

AGREEMENT NO. XX-DSR-XXXXX

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

CONTRACTORS

FOR

JOINT PLANNING AGREEMENT

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Draft 9-28-18

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

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CONTRACTORS

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JOINT PLANNING AGREEMENT

1. **PREAMBLE:** This Joint Planning Agreement No. XX-DSR-XXXXX (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) or a duly authorized representative, 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 the 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 payment in advance (Prepayments) from P-DP and Intertie customers for Long-Term Firm Point-to-Point transmission service on the DSW Transmission Systems. Prepayments provide funds for Construction Projects on the DSW Transmission Systems, and it is mutually beneficial to the Parties to continue to utilize Prepayments for this purpose.
- 2.4 Certain P-DP and Intertie customers requested that WAPA replace the MOU with a successor agreement to the JPA Principles. Exhibit A, attached hereto, expands upon the current customer input processes related to Prepayments contained in the MOU.
- 2.5 This Agreement applies to the DSW Transmission Systems as that term is defined in Section 7, herein.
- 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 acknowledge that WAPA has the responsibility for final decisions on the use of Prepayments for construction funding.
- 2.8 The Parties desire to memorialize a process for sharing 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 DSW customers, except for voting and meetings discussing confidential or proprietary information.

3. **GOALS AND OBJECTIVES:**

3.1 This Agreement shall be used as a framework among the Parties to accomplish the following purpose and objectives as it relates to the DSW Transmission Systems.

3.1.1 WAPA will provide the Contractors with pertinent Materials and opportunities for input and recommendations regarding the following:

- i) Construction Projects
- ii) RRADs
- iii) Budget Review

3.1.2 WAPA will continue the use of Prepayments for Construction Projects, which promotes reliable transmission service at the lowest rates consistent with sound business principles.

3.1.3 WAPA will provide eligible Contractors an opportunity to vote on the use of Prepayments for Construction Projects. Eligible Contractors may also be referred to as Participants upon execution of Exhibit A, attached hereto.

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

5. **TERMINATION OF PRIOR AGREEMENT(S):**

5.1 This Agreement supersedes the JPA Principles upon the effective date written in Section 1 herein.

5.2 Exhibit A, attached hereto, shall supersede the MOU upon affirmative vote of the majority of signatories to the MOU for termination in accordance with Section 11 of the MOU. The Parties acknowledge that this Agreement does not alter,

change, or revise determinations made by WAPA for the use of Prepayments for Construction Projects in accordance with the MOU.

6. **TERM OF AGREEMENT:**

6.1 This Agreement shall become effective upon execution by the Parties, and subject to prior termination as otherwise provided for herein, shall 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 has delivered written notice to the Parties on or before October 1, 2026, or at least twenty-four (24) months prior to the end of a successive ten (10) year term, of its desire to terminate this Agreement.

6.2 Exhibit A, attached hereto, shall become effective upon termination of the MOU in accordance with Section 11 of the MOU and Section 5.2 herein. Any Participant may terminate its participation in Exhibit A, pursuant to Section 12 of Exhibit A, attached hereto.

6.3 Any Contractor may terminate its participation in this Agreement with sixty (60) Days advance written notice to WAPA and subsequent notices to all the existing Parties in accordance with Section 17.

6.4 If a Contractor no longer has a contract or agreement with WAPA, with advanced written notice by WAPA, such Contractor will no longer be a Party to this Agreement.

6.5 In the event attendance, either in person or remotely, by the Authorized Representatives falls below twenty-five percent (25%), as measured by WAPA, for three (3) consecutive meetings outlined in the attachments, WAPA may

terminate this Agreement by providing twelve (12) months advance written notice to the Parties.

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

7.1 Authorized Representative: A representative of a Party 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 became part of the TYP.

7.3 Approved Project: A Construction Project or design of a Construction Project funded partially or in whole by Prepayments and approved by the Participants.

7.4 Construction Project(s): New or large-scale replacement of permanent structures or equipment related to the DSW Transmission Systems that are or will be capitalized by WAPA.

7.5 Contractor: An entity with one (1) or more contracts or agreements with WAPA who has chosen to be Party to this Agreement.

7.6 Day: A calendar day.

7.7 Desert Southwest Region Transmission Systems (DSW Transmission Systems): All Parker-Davis Project and the Intertie assets managed by WAPA.

7.8 Fiscal Year (FY): The twelve (12) month period so designated by Federal law. Until changed by Federal law, Fiscal Year 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.

- 7.9 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.
- 7.10 Materials: Documents, data, studies, reports and/or records including, but not limited to, transmission, construction, operations, maintenance, administrative, and power marketing functions associated with this Agreement.
- 7.11 Native American Tribe: Federally recognized Indian tribe.
- 7.12 Operation and Maintenance (O&M): WAPA's planned or unplanned operations and preventative and/or corrective maintenance activities on the DSW Transmission Systems.
- 7.13 Parker-Davis Project (P-DP): For the purpose of this JPA, 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.
- 7.14 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 Federal Reclamation projects.

- 7.15 Participant: An eligible Contractor whose authorized representative has signed Exhibit A, attached hereto.
- 7.16 Prepayments: Payments made in advance for transmission service in accordance with the applicable transmission rate schedules on the DSW Transmission Systems.
- 7.17 Prepayment Funding Meeting: A meeting held for the Participants to vote on the use of Prepayments to fund Construction Projects or design of Construction Projects.
- 7.18 Purchased Power and Wheeling Expenses (PPW): Those purchased power and wheeling expenses associated with the operation of the DSW Transmission Systems.
- 7.19 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.
- 7.20 10-Year Plan (TYP): The TYP is the result of the planning processes identified by this Agreement that provides for the planned Construction Projects for the DSW Transmission Systems.
- 7.21 Unobligated Balances: The amounts of budget authority that WAPA has not yet obligated by contract or other legally binding action.

7.22 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.

7.23 Work Plan(s): WAPA 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 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, WAPA will allow Contractors the opportunity to review, comment, and provide input into Construction Projects that are scheduled to be initiated within a ten (10) year planning period. WAPA shall hold meetings throughout the year to provide for the following:

- i) Identify and formulate AOA studies.
- ii) Share Construction Project costs, scope, and schedule.
- iii) Review related hypothetical scenarios and potential rate impacts.
- iv) Collaborate, obtain input, and document customer comments.

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

8.1.2 Information: Prior to any meeting to discuss the TYP, or upon request by a Contractor, WAPA will share information and

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.

8.1.3 In its development of the TYP, WAPA shall:

- i) Consult with Contractors on the options to be considered in AOA's for potential Construction Projects prior to performing studies.
- ii) Provide Contractors an opportunity to submit comments to WAPA's proposed Construction Projects.
- iii) Document comments received and provide written responses.
- iv) Consult with the Contractors before reclassifying a Construction Project as RRADs.

8.2 RRADs: Contractors will have the opportunity to review, comment, and provide input on RRADs. WAPA shall hold meetings throughout the year to provide for the following:

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

8.2.1 In its development of RRADs, WAPA shall:

- i) Provide Contractors an opportunity to submit comments on RRADs.

- ii) Document comments received and provide written responses.

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

8.2.3 Information: Prior to any meeting to discuss RRADs projects, or upon request by a Contractor, WAPA will share information and related 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.

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

8.2.5 WAPA will facilitate 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. WAPA shall hold meetings throughout the year to share the following:

- i) Actual costs.
- ii) Budget estimates.
- iii) Unobligated Balances and cash flow forecasts.
- iv) Related rate impacts and hypothetical scenarios.

8.3.1 In its development of budgets, WAPA shall:

- i) Provide Contractors an opportunity to submit comments to budgets.
- ii) Document comments received and provide written responses.

8.4 **Transmission Planning**: WAPA provides transmission service under an Open Access Transmission Service Tariff (OATT). Attachment No. 4, attached hereto, documents additions to the transmission planning process.

WAPA shall hold meetings throughout the year to provide for the following:

- i) To discuss and develop transmission study groups.
- ii) Review transmission study results.

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

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, shall designate the representative(s) who is (are) authorized to act on its behalf with respect to those matters contained herein and pursuant to Exhibit A, attached hereto. WAPA shall also designate an Authorized Representative. If a Contractor designates more than one (1) Authorized Representative, the notice shall 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.

The Authorized Representatives are listed in Attachment No. 5, hereto.

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

11.1 **Applicable Laws:** Any reference in this Agreement 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 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 shall 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 shall be made in writing. Any modification, extension, or waiver granted for the benefit of a Party shall not be denied to any other Party, provided that any Federal obligations, resulting from the unique constitutional and political status of Native American Tribes, shall remain exclusive to any Party that is a Federally recognized Native American Tribe.

12. **RELATIONSHIP TO CONTRACTOR AGREEMENTS:** Nothing in this Agreement supersedes, pre-empts, or otherwise modifies any existing Contractor-specific agreements

or contracts. In the event of a conflict between this Agreement and existing Contractor-specific agreements or contracts, the Contractor-specific agreement will govern.

13. **PARKER-DAVIS PROJECT PRIORITY USE POWER (PUP)**: Nothing in this Agreement shall 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 schedules, attachments, exhibits, amendments, or addenda is intended to be or shall 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 shall confer jurisdiction on 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, power supply, or individual Contractor planning services for WAPA resources. 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 5 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 a Contractor(s) 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 prior to the addition of a new attachment. Changes, additions, or modifications to the attachments shall be reflected in new or revised attachments and will be established by WAPA and distributed in accordance with Section 17 herein.

17. **NOTICES**: Any notice, demand, or request authorized in connection with this Agreement must be in writing and shall be deemed properly served or given if delivered in person, sent by certified or first class mail (postage prepaid), email, or fax to the Authorized Representatives listed on Attachment No. 5, hereto.
18. **EFFECT OF SECTION HEADINGS**: Section headings or titles appearing in the Agreement are inserted for convenience only and shall not be construed as interpretations of text.
19. **ACCESS TO MATERIALS**: The Contractor may request, and WAPA shall 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 shall not violate confidentiality limitations, restrictions on proprietary information, or compel WAPA to be a conduit to sensitive materials or arrangements with third parties.
20. **AMENDMENTS AND MODIFICATIONS**: 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**: Certain requirements or provisions of this Agreement that may change during the term hereof are set forth in Exhibits. The initial Exhibit A is attached hereto and made a part hereof, and shall be in force and effect in accordance with its respective provisions until superseded by a subsequent revised exhibit executed by each Party's Authorized Representative(s). Each superseding exhibit shall be attached to and become part of this Agreement. New exhibits may be added, as required, and shall 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 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.
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.

The Parties agree this Agreement No. XX-DSR-XXXXXX 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 _____

Address for Desert Southwest Region

P.O. Box 6457

Phoenix, AZ 85005-6457

Draft 9-20-18

The Parties agree this Agreement No. XX-DSR-XXXXXX has been executed by duly authorized representatives of the Contractor and is to be effective in accordance with Section 1, herein.

(SEAL)

NAME OF ORGANIZATION

ATTEST

By _____

By _____

Customer Name

Title _____

Title _____

Date _____

Address _____

Draft 9-28-18

PROCESS FOR THE USE OF PREPAYMENTS FOR CONSTRUCTION FUNDING

1. This Exhibit A, under and as part of Agreement No. XX-DSR-XXXXX (Agreement), shall become effective on this ____ day of _____, 2018, and shall remain in effect until superseded by another Exhibit A; provided, this Exhibit A, or any superseding Exhibit A, shall terminate in accordance with Section 12, herein.
2. **ELIGIBILITY:**
 - 2.1 Those Contractors seeking to be a Participant to this Exhibit A must have one (1) or more contracts with WAPA for firm point-to-point or network transmission service on the DSW Transmission Systems of one (1) year or longer in duration. This includes Contractors that have contracts with WAPA for Priority Use Power or firm electric service from federal hydropower that includes payment for transmission service on the DSW Transmission Systems. The Contractor must be taking transmission service under the contract and not be in default of payment obligations to WAPA at the time a vote is conducted.
 - 2.2 After the Agreement has taken effect, future eligible Contractors will be required to execute this Exhibit A to participate in the Prepayment funding process described in this Exhibit A. Pursuant to Section 10 of the Agreement and as documented in Attachment No. 5, attached hereto, signatories to this Exhibit A shall designate an Authorized Representative and an alternate to participate in the Prepayment funding process.

3. **COORDINATION WITH THE TYP PROCESS:**

- 3.1 WAPA will develop a TYP through the collaborative processes described in this Agreement.
- 3.2 WAPA will use appropriations from Congress to fund its construction activities whenever available. WAPA may seek Participant approval to fund Construction Projects identified in the TYP and the design of such Construction Projects with Prepayments whenever appropriations are estimated to be insufficient.
- 3.3 Any Construction Project that is not included in the TYP, other than those performed pursuant to Section 6 and Section 7 herein, shall satisfy at least one (1) of the following criteria:
- 3.3.1 The anticipated annual revenue received from the Construction Project meets or exceeds its total annual costs.
- 3.3.2 The Participants have approved the Construction Project for prepayment funding.
- 3.4 In accordance with Attachment No. 1, attached hereto, and Section 4, herein, WAPA will hold an annual Prepayment Funding Meeting to seek Participant approval to fund projects in the TYP with Prepayments.
- 3.5 WAPA may hold supplemental Prepayment Funding Meetings at other times, as deemed necessary by WAPA, to seek the use of Prepayments for Construction Projects not previously included in the TYP or approved for funding with Prepayments.

4. **PREPAYMENT FUNDING MEETING PROCEDURES:**

4.1 The Prepayment Funding Meeting will be hosted by WAPA. WAPA shall provide the Participants notice of the date and location of the Prepayment Funding Meeting at least twenty-eight (28) Days in advance.

4.2 WAPA will distribute any Materials to the Participants at least fourteen (14) Days prior to the meeting.

5. **VOTING PROCESS:**

5.1 Each Participant will have one (1) vote. Voting will be in the form of voice or show of hands during the meeting, or by email to the person designated by WAPA to receive such votes, or by proxy on a form to be determined by WAPA. Only those votes received prior to or during the meeting will be counted.

5.2 Participant approval for the portion of each Construction Project or design of Construction Projects to be funded by Prepayments requires an affirmative vote of greater than fifty (50) percent of those Participants that vote.

5.3 Approved Projects are not subject to re-voting in subsequent years except for consideration of additional Prepayment funding when required in accordance with Section 9, herein.

5.4 If WAPA chooses to pursue a Construction Project that Participants do not approve to fund with Prepayments, WAPA shall find other sources to fund the Construction Project other than using Prepayments or move the Construction Project to a later FY for reconsideration.

6. **EMERGENCY EXCEPTION:** WAPA may use any available sources of funding including Prepayments without prior Contractor notification to mitigate emergency conditions for the safety and reliability of the DSW Transmission Systems.
7. **RELIABILITY EXCEPTION:** WAPA may use any available sources of funding including Prepayments for Construction Projects deemed necessary to comply with reliability standards as determined by WAPA.
8. **PROJECT REPORTS:** Prior to a Prepayment Funding Meeting, WAPA shall prepare and distribute to Participants a report on the use of Prepayments for Approved Projects that are in progress or completed since the prior meeting. The report shall include project status, the use of Prepayments to date, and actual or estimated changes to the amount of Prepayments that will be used for the Approved Project.
9. **PREPAYMENT PROGRAM EXECUTION:** Projects are approved for Prepayment funding with an estimated cost to be covered by Prepayments as provided by WAPA. WAPA will manage Prepayment funding of Approved Projects within the following limitations:
 - 9.1 No further Participant approval is required for Approved Projects that exceed the cost to be covered by Prepayments by not more than ten (10) percent.
 - 9.2 For Approved Projects that exceed the cost to be covered by Prepayments by not more than twenty-five (25) percent, WAPA may use Prepayment funds from other projects that are completed or anticipated to be completed below their cost to be covered by Prepayments without further approval.

- 9.3 For Approved Projects that are anticipated to exceed the Prepayment cost limitations in subsections 9.1 and 9.2, herein, approval by the Participants is required to cover the cost with additional Prepayments.
- 9.4 Nothing in Section 9 herein prevents WAPA from seeking Participant approval to use additional Prepayments for Approved Projects.
- 9.5 WAPA may adjust any portion of a Construction Project cost that is not covered by Prepayments without the approval of the Participants.
10. **USE OF PREPAYMENTS:** WAPA shall not transfer Prepayment dollars to other WAPA regions or fund Construction Projects with Prepayments that financially impact systems other than DSW Transmission Systems.
11. **MODIFICATIONS:** This Exhibit A shall be modified in accordance with Section 22 of the Agreement.
12. **TERMINATION OF EXHIBIT AND LIABILITY HEREUNDER:**
- 12.1 Any Participant may withdraw from this Exhibit A for any reason upon fourteen (14) Days written notice. The Participants also agree that no Participant shall have any liability of any kind to the other Participants for a termination or breach of this Exhibit A. The Participants' withdrawal from this Exhibit A eliminates the ability to vote on the use of Prepayments, but does not relieve the Participant of any obligation to make payment under any contracts or agreements with WAPA.
- 12.2 This Exhibit A may be terminated at any time by mutual agreement of WAPA and the Participants. Termination of this Exhibit A shall occur with written approval

by WAPA and an affirmative vote of greater than fifty (50) percent of the Participants that vote in accordance with subsection 5.1, herein.

12.3 In the event that WAPA permanently discontinues the use of Prepayments as a source for funding Construction Projects, WAPA will terminate this Exhibit A upon twelve (12) months advance written notice to the Participants.

13. **EXECUTION BY COUNTERPARTS:** This Exhibit A 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 Exhibit A may be detached by any counterpart of this Exhibit A without impairing the legal effect of any signatures thereon, and may be attached to another counterpart of this Exhibit A identical in form hereto, by having attached to it one (1) or more signature pages.

[Remainder of Page Intentionally Blank]

The Participants and WAPA have caused this Exhibit A, to Agreement
No. XX-DSR-XXXXXX, to be effective in accordance with Section 1, herein.

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

By _____
Name

Title _____

Address _____ for Desert Southwest Region

_____ P.O. Box 6457

_____ Phoenix, AZ 85005-6457

Accepted and agreed to this _____ day of _____, 2018.

PARTICIPANT ORGANIZATION NAME

By _____
Customer Name

Title _____

The Participants and WAPA have caused this Exhibit A, to Agreement
No. XX-DSR-XXXXXX, to be effective in accordance with Section 1, herein.

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

By _____
Name

Title _____

Address _____ for Desert Southwest Region

_____ P.O. Box 6457

_____ Phoenix, AZ 85005-6457

Accepted and agreed to this _____ day of _____, 2018.

PARTICIPANT ORGANIZATION NAME

By _____
Customer Name

Title _____

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 TYP quarterly meetings that have a focus topic and an update on AOA studies/planning. Optional supplemental meetings may be scheduled to further assess proposed projects or topics. WAPA will review, consult, and modify AOA alternatives for proposed Construction Projects prior to performing 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 that provide for Contractor involvement. Additional coordination meetings are scheduled as needed to facilitate TYP development with Contractors. At any time, Contractors may submit requests for potential 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 provides

Contractors with updates on costs, budgets, and schedules for active Construction Projects and related activities.

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

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

1.1.2 2nd Quarter – TYP Draft Plan Meeting:

1.1.2.1 In this meeting, typically held in June, WAPA provides Contractors with a draft TYP that includes Materials related to Construction Projects and rate analysis. Proposed use of Prepayments for Construction Projects that will be voted on at the Prepayment Funding Meeting are reviewed and discussed in detail.

1.1.2.2 The previous year's AOA studies have typically been completed and new AOA studies are proposed to the Contractors.

1.1.3 3rd Quarter – TYP Formal Plan Meeting:

1.1.3.1 During 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 to be voted on in the Prepayment Funding Meeting are reviewed and discussed.

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

1.1.4 4th Quarter – Prepayment Funding Meeting:

1.1.4.1 In this meeting, typically held in December, Participants will vote on the use of Prepayments for Construction Projects as described in Exhibit A, attached hereto.

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

1.1.4.3 An update on in-progress AOA studies is provided to Contractors.

2. **TYP MEETING PROCEDURES:**

2.1 WAPA shall 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 Exhibit A, Section 4, attached hereto.

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

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

This Attachment No. 2 documents the 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, attached hereto. RRADs information is generally shared with the Contractors at the following meetings:

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

1.1.2 2nd Quarter – TYP Draft Plan Meeting: Present Materials related to RRADs budget formulation.

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

2. This Attachment No. 2 to Agreement No. XX-DSR-XXXXX (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 between April and May.

1.2 **Reporting:**

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

1.2.2 The following table contains budget information to be reported 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		
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 during November and December.

2.2 Reporting:

2.2.1 WAPA will report 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 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		
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.

3.2 Reporting: Report the following items for the DSW Transmission Systems:

3.2.1 Unobligated Balances as of the end of the previous Fiscal Year.

3.2.2 Five (5) Year Cash Flow Forecast.

3.2.3 Allowed Unobligated Balances in accordance with the current strategy.

3.2.4 Approved 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.

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

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:** WAPA's customers, 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 WAPA's transmission systems. WAPA will evaluate those requests and determine whether one or more study groups should be formed to 1) further an open dialog on local system needs; 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 WAPA's Q1 meeting and will be open to all interested participants. Study results will be reviewed during WAPA's Q4 meeting.
3. This Attachment No. 4 to Agreement No. XX-DSR-XXXXX (Agreement) may be modified in accordance with Section 16 of the Agreement.

AUTHORIZED REPRESENTATIVES

Representative's Name
Representative's Title
Organization Name
Address

Representative's Name
Representative's Title
Organization Name
Address

Representative's Name
Representative's Title
Organization Name
Address

Representative's Name
Representative's Title
Organization Name
Address

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

Draft 9-28-2018