

SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT

FACILITIES RIDER

SUPPLEMENTAL TO LARGE GENERAL SERVICE PRICE PLANS E-61, E-63 AND E-65

Effective: May 1, 2008
Supersedes: November 1, 2005

APPLICABILITY:

To customers qualifying for power and energy under Standard Price Plan E-61, E-63, E-65 or the Critical Peak Experimental Price Plan.

CONDITIONS:

A. For customers served from SRP's general distribution system (secondary or primary service) the following applies:

1) The customer will pay a monthly Facilities Charge for standard service according to the following:

| Facilities Charge per kW | <u>E-61</u> | <u>E-63</u> |
|------------------------------|---------------|---------------|
| Distribution Facilities | \$1.86 | \$1.53 |
| Competitive Customer Service | <u>\$0.49</u> | <u>\$0.49</u> |
| Total | \$2.35 | \$2.02 |

2) Charges apply to the highest kilowatt reading in the current billing period or the preceding 15 billing periods (on-peak, off-peak, or shoulder-peak), whichever is greater. Kilowatt measurements are based on thirty-minute interval integrated demand.

3) For customers requesting additional facilities or system capacity, the customer will pay a charge in addition to the facilities charge for standard service. Examples of additional facilities or system capacity include but are not limited to:

- 1) Automatic transfer switches.
- 2) Reserved capacity on circuits that connect to automatic transfer switches.
- 3) Dedicated feeders and/or breakers.
- 4) Reserved transformer capacity.
- 5) Cost of overhead to underground conversions.
- 6) Trenching and conduit from the load side of the service entrance section to the customer's facility when provided by SRP.

B. Customers receiving dedicated substation service prior to May 15, 2000 have two service options available. These options are:

1) To pay a fixed monthly facilities charge that reflects the investment and commitment SRP made on behalf of the customer including the cost of ownership (in-lieu contributions, depreciation, operation and maintenance, replacements, etc.). Included in the cost of ownership is the risk of replacement should equipment fail. That is, upon failure, equipment is replaced without additional charge to the customer. In addition, customers have the benefit of 24-hour technical support, SRP's inventory of spare parts and equipment and access to SRP's mobile backup transformers.

2) To assume the responsibility, risks and benefit of ownership. Under this option, customers may purchase the low-side equipment in the dedicated substation(s) subject to the following conditions.

- a. Approval by SRP. SRP reserves the right to retain ownership of the substation if, in its sole discretion, SRP concludes that sale of the substation assets would adversely affect SRP's operations or that the transaction would entail an unacceptable level of financial risk.

- b. Terms and Conditions.
 - i. For customers who elect the term sale option, SRP continues to provide Operations & Maintenance (O&M), equipment repair or replacements and pay ownership costs until receipt of final payment and transfer of ownership. Upon transfer, the customer becomes responsible for O&M, repair, replacements and all other ownership costs.
 - ii. Customers may contract with SRP to provide on-going maintenance and repair of the substation through a separate agreement.
 - c. Term Sale Option.
 - i. If the customer elects a term sale option, the monthly facility charge is reduced and treated as a payment towards principal and interest (after the deduction of monthly expenses for on-going O&M, depreciation, in-lieu contributions and other ownership costs SRP will incur during the term of sale). SRP, at its discretion, may change the monthly facilities charge to vary the term of sale.
 - ii. Customers interested in the term sale option can shorten the term of the agreement by pre-paying principal. Pre-payments are not subject to additional charges.
- C. Any customer requesting substation service after May 15, 2000 shall own its own substation, subject to the following construction and ownership protocols:
- 1) SRP-Owned Transmission and Communication Equipment. SRP, in all instances, will design and build transmission (high voltage) facilities to serve the customer's substation, including, but not limited to, transmission line extension(s), transmission line drop(s), high voltage bus and high voltage breaker(s) ("Transmission Equipment"). SRP, in all instances, will also design and build communications, metering and telemetry equipment ("Communications Equipment") to be located within customer's substation downstream of the point of delivery. SRP will own and be responsible for operations, maintenance, repair and replacement of, all Transmission Equipment and Communications Equipment. The customer shall pay SRP a Contribution in Aid of Construction ("CIAC") for the construction and installation of the Transmission and Communications Equipment. Construction will be pursuant to the terms of a written contract, and customer shall provide SRP with requested permanent easements, in a form acceptable to SRP.
 - 2) Customer-Owned Substation Equipment. Customer has two options for construction of substation facilities it will own:
 - a) Turnkey Service. If requested, SRP will work with the customer to design and build the customer-owned low-side equipment (substation bay(s) and associated equipment). The customer will pay SRP a non-CIAC fee for design, procurement and construction of the customer-owned low-side equipment. Upon work completion, the customer will own (and be responsible for operations, maintenance, repair and replacement of) the low-side substation equipment. SRP will offer low side maintenance and other services, which requires executing an agreement for these services.
 - b) Customer Choice. Customer (or its contractor) may design and build customer's low-side equipment (substation bay(s) and associated equipment) consistent with SRP's construction and system safety/reliability standards. Upon work completion, the customer will own (and be responsible for operations, maintenance, repair and replacement of) the low-side substation equipment.

ADJUSTMENTS:

SRP will increase or decrease billings under this rider in proportion to any taxes, fees, or charges (excluding federal or state income taxes) levied or imposed by any governmental authority and payable by SRP for any services, power, or energy provided under this rider.