Agreement. Nothing in this Agreement limits WAPA or Native American Tribes from engaging in government-to-government consultations.
24. **EXECUTION BY COUNTERPARTS:** This Agreement may be executed in any number of counterparts and, upon execution and delivery by each Party, the executed and delivered counterparts together will 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.

25. **AUTHORITY TO EXECUTE**: Each individual signing this Agreement certifies that the Party represented has duly authorized such individual to execute, bind, and obligate the Party.

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The Parties agree this Agreement No. 18-DSR-12868 has been executed by duly Authorized Representatives of the Contractor and WAPA and is to be effective in accordance with Section 1, herein.

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

Date _____

By _____
Name

Title Vice President of Power Marketing

Address for Desert Southwest Region

P.O. Box 6457

Phoenix, AZ 85005-6457

Final Draft 18-12868

The Parties agree this Agreement No. 18-DSR-12868 has been executed by duly Authorized Representatives of the Contractor and WAPA is to be effective in accordance with Section 1, herein.

(SEAL)

NAME OF ORGANIZATION

ATTEST

By _____

By _____

Signatory Name

Title _____

Date _____

Printed Signatory Name

Title _____

Address _____

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10-YEAR PLAN PROCESS AND SCHEDULE

This Attachment No. 1 documents the TYP process and schedule for Contractor participation, discussions, contributions, and input on proposed Construction Projects and AOA studies.

Contractor input is solicited and considered by WAPA through scheduled Quarterly TYP Meetings that have a focus on current and proposed Construction Projects and proposed or updates on AOA studies. Optional supplemental meetings may be scheduled to further assess proposed Construction Projects or related activities. WAPA will review, consult, and modify AOAs for proposed Construction Projects prior to performing AOA studies. Temporary deviations in this process and schedule may result from Contractor requests or changing system conditions.

1. TYP PROCESS:

1.1 On an annual basis, WAPA conducts four (4) primary TYP meetings to facilitate Contractor involvement. Additional coordination meetings with Contractors are scheduled as needed to facilitate TYP development. At any time, Contractors may submit requests for potential Construction Projects to WAPA. These requests serve as a foundation to establish AOAs. AOAs are proposed and reevaluated with Contractor input. The four (4) primary TYP meetings generally consist of:

1.1.1 1st Quarter – TYP Active Projects Update Meeting:

1.1.1.1 In this meeting, typically held in March, WAPA will provide Contractors with updates on costs, budgets, and schedules for active Construction Projects, and the development of refined

scope, schedules and cost estimates of partially funded

Construction Projects, referred to as seed funded projects.

1.1.1.2 Recommended alternatives for the previous calendar year's AOA studies are presented and discussed with the Contractors.

1.1.1.3 Recommended alternatives from AOA studies are evaluated with Contractors' input.

1.1.2 2nd Quarter – TYP Draft Plan Meeting:

1.1.2.1 In this meeting, typically held in June, WAPA will:

- i. Provide Contractors with a draft TYP that includes Materials related to Construction Projects and rate analysis.
- ii. Propose the use of Prepayments for Construction Projects that will be voted on at the Prepayment Funding Meeting held during the 4th quarter.
- iii. Provide, and review in detail, the development of refined scope, schedules, and cost estimates of partially funded Construction Projects, referred to as seed funded projects.

1.1.2.2 The previous year's AOA studies have typically been completed prior to this meeting. New AOA studies (if any) are proposed by WAPA or the Contractors.

1.1.3 3rd Quarter – TYP Formal Plan Meeting:

1.1.3.1 In this meeting, typically held in September, WAPA provides Contractors with the final TYP that includes the planned use of

Prepayments for Construction Projects and rate analysis. Final revisions to planned uses of Prepayments for Construction Projects will be voted on at the Prepayment Funding Meeting held during the 4th quarter, and the development of refined scope, schedules, and cost estimates of partially funded Construction Projects, referred to as seed funded projects, will be reviewed and discussed in detail.

1.1.3.2 In-progress AOA studies and proposed alternatives will be discussed with the Contractors.

1.1.4 4th Quarter – Prepayment Funding Meeting:

1.1.4.1 In this meeting, typically held in December, customers under the MOU will vote on the use of Prepayments for Construction Projects.

1.1.4.2 WAPA will provide information on appropriations available for Construction Projects.

1.1.4.3 WAPA will provide an update and discuss in-progress AOA studies.

2. **TYP MEETING PROCEDURES:**

- 2.1 WAPA will provide notice of the date and location of the meeting at least twenty-eight (28) Days in advance.
- 2.2 WAPA will distribute any Materials fourteen (14) Days prior to the meeting.
- 2.3 Procedures for the Prepayment Funding Meeting are described in the MOU.

3. This Attachment No. 1 to Agreement No. 18-DSR-12868 (Agreement) may be modified in accordance with Section 16 of the Agreement.

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**REPLACEMENTS, RETIREMENTS, ADDITIONS
AND DELETIONS PROCESS AND SCHEDULE**

This Attachment No. 2 documents RRADs collaboration and information sharing opportunities with Contractors to be coordinated by WAPA on an annual basis.

1. **RRADs PROCESS AND SCHEDULE:**

1.1 WAPA conducts TYP meetings as described in Attachment No. 1, attached hereto; a Work Plan meeting and Budget Versus Actual meeting as described in Attachment No. 3, also attached hereto. RRADs information will be shared and discussed with the Contractors at the following meetings:

1.1.1 2nd Quarter – Work Plan Meeting: Present and discuss RRADs budget estimates.

1.1.2 2nd Quarter – TYP Draft Plan Meeting: Present and discuss Materials related to RRADs budget formulation with a comparison to three (3) years of actuals.

1.1.3 4th Quarter – Budget Versus Actual Reporting Meeting: Present and discuss RRADs budget versus actual costs.

2. Additional meetings may be scheduled, as needed, if WAPA and/or Contractors desire further discussions.

3. This Attachment No. 2 to Agreement No. 18-DSR-12868 (Agreement) may be modified in accordance with Section 16 of the Agreement.

BUDGET REVIEW

This Attachment No. 3 documents the budget collaboration and information sharing opportunities with Contractors to be coordinated by WAPA on an annual basis.

1. **WORK PLAN REPORTING:**

1.1 **Schedule:** The Work Plan meeting will be held each year, typically held in April or May.

1.2 **Reporting:**

1.2.1 WAPA will report and discuss the prior three (3) FYs of actual costs and budget submissions and/budget estimates through the budget formulation year and the next three (3) out-years.

1.2.2 The following table contains budget information to be reported and discussed with Contractors on WAPA HQ, WAPA HQ for DSW Transmission Systems, and DSW Transmission Systems:

| Description | WAPA HQ | WAPA HQ For DSW Transmission Systems | DSW Transmission Systems |
|---|----------|---|--------------------------------|
| O&M / General & Administrative | X | X | X |
| RRADs | X | X | X |
| Indirect/Direct Charge/Allocation Information | X | X | X |
| Organization Information | X | X | |
| Budget Activity Information | | | X |
| PPW | | | X |
| Construction Projects | | | X |

| Description | WAPA HQ | WAPA HQ For DSW Transmission Systems | DSW Transmission Systems |
|---------------|---------|---|--------------------------------|
| Rate Analysis | | | X |

2. **BUDGET VERSUS ACTUAL REPORTING:**

2.1 Schedule: The Budget Versus Actual meeting will be held each year, typically held in November or December.

2.2 Reporting:

2.2.1 WAPA will report and discuss the prior three (3) FYs of actual costs including the most recent FY end, the budget submission and the budget for the most recent FY end.

2.2.2 The following table contains budget information to be reported and discussed with Contractors on WAPA HQ, WAPA HQ for DSW Transmission Systems, and DSW Transmission Systems:

| Description | WAPA HQ | WAPA HQ For DSW Transmission Systems | DSW Transmission Systems |
|---|---------|---|--------------------------------|
| O&M / General & Administrative | X | X | X |
| RRADs | X | X | X |
| Indirect/Direct Charge/Allocation Information | X | X | X |
| Organization Information | X | X | |
| Budget Activity Information | | | X |
| PPW | | | X |

| Description | WAPA HQ | WAPA HQ For DSW Transmission Systems | DSW Transmission Systems |
|--------------------------------|---------|---|--------------------------------|
| Construction Projects | | | X |
| Cash Flow/Unobligated Balances | | | X |

3. **UNOBLIGATED BALANCES:**

- 3.1 **Schedule:** WAPA will consult with the Contractors at the Work Plan meeting and Budget Versus Actual meeting on the development of a DSW Transmission Systems-specific Unobligated Balance strategy and the current status.
- 3.2 **Reporting:** Report and discuss the following items for the DSW Transmission Systems:
 - 3.2.1 Unobligated Balances as of the end of the previous FY.
 - 3.2.2 Five (5) Year Cash Flow Forecast.
 - 3.2.3 Allowed Unobligated Balances in accordance with the current strategy.
 - 3.2.4 Construction Projects committed to using Unobligated Balances.

4. **MEETING PROCEDURES:**

- 4.1 WAPA shall provide notice of the date and location of the meeting at least twenty-eight (28) Days in advance.
- 4.2 WAPA will distribute any Materials fourteen (14) Days prior to the meeting.
- 4.3 Additional meetings, may be scheduled, as needed, if WAPA and/or Contractors desire further discussions.

5. This Attachment No. 3 to Agreement No. 18-DSR-12868 (Agreement) may be modified in accordance with Section 16 of the Agreement.

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TRANSMISSION PLANNING PROCESS AND SCHEDULE

WAPA's planning process is described in Attachment P to its OATT. Opportunities for Contractor participation in WAPA's transmission planning is described in Attachment P, as posted on WAPA's Open Access Same Time Information System.

1. **LOCAL TRANSMISSION PLANNING:** In addition to the planning process described in Attachment P of the OATT, WAPA's Contractors may submit requests to WAPA to conduct studies which address local or regional transmission system needs. To be considered, a study request should be directly attributable to load projections intended to be served by DSW Transmission Systems. WAPA and its interested customers will jointly consult and evaluate those requests and determine whether one (1) or more study groups should be formed to: 1) further an open dialog on local system needs pertaining to load growth and/or new interconnects; 2) determine whether those needs have the potential to impact the high-voltage transmission system in the southwest; and 3) define the scope of and cost responsibility for any additional study efforts that may be carried out to address the identified issues.
2. Study groups will be formed during, or soon thereafter, WAPA's 1st Quarter meeting and will be open to all Contractors and interested parties. Study group results will be reviewed and discussed during WAPA's 4th Quarter meeting.
3. This Attachment No. 4 to Agreement No. 18-DSR-12868 (Agreement) may be modified in accordance with Section 16 of the Agreement.