

## **Business Practice**

### **Designation of Network Resources**

#### **1. General**

- 1.1 “Primary” Network Service is a long-term firm service and should be used by Network Customers when reserving and scheduling Designated Network Resources (DNRs).
- 1.2 Resources must meet certain FERC specified requirements in order to qualify as Designated Network Resources.
- 1.3 Only DNRs can use “primary” network transmission service.
- 1.4 DNRs may include all generation owned, purchased or leased by the Network Customer designated to serve network load, subject to FERC specified requirements.
- 1.5 Network Customers must make a request for resources to be granted “designated resource” status.

#### **2. FERC Qualifications for Designated Network Resources**

- 2.1 Network Customers are responsible for ensuring that their DNRs meet the qualifications specified by FERC. The DNR requirements specified by FERC can be complicated and Network Customers should fully understand those requirements prior to requesting DNR status for a resource. APS believes the following information is consistent with the FERC requirements; however, the Network Customer is responsible for understanding the requirements and ensuring that their proposed DNRs meet the requirements.
  - 2.1.1 DNRs may be generating resources owned or leased by the Network Customer or purchases of non-interruptible power under executed contracts that require the Network Customer to pay for the purchase.
  - 2.1.2 Network Customers may designate resources from system purchases not linked to a specific generating unit, provided the purchase power agreement is interruptible only for reliability reasons, does not allow the seller to fail to perform under the contract for economic reasons and the executed contract requires the Network Customer to pay for the purchase (a “firm” purchase).

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- 2.1.3 If a power purchase contract has a liquidated damages (LD) clause, the contract may be designated only if the clause requires the seller to make the buyer whole for a curtailment. If the LD clause simply requires the payment of a pre-determined penalty, the contract may not be designated (for example, a contract with an LD that is fixed or capped does not qualify as a DNR). FERC grandfathered the DNR status of non-make whole contracts that were in place as DNRs prior to February 16, 2007.
- 2.1.4 The definition of firm includes a standard transaction under Schedule C of the Western Systems Power Pool ("WSPP") Agreement that reflects the changes to Schedule C that were filed by the WSPP at FERC on March 9, 2007 in Docket No. ER07-624-000, and accepted by FERC to be effective as of May 8, 2007.
- 2.1.5 The definition of firm includes a purchase under a contract comparable to Schedule C of WSPP under which the contract does not permit the seller to interrupt deliveries to the Network Customer except for reliability reasons and, to the extent that the contract requires the seller to pay liquidated damages to the Network Customer for interruptions, those liquidated damages are "make whole" liquidated damages.
- 2.1.6 The Network Customer is required to obtain firm transmission service to transmit power from the point at which the Network Customer takes delivery under the contract to the APS transmission system to the extent transmission is necessary.
- 2.1.7 A purchase contract may qualify as a DNR even if energy deliveries are not around-the-clock (for example, peak energy products may qualify as DNRs).

**3. Reserve Sharing Arrangements**

- 3.1 Supplying power under a FERC-approved reserve sharing program (e.g., SRSG) is an appropriate use of DNRs. Providing power under a FERC-approved reserve sharing program does not trigger un-designation or re-designation requirements.
- 3.2 APS will treat any receipt of reserve power under its existing reserve sharing arrangement as a reliability product for the Balancing Authority, not as a resource for any particular Network Customer.
- 3.3 The procedures for completing and submitting e-tags when supplying or receiving power under a reserve sharing agreement are included in the Reserving and Scheduling Transmission Service Business Practice.

#### 4. "Bookouts"

- 4.1 The APS OATT permits bookouts of DNRs without un-designation of the booked out DNR or designation of substitute products.
- 4.2 The procedures for completing and submitting e-tags when scheduling an un-designated product as a substitute for a booked out DNR over the primary network transmission assigned to the booked out DNR is included in the Reserving and Scheduling Transmission Service Business Practice.
- 4.3 APS reserves the right to conduct periodic audits of a Network Customer to ensure compliance with this requirement.

#### 5. System Emergencies

- 5.1 A DNR may be used to supply power to a third party on a firm basis to address or forestall an Emergency without a corresponding undesignation of that DNR.
  - 5.1.1 The supply of such power from the DNR may not last for more than two consecutive hours.
  - 5.1.2 Within one (1) Working Day of the last delivery of such Emergency power, the Network Customer is required to provide a notice to APS containing the details of such supply. The notice should be sent via e-mail to [oasisadm@apsc.com](mailto:oasisadm@apsc.com) and the subject line of the e-mail should contain "Emergency". The notice should be contained in the body of the e-mail and should not be an attachment to the e-mail.
  - 5.1.3 Within one (1) Working Day of receipt of such notice from the Network Customer, APS will post the notice on the OASIS.
- 5.2 In an Emergency, APS, in its capacity as a Balancing Authority may take whatever actions are necessary and may direct a Network Customer to take whatever actions are necessary to keep the system in operation. APS will post on OASIS each Emergency that resulted in any deviation from the APS OATT, within 24 hours of such a deviation. APS will report to FERC's Office of Electric Reliability pager system, [emergency@ferc.gov](mailto:emergency@ferc.gov) emergencies on the APS system.
- 5.3 The procedures for completing and submitting e-tags when scheduling an Emergency purchase or sale are included in a Reserving and Scheduling Transmission Service Business Practice.

#### 6. Restrictions on Use

- 6.1 Network Service may not be used for sales to non-designated loads or direct or indirect provision of transmission service to third parties.

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- 6.2 DNRs may not include resources, or any portion thereof, that are committed for sale to non-designated third party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis (for example, DNRs should not be used to make firm off-system sales).
- 6.3 A DNR must be terminated or "undesigned" (temporarily or permanently) in order to be used to make firm off-system sales. Network Customers should use the Business Practice Undesignation of Network Resources to undesignate a resource when the Network Customer desires to use the resource to sell to someone other than a Designated Network Load.
- 6.4 DNRs may be used, without undesignation, to make non-firm sales to parties other than their Designated Network Loads – that is, sales where the Network Customer may interrupt service, without penalty, in order to serve its Designated Network Loads.
- 6.5 Network Customers should use Point-To-Point Transmission Service under Part II of the APS OATT for any third-party sale which requires use of the APS transmission system.
- 6.6 A Network Customer that engages in an unreserved use of the APS transmission system (for example, inappropriate use of Network Service to make a third-party sale) will be charged for that unreserved use based on the rate for Firm Point-to-Point service, and in accordance with the requirements of Scheduled 7, Section 7 of the APS OATT (entitled Overrun of Reserved Transmission Capacity).

**7. Information required when making a request to designate a new Network Resource**

- 7.1 Network Customers may request to designate new Network Resources.
- 7.2 Requests to designate a Network Resource should include:
  - 7.2.1 A statement that the new Network Resource satisfies the following conditions:
    - 7.2.1.1 The Network Customer owns the resource, has committed to purchase generation pursuant to an executed contract, or has committed to purchase generation where execution of a contract is contingent upon the availability of transmission service under the OATT; and
    - 7.2.1.2 The Network Resources do not include any resources, or any portion thereof, that are committed for sale to non-designated third party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis.

The Network Customer's request may be deemed deficient if it does not include this statement.

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7.2.2 A description of the resource.

7.2.2.1 If the request to designate is for an on-system resource, the description should include:

7.2.2.1.1 Unit size and amount of capacity from that unit to be designated as a Network Resource;

7.2.2.1.2 VAR capability (both leading and lagging) of all generators;

7.2.2.1.3 Operating restrictions:

7.2.2.1.3.1 Any periods of restricted operations throughout the year;

7.2.2.1.3.2 Maintenance schedules;

7.2.2.1.3.3 Minimum loading level of unit;

7.2.2.1.3.4 Normal operating level of unit;

7.2.2.1.3.5 Any must-run designations required for system reliability or contract reasons;

7.2.2.1.4 Approximate variable generating cost (\$/MWh) for redispatch computations;

7.2.2.1.5 Arrangements governing sale and delivery of power to third parties from generating facilities located in the Transmission Provider Control Area, where only a portion of the unit output is designated as a Network Resource.

A suggested form for requesting designation of an on-system Network Resource is attached.

7.2.2.2 If the request to designate is for an off-system resource, the description should include:

7.2.2.2.1 Identification of the Network Resource as an off-system resource;

7.2.2.2.2 Amount of power to which the customer has rights (the MW quantities may be profiled; for example, a purchased power contract may have different MW quantities in the on-peak hours than in the off-peak hours);

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- 7.2.2.2.3 Delivery point(s) on the APS transmission system;
- 7.2.2.2.4 Transmission arrangements on external transmission system(s);
- 7.2.2.2.5 Operating restrictions, if any:
  - 7.2.2.2.5.1 Any periods of restricted operations throughout the year;
  - 7.2.2.2.5.2 Maintenance schedules;
  - 7.2.2.2.5.3 Minimum loading level of unit;
  - 7.2.2.2.5.4 Normal operating level of unit;
  - 7.2.2.2.5.5 Any must-run designations required for system reliability or contract reasons;
- 7.2.2.2.6 Approximate variable generating cost (\$/MWh) for redispatch computations;

A suggested form for requesting designation of an off-system Network Resource is attached.

The Network Customer's request may be deemed deficient if it does not include the required resource information.

- 7.2.3 Because APS is required, when processing a request for designation of a new Network Resource, to verify the firmness of any necessary third party transmission arrangements acquired by the Network Customer itself to transmit power from the point of purchase to the APS transmission system, the Network Customer is also required to provide the following information:
  - 7.2.3.1 Whether transmission on a non-APS transmission system will be required to schedule power from the point at which the customer takes delivery of the power to the boundary of the APS transmission system;
  - 7.2.3.2 If so, the transmission provider(s) on whose system(s) the transmission arrangements will be required; and
  - 7.2.3.3 All appropriate reference numbers (such as the OASIS AREF number) for any third party transmission arrangements so that APS can confirm that those transmission arrangements are firm.

- 7.2.3.4 The Network Customer is only required to provide information regarding transmission service purchased by the Network Customer. For example, if a Network Customer purchases firm power with a delivery on APS transmission system at Palo Verde, there typically is no need for the Network Customer to purchase firm transmission service to schedule the power to the APS transmission system and, therefore, no need for APS to verify the firmness of third party transmission. However, if the Network Customer purchased firm power at Mid-C, the Network Customer would then need to purchase firm transmission to move the power to the APS transmission system and APS would be required to verify the firmness of every leg of transmission purchased by the Network Customer from Mid-C to the APS transmission system.
- 7.2.4 APS will not limit the MW quantity of DNRs on any particular path. APS may, however, limit the quantity of DNRs which may be scheduled on a path. For example, if the Network Customer's Existing Transmission Commitment (ETC) for the Palo Verde to Phoenix load center (Rudd, Kyrene and Westwing) for all the paths is 3,000 MW, APS will not limit the Network Customer's total DNR capacity at the Palo Verde hub to 3,000 MW. Instead, the Network Customer will be allowed to designate more than 3,000 MW of Network Resources, but will be limited in scheduling those resources to 3,000 MW. Because APS will not limit the quantity of DNRs, there may be instances where a Network Customer undesignates a Network Resource but no ATC is released. Using the above Palo Verde to Phoenix example, if a Network Customer has DNRs of 3,500 MW and undesignates 200 MW, there will be no ATC released. The ETC for the Network Customer on that path will remain at 3,000 MW and the Network Customer will have 3,300 MW of DNRs. In order to ensure proper processing of requests for new DNRs, the Network Customer should also specify whether:
- 7.2.4.1 The Network Customer intends to use the transmission capacity already reserved for use by the Network Customer and limits scheduling of all DNRs to the ETC available to that Network Customer, or
- 7.2.4.2 The Network Customer desires to use transmission capacity which is in addition to the transmission capacity already reserved for use by the Network Customer and Firm ATC is currently available on OASIS. In such instances the Network Customer should submit a TSR via OASIS for Network Service concurrently with the submission of the request for designation of a new Network Resource. The TSR should be pre-confirmed by the customer. The customer is required to complete all required fields. The TSR will fail if Firm ATC is not available.; or

- 7.2.4.3 The Network Customer may be interested in instituting the study procedures outlined in the APS OATT if there is not sufficient firm ATC available to honor the DNR request and the resource (either specifically by name or generically by location) was not included in the most recent 10-year forecast of loads and resources or any updates to that forecast. In such instances the Network Customer should submit a TSR via OASIS concurrently with the submission of the request for designation of a new Network Resource. The Network Customer should use the monthly Network Service type with a service duration of 12 months or longer. Upon confirmation that the request for a new DNR has been received, APS will place the TSR into "study" mode and will proceed with the Additional Study Procedures for Network Integration Transmission Service Requests outlined in Section 32 of the APS OATT;
- 7.2.4.4 If the Network Customer does not make a specification, APS will assume that the Network Customer intends to use the previously set aside ETC for the DNR and that the Network Customer limits scheduling of all DNRs to the ETC available to that Network Customer.
- 7.2.4.5 Granting a request for DNR status does not guarantee additional transmission availability. APS may allow the designation of more Network Resource capacity than transmission capability. In such instances, APS will limit the scheduling of DNRs to the amount of transmission capacity reserved for the Network Customer.

7.3 **APS SHALL NOT BE RESPONSIBLE FOR VERIFYING THAT A GENERATING UNIT OR PURCHASED POWER AGREEMENT DESIGNATED AS A NETWORK RESOURCE SATISFIES THE REQUIREMENTS OF THE OATT AND FERC POLICY. APS SHALL ONLY BE RESPONSIBLE FOR VERIFYING THAT THE NETWORK CUSTOMER HAS PROVIDED THE REQUIRED INFORMATION AND, WHERE APPLICABLE, VERIFY THAT THE NETWORK CUSTOMER HAS PURCHASED FIRM TRANSMISSION SERVICE FROM THE POINT AT WHICH THE NETWORK CUSTOMER TAKES DELIVERY UNDER A PURCHASE POWER CONTRACT TO THE APS TRANSMISSION SYSTEM TO THE EXTENT TRANSMISSION IS NECESSARY.**

## 8. Timeline for Submitting Requests for Designation of New Network Resources

- 8.1 Requests for designation of a new Network Resource must be made with as much advance notice as practicable.
- 8.2 Long Term Resources

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- 8.2.1 Planned new Network Resources which may require the construction of additional transmission capacity should be included in the 10-year forecasts so that APS may adequately plan for the new resource. Inclusion in the 10-year forecast should be as specific as possible, but at a minimum should provide a general electrical location for the planned resource. Network Customers may provide updated information on forecasted resources throughout the year. The forecast and update to the forecast will be included in the transmission planning process outlined in Attachment E, Transmission Planning Process of the APS OATT.
  - 8.2.2 Additional Total Transfer Capability (TTC) will be allocated to the Network Customer consistent with the quantities and locations of loads and resources forecast by the Network Customer in its 10-year forecast (and any updates to that forecast).
  - 8.2.3 The request for designation of a new Network Resource should be submitted as soon as the Network Customer has sufficient details about the resource to supply the information required to be included in the request.
- 8.3 Resources with a Term Greater than or Equal to One Month
- 8.3.1 Network Customers may submit and APS will process requests for designation of new Network Resources with terms greater than or equal to one month by 1100 MST on the last pre-schedule day before service commences for the DNR.
  - 8.3.2 At 1600 MST on the 5th business day prior to the first day of each calendar month for that calendar month, OASIS will automatically begin calculating the ETC (along with the associated release of firm ATC) using approved DNRs (rather than using the information provided in the 10-year forecast). For example, if using the 10-year forecast, 3,000 MW of transmission capacity was reserved for the Network Customer as their ETC for the Palo Verde to Phoenix load center paths for the month of July and July 1 was a Friday:
    - 8.3.2.1 Prior to June 27<sup>th</sup>, the Network Customer's ETC on these paths and the amount used in the firm ATC calculation would be 3,000 MW.
    - 8.3.2.2 If, as of 1600 MST on June 27<sup>th</sup>, the Network Customer had requested and received DNR status on 3,100 MW of capacity<sup>1</sup>, the Network Customer's ETC on this path would remain at 3,000 MW and there would be no change to the Firm ATC posted on OASIS for this path.

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<sup>1</sup> As described in this Business Practice, when Firm ATC is available on OASIS, Network Customers may request an increase to their network transmission reservation when submitting a request to designate a new Network Resource.

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- 8.3.2.3 If, as of 1600 MST on June 27<sup>th</sup>, the Network Customer had requested and received DNR status on 2,900 MW of capacity, the Network Customer's ETC on these paths would be reduced to 2,900 MW and there would be an additional 100 MW of Firm ATC posted on OASIS for these paths.
  - 8.3.3 Network Customers are strongly encouraged to submit requests for designation of new Network Resources in sufficient time for APS to process the request such that the DNR is approved prior to 1600 MST on the 5th business day prior to the first day of the calendar month.
  - 8.3.4 When Firm ATC is available on OASIS and the Network Customer desires to increase their network transmission reservation, the Network Customer should submit a TSR via OASIS concurrently with the submission of the request for designation of a new Network Resource. The TSR should be pre-confirmed by the customer. The customer is required to complete all required fields. The TSR will fail if Firm ATC is not available.
  - 8.3.5 By 1400 MST on the last pre-schedule day prior to the first day of each calendar month, the Network Customer should also provide a list of its current DNRs for that calendar month. This list will be posted on OASIS.
- 8.4 Resources with a Term Less than One Month - Supplemental
- 8.4.1 Network Customers may submit and APS will process requests for designation of Network Resources when:
    - 8.4.1.1 Such DNR has a term of less than one month,
    - 8.4.1.2 The Network Customer intends to use the previously set aside transmission capacity for the DNR, and
    - 8.4.1.3 The Network Customer limits scheduling of all DNRs to the ETC available to that Network Customer.
  - 8.4.2 When Firm ATC is available on OASIS and the Network Customer desires to increase their network transmission reservation, the Network Customer should submit a TSR via OASIS concurrently with the submission of the request for designation of a new Network Resource. The TSR should be pre-confirmed by the customer. The customer is required to complete all required fields. The TSR will fail if Firm ATC is not available.
  - 8.4.3 Such "Supplemental DNR" requests may be submitted up to 1100 MST of the last pre-schedule day before service commences for the DNR.

8.5 Resources with a Term Less than One Month - Replacement

8.5.1 Network Customers may submit and APS will process requests for designation of Network Resources when:

8.5.1.1 Such DNR will replace a previously approved DNR which is no longer available (e.g., generator outage),

8.5.1.2 The Network Customer intends to use the previously set aside transmission capacity for the DNR, and

8.5.1.3 The Network Customer agrees to limit scheduling of all DNRs to the ETC available to that Network Customer.

8.5.2 When Firm ATC is available on OASIS and the Network Customer desires to increase their network transmission reservation, the Network Customer should submit a TSR via OASIS concurrently with the submission of the request for designation of a new Network Resource. The TSR should be pre-confirmed by the customer. The customer is required to complete all required fields. The TSR will fail if Firm ATC is not available.

8.5.3 Such "Replacement DNR" requests may be submitted up to 1100 MST of the last pre-schedule day before service commences for the DNR. Replacement DNRs may be used until the original DNR is available.

8.6 "Grandfathered" (Pre-Order No. 890) DNRs

8.6.1 Purchased power agreements and power plants which were already submitted as DNRs prior to implementation of Order 890 (July 13, 2007) will retain their DNR status.

8.6.2 Network Customers should not resubmit requests for designation for these resources unless the Network Customer has undesignated the resource.

**9. Process for Submitting Requests for Designation of New Network Resources**

9.1 Network Customers should submit their requests via e-mail to [oasisadm@apsc.com](mailto:oasisadm@apsc.com). The subject line of the e-mail should contain "DNR". In the event of failure of the e-mail system, Network Customers should submit their requests via fax to the Transmission Services Trading Section Leader at (602) 250-1155.

**10. Timing and Response by APS to Network Customers' Request for Designation**

10.1 Unless APS and the Network Customer agree to a different time frame, APS must acknowledge the request to designate a Network Resource within 10 days of receipt. The acknowledgement must include a date by which a response will be sent by APS to

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the Network Customer. APS will notify the Network Customer as soon as practicable on the status of the request.

10.2 In processing the request to designate a new Network Resource, APS will verify:

10.2.1 That the Network Customer has provided the attestation required in the APS OATT and by FERC policy.

10.2.2 That the Network Customer has provided the resource information required in the APS OATT and by FERC policy.

10.2.3 That any necessary third party transmission arrangements acquired by the Network Customer itself to transmit power from the point of purchase to the APS transmission system is firm.

### **11. Deficient Requests**

11.1 If the request to designate a new Network Resource does not contain the required information or the firm transmission arrangements cannot be confirmed, APS will contact the Network Customer within 3 business days and will attempt to resolve the discrepancy through informal communications with the customer.

11.2 If the Network Customer has not remedied the deficiency within 15 days of APS' receipt of the request, the request to designate a new Network Resource will be returned to the customer as failing to meet the requirements and APS will specify the reasons for the failure.

11.3 The Network Customer may file a new or revised request and it will be assigned a new priority consistent with the date of the new or revised request.

### **12. Sufficient Requests**

12.1 In instances where the Network Customer specified their intent to use the previously set aside ETC for the DNR and limits scheduling of all DNRs to the ETC available to that Network Customer, APS will either:

12.1.1 Accept the request for DNR status and notify the customer of the acceptance by e-mail, or

12.1.2 Deny the request for DNR status and notify the customer via e-mail of such denial. The denial will specify the reasons for the denial.

12.2 In instances where the Network Customer specified their intent to use Firm ATC that is currently available on OASIS, APS will confirm that the TSR associated with the DNR has been created and accepted on OASIS and will either:

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- 12.2.1 Accept the request for DNR status and notify the customer of the acceptance by e-mail, or
- 12.2.2 Deny the request for DNR status and notify the customer via e-mail of such denial. The denial will specify the reasons for the denial.
- 12.3 In instances where the Network Customer specified that they may be interested in instituting the additional study procedures outlined in the APS OATT and if there is insufficient firm ATC to satisfy the request, APS will follow the procedures outlined in the APS OATT for instituting studies and will put the TSR in "study" mode.
- 12.4 Notification by APS that a request has been granted or denied will satisfy any requirements applicable to APS regarding notifications and acknowledgements associated with requests for designation of Network Resources that are specified in Section 29 of the APS OATT.

**13. Additional Requirements**

- 13.1 A current list of DNRs for each Network Customers is required to be posted on OASIS. The list is to include for each DNR the name of the resource, its geographic and electrical location, its total installed capacity and the amount of capacity to be designated as a Network Resource.
- 13.2 A list of each Network Customer's DNRs as of July 13, 2007 is posted on OASIS.
- 13.3 Network Customers that make a request to designate a new Network Resource or make a request to temporarily or permanently undesignate a Network Resource should provide to APS a current monthly list of DNRs no later than 1400 MST on the last pre-schedule day before the first day of each calendar month. The list should be e-mailed to [TCC@apsc.com](mailto:TCC@apsc.com). The subject line of the e-mail should contain "DNR List". The monthly list may be updated by the Network Customer. Updated monthly lists should be e-mailed to APS at [TCC@apsc.com](mailto:TCC@apsc.com) and the subject line of the e-mail should contain "DNR List".
- 13.4 Network Customers that make a request to designate a new Network Resource after submitting the monthly list should provide to APS a current daily list of DNRs no later than 1400 MST on the pre-schedule day for the next operating day(s). The list may be structured as a supplement to the monthly list such that the combination of the monthly list and the daily list reflect all DNRs for the next operating day(s) without duplication. The list should be e-mailed to [TCC@apsc.com](mailto:TCC@apsc.com). The subject line of the e-mail should contain "DNR List".
- 13.5 When viewed in conjunction with the pre-schedule and real time notifications of undesignation of Network Resources forms described in the Undesignation of Network Resources Business Practice, the current list of DNRs for each hour for each Network Customer may be ascertained.

#### **14. Arizona Independent Scheduling Administrator and Part IV of the APS OATT**

- 14.1 The APS OATT contains Part IV. Retail Network Integration Transmission Service (RNITS) and Attachment L, the Arizona Independent System Administrator (AzISA) Protocols Manual (PM).
- 14.2 The AzISA is implementing the PM in a phased process, and many of the provisions of the PM are not currently in effect. The following requirements of the PM are in effect and apply to Scheduling Coordinators (SCs) taking Retail Network Transmission Service:
  - 14.2.1 The SC must request service under Part IV of the APS OATT.
  - 14.2.2 The SC must enter into a Service Agreement for Retail Network Integration Transmission Service (Attachment J to the APS OATT) and Standard Form of Retail Network Operating Agreement (Attachment K to the APS OATT). This will allow APS to charge for transmission service using the rates designed specifically for service to retail loads.
  - 14.2.3 The SC must enter into an "Agreement By and Among Arizona Independent Scheduling Administrator Association, Scheduling Coordinators and Transmission Providers".
  - 14.2.4 APS will abide by the dispute resolution procedures contained in Section 6 of the AzISA By-Laws.
  - 14.2.5 APS will abide by Section 4.3.4.1 of the PM which is the provision that allows SCs serving competitive retail access customer in the APS service territory to use, in aggregate for all SCs, up to 200 MW of transmission capacity from Palo Verde to the APS Load Zones previously held by APS for service to standard offer retail customers.
- 14.3 Otherwise, RNITS will be governed by the procedures specified in the APS Business Practices and Business Practices related to Network Service until such time as the AzISA implements additional provisions of the PM.

**These Business Practices describe general conditions and practices. There may be specific circumstances that require some variation from or are not addressed by these Business Practices. Nothing in these Business Practices guarantees that a request to designate a particular Network Resource will be granted.**

**Network Transmission Customer Attestation and  
Request for Designation of a New Network Resource:  
On-System Resource**

Date: \_\_\_\_\_

Customer Name: \_\_\_\_\_

Scheduling Entity Name: \_\_\_\_\_

Designation Start Date and Time: \_\_\_\_\_

Designation End Date and Time: \_\_\_\_\_

Unit size (MW): \_\_\_\_\_

Capacity to be designated (MW): \_\_\_\_\_

*VAR capability*

    Leading: \_\_\_\_\_

    Lagging: \_\_\_\_\_

*Operating restrictions*

Any periods of restricted operations throughout the year: \_\_\_\_\_

Maintenance schedules: \_\_\_\_\_

Minimum loading level of unit: \_\_\_\_\_

Normal operating level of unit: \_\_\_\_\_

Any must-run designations required for system reliability or contract reasons: \_\_\_\_\_

Approximate variable generating cost (\$/MWh) for redispatch computations: \_\_\_\_\_

Network transmission to be used (check one):  Existing Reservation;  ATC (if checked, include TSR # \_\_\_\_\_);  Request new study (if checked, include TSR # \_\_\_\_\_)

Arrangements governing sale and delivery of power to third parties from generating facilities located in the Transmission Provider Control Area, where only a portion of the unit output is designated as a Network Resource: \_\_\_\_\_

**Customer Statement:**

          (Network Customer Name)           hereby attests that the above specified generation resources satisfy the following conditions:

- 1) The Network Customer owns the resource, has committed to purchase generation pursuant to an executed contract, or has committed to purchase generation where execution of a contract is contingent upon the availability of network transmission service under the OATT; and
- 2) The Network Resources do not include any resources, or any portion thereof, that are committed for sale to non-designated third-party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis.

\_\_\_\_\_  
(Name of Person Making Attestation)

**Network Transmission Customer Attestation and  
Request for Designation of a New Network Resource:  
Off-System Contract Resource**

Date: \_\_\_\_\_

Customer Name: \_\_\_\_\_

Scheduling Entity Name: \_\_\_\_\_

Contract ID: \_\_\_\_\_

Designation Start Date and Time: \_\_\_\_\_

Designation End Date and Time: \_\_\_\_\_

Identification of the Network resource as an off-system resource - Is this an off-system resource (check one)? Yes \_\_\_\_\_ No \_\_\_\_\_ (If No, use On-System Resource Form.)

Amount of power to which the customer has rights (the MW quantities may be profiled; for example, a purchased power contract may have different MW quantities in the on-peak hours than in the off-peak hours, if so please attach an hourly profile):

\_\_\_\_\_ Contract Quantity \_\_\_\_\_ Designated Quantity

Delivery point(s) on the APS transmission system: \_\_\_\_\_

Point at which Customer takes delivery under the purchase agreement: \_\_\_\_\_

Transmission arrangements on **external** transmission system(s) including any applicable OASIS reservation number: \_\_\_\_\_

Network transmission to be used (check one): \_\_\_\_\_ Existing Reservation; \_\_\_\_\_ ATC (if checked, include TSR # \_\_\_\_\_); \_\_\_\_\_ Request new study (if checked, include TSR # \_\_\_\_\_)

*Operating restrictions, if any*  
Any periods of restricted operations throughout the year: \_\_\_\_\_

Maintenance schedules: \_\_\_\_\_

Minimum loading level of unit: \_\_\_\_\_

Normal operating level of unit: \_\_\_\_\_

Any must-run designations required for system reliability or contract reasons: \_\_\_\_\_

Approximate variable generating cost (\$/MWh) for redispatch computations: \_\_\_\_\_

**Customer Statement:**

\_\_\_\_\_ hereby attests that the above specified generation resources satisfy the following conditions:

- 1) The Network Customer owns the resource, has committed to purchase generation pursuant to an executed contract, or has committed to purchase generation where execution of a contract is contingent upon the availability of network transmission service under the OATT; and
- 2) The Network Resources do not include any resources, or any portion thereof, that are committed for sale to non-designated third-party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis.

\_\_\_\_\_  
(Name of Person Making Attestation)