

## Business Practice

Salt River Project Agricultural Improvement and Power District  
Effective Date: March 31, 2008

Version 0

## Resale of Point-to-Point Transmission Service

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### 1 General

- 1.1 An SRP Transmission Customer in good standing may resell Point-to-Point Transmission Service (“Reseller”) to another party (“Assignee”) registered in SRP’s OASIS.
- 1.2 A Resale is an assignment of scheduling rights from the Reseller (“Parent Reservation”) to the Assignee.
- 1.3 Parties to any Resale transaction must execute an Umbrella Agreement for the Resale of SRP Point-to-Point Transmission Service (“SRP Resale Umbrella Agreement”).
- 1.4 Rollover rights cannot be resold and a Resale reservation has no rollover rights.
- 1.5 A Resale reservation may not be redirected.
- 1.6 Transmission service arranged through a Redirect on a non-firm basis (i.e., Secondary service) cannot be resold.
- 1.7 All Resale transactions shall be posted on the SRP OASIS.

### 2 SRP Point-to-Point Resale Umbrella Agreement

- 2.1 Prior to scheduling transmission under any Resale reservation, both Reseller and Assignee must have signed an SRP Resale Umbrella Agreement.
- 2.2 For Assignees who are not already SRP Transmission Customers, SRP will make best efforts to add them to the OASIS within 2 business days.
- 2.3 The Transmission Customer can view the SRP Resale Umbrella Agreement in Exhibit 1 to this Business Practice, which is in a form substantially similar to that provided in SRP Tariff Attachment A-1 and as will be required by SRP.
- 2.4 Any Transmission Customer wishing to execute an SRP Resale Umbrella Agreement should review the form of this agreement and then contact SRP to arrange for an execution version. Please e-mail SRP at [srpt@srpnet.com](mailto:srpt@srpnet.com) with the following information:

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- In the email subject line, start with the term “Resale Umbrella Agreement”
- Transmission Customer company name
- Transmission Customer TSIN Company Code
- Transmission Customer contact information including mailing address, physical address, fax, e-mail and phone number
- Name and Title of Company Official authorized to sign the SRP Resale Umbrella Agreement

2.5 SRP recommends all SRP Eligible Customers sign an SRP Resale Umbrella Agreement for advance eligibility to engage in Resale transactions.

### **3 Billing and Financial Obligations**

3.1 SRP is not responsible for administering any financial arrangements between the Reseller and the Assignee.

3.2 The Reseller of a Parent Reservation for which SRP is the Seller remains liable for payment of all obligations to SRP under that Parent Reservation. Such liabilities include, but are not limited to payment for transmission service, losses and overuse charges. For example, SRP sells to Customer A who sells to Customer B who sells to Customer C. Customer A remains liable to SRP.

3.3 SRP will not accept payment from an Assignee for any component of a Resale transaction on behalf of a Reseller.

### **4 Curtailments, Displacements and Annulments**

4.1 If a Resale reservation is curtailed by SRP as a Transmission Provider, SRP will notify through OASIS only the Customer of the Resale reservation (the last Assignee). For example, SRP sells to Customer A, who sells to Customer B who sells to Customer C. Only Customer C is notified of the curtailment via OASIS.

4.2 A Resale reservation is subject to displacement if its Parent Reservation is displaced.

4.3 SRP may Annul a Confirmed Resale reservation if the Seller (Reseller) or Customer (Assignee) has not executed the SRP Resale Umbrella Agreement.

4.4 The Seller in a Resale reservation (Reseller) has the unilateral ability to Annul the Resale transaction on the SRP OASIS.

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### **5 Resale Reservation Attributes**

- 5.1 A Resale reservation shall retain all the same transmission service attributes, transmission service priority, and points of delivery and receipt as the Parent Reservation. For example, if one hour of a Monthly Firm reservation is resold, the Resale reservation shall be a Monthly Firm Resale reservation lasting one hour.

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### **EXHIBIT 1**

## **Form of Umbrella Agreement for the Resale of SRP Point-to-Point Transmission Service**

An existing SRP Transmission Customer in good standing may resell Point-to-Point Transmission Service (“Reseller”) to another party (“Assignee”), which hereinafter may be referred to collectively as “Parties” and individually as “Party”. Both Reseller and Assignee must execute an Umbrella Agreement for the Resale of SRP Point-to-Point Transmission Service (“SRP Resale Umbrella Agreement”) prior to the scheduling of any Resale transmission service for which SRP is the Primary Provider.

1.0 This SRP Resale Umbrella Agreement, dated as of \_\_\_\_\_, is entered into, by and between Salt River Project Agricultural Improvement and Power District (“SRP”), an agricultural improvement district organized under the laws of the State of Arizona, \_\_\_\_\_, (as “Reseller” or “Assignee”).

2.0 Terms used herein with initial capitalization, whether in the singular or the plural, shall have the meanings specified in the Tariff and are hereby incorporated into this SRP Resale Umbrella Agreement. Terms used herein, whether in the singular or the plural, which are not defined in the Tariff shall have the meanings set forth below:

- 2.1 Parent Reservation – an existing, confirmed reservation being modified by a Resale.
- 2.2 Resale – The request to convey scheduling rights associated with a reservation for Point-To-Point Transmission Service from a Reseller to an Assignee

3.0 SRP shall provide Point-to-Point Transmission Service and Ancillary Services to the Assignee in accordance with Section 23 of the Tariff for each Resale transaction requested under an SRP Resale Umbrella Agreement after each of the following conditions has been satisfied:

- 3.1 An Assignee has entered into an agreement for Resale transmission with a Reseller;
- 3.2 Assignee has been determined by SRP to have submitted on SRP’s OASIS a Completed Application;
- 3.3 Reseller and Assignee have each executed an SRP Resale Umbrella Agreement;
- 3.4 Reseller has resold Point-to-Point Transmission Service (Parent Reservation) purchased on SRP’s OASIS for which SRP is the Primary Provider and for which there is sufficient available capacity on the Parent Reservation for the

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requested duration. The transmission service being resold may not have been previously scheduled, redirected, resold or otherwise encumbered; and

- 3.5 The Resale transaction must be confirmed on OASIS prior to scheduling the capacity.
- 4.0 Assignee agrees to supply information SRP deems reasonably necessary in accordance with the provisions of Parts I and II of the Tariff and this SRP Resale Umbrella Agreement.
- 5.0 Once the Assignee has met the conditions in Section 3 herein, SRP agrees to provide and the Assignee agrees to take Point-To-Point Transmission Service and Ancillary Services requested for a transaction in accordance with the provisions of Parts I and II of the Tariff and this SRP Resale Umbrella Agreement.
- 6.0 Assignee acknowledges that it may be required by a Reseller to compensate Reseller for Real Power Losses for which Reseller has compensated SRP through payback in-kind or in accordance with Tariff Schedule 10.
- 7.0 Assignee acknowledges that it may be required by a Reseller to compensate Reseller for penalties for which Reseller has compensated SRP as are provided for in the Tariff.
- 8.0 SRP is not responsible for administering any financial arrangements between a Reseller and an Assignee, including, without limitation, the payment of financial losses.
- 9.0 Reseller remains liable for any and all financial obligations and payments to SRP under the Parent Reservation service agreement. SRP will not accept payment from an Assignee for a Resale transaction on behalf of a Reseller.
- 10.0 Any request from Assignee to redirect must be made on the SRP OASIS and list SRP as the Provider and Seller. Assignee may be subject to additional charges or credits if the redirect is accepted and confirmed.
- 11.0 Any Resale reservation is subject to displacement should the Parent Reservation be displaced by a higher priority request.
- 12.0 Any notice or request made to or by either Party regarding this SRP Resale Umbrella Agreement shall be made to the representative of the other Party as indicated below.

### **SRP:**

Via United States Postal Service:

**Manager**  
**Transmission and Generation Operations**  
**SRP**  
**P. O. Box 52025, POB 013**  
**Phoenix, AZ 85072-2025**

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Fax:  
**602-236-3808**

Hand Delivery:  
**Manager**  
**Transmission and Generation Operations**  
**POB 013**  
**SRP – Central Mail Receiving Station**  
**2727 E. Washington Street**  
**Phoenix, AZ 85034-1403**

**Transmission Customer as Reseller or Assignee:**

13.0 The Tariff is incorporated herein, made a part hereof and all parties to this SRP Resale Umbrella Agreement are bound to comply with applicable Tariff terms and conditions.

IN WITNESS WHEREOF, the Parties have caused this SRP Resale Umbrella Agreement to be executed by their respective authorized officials.

**SRP:**

By: \_\_\_\_\_  
Printed Name Signature  
\_\_\_\_\_  
Title Date

**Transmission Customer as Reseller or Assignee:**

\_\_\_\_\_  
Company Name Company Code\*  
By: \_\_\_\_\_  
Printed Name Title  
\_\_\_\_\_  
Signature Date

\*As registered at [www.tsin.com](http://www.tsin.com)