

FIRM TRANSMISSION ALLOTMENT

PATH: APS (Palo Verde to any APS distribution customer.)
SRP (Palo Verde to any SRP distribution customer.)
TEP (Palo Verde to any TEP distribution customer.) Exch from PV-WW
CITZ (West Wing to any northern Citizens distribution customer.)
CITZ (West Wing to any southern Citizens distribution customer.)

This means that any power delivered at Palo Verde for retail service under this allotment is deemed to be delivered to the retail customer with no additional limitations or costs . If Citizens doesn't have rights to West Wing on WAPA's system then the points of receipt would be Pinnacle Peak for the north and Saguaro for the south portions of their system.

QUANTITY: APS and SRP will provide 100 mw on the PV to WW line. TEP will provide 40 mw and Citizens will provide 5 mw. If by April 1st of 2000 this allocation has already been used up an additional 100mw, 40mw, or 5mw would be allocated by the appropriate control area operator. April 1st was chosen to respect the need for summer planning by the standard offer SCs.

For the year 2000 any additional direct access load over and above the allotment as stated above would be handled under the ARNT protocol.

If the allocation is fully subscribed than beyond that point a pro rata allocation of the entire firm allotment is done between the ESPs based on their direct access load ratio to the total direct access load in that specific control area.

The allocation will be done in a block quantity based on the customers annual peak demand as identified by the customer billing records at the appropriate UDC.

The block would then be tailored to the actual customer load shape in the scheduling time frame and the excess would be released per step 3.5.2 of the ARNT protocol.

TERM: Year 2000

ELIGIBILITY: Certified ESPs with approved DASRs. Upon certification of an ESP's DASR the control area operator releases the equivalent number of megawatts of capacity to that ESP using peak customer demand for their portfolio rounded up to the nearest megawatt as the reference.

RENEWAL: AZ ISA determines if the ultimate features are in place and market power issues have been resolved. If they have not the ISA may choose to renew this methodology for one more year.

SETTLEMENTS: It should be restated here that because of the nature of WAPA's tariff a block allocation will be charged when serving in an area using their tariff irregardless of the scheduling amount on a day by day basis.

ADVANTAGES:

- 1) Simple and fair.
- 2) Fewer schedules.
- 3) Faster system restoration.
- 4) No accounting.
- 5) No outside parties needed.
- 6) No additional implementation problems.