

SCHEDULE 10**Real Power Loss Service**

Capacity and energy losses occur when a Transmission Provider delivers electricity over its transmission facilities for a Transmission Customer. Beginning October 2, 2000 SRP began offering a Real Power Loss Service to any customer taking Point-to-Point Transmission Services under Part II of the SRP Open Access Transmission Tariff. The Transmission Customer must either purchase this service from SRP or make alternative comparable arrangements to satisfy its Real Power Loss obligation. The amount of, and charges for, Real Power Loss Services are to be based on the prices posted on SRP's OASIS as may be changed from time to time.

A Transmission Customer electing this service shall purchase an amount of energy equal to two and one-tenths percent (2.1%) of the total kilowatt-hours of energy provided by the Delivering Party(ies) at the Point(s) of Receipt unless otherwise specified in a Service Agreement. This service may be elected at the time the reservation is made or any time up to the time the energy is scheduled. A Transmission Customer electing to purchase Real Power Loss Services must do so for all energy scheduled for a particular reservation on a given day.

The Transmission Customer will compensate SRP based on the prevailing market price of energy. Such market price is equal to published day ahead Dow Jones Electricity Price Index for the hub pricing and volumes at Palo Verde for firm on-peak and off-peak prices. If Real Power Loss Service is provided during a time where no volumes were reported at the Palo Verde hub, the most recent firm on-peak and off-peak prices will be carried forward. If the Dow Jones Electricity Price Index permanently ceases to report day ahead pricing for the Palo Verde hub, if the methodology used to determine the index at the Palo Verde hub is materially modified, or if the Dow Jones Electricity Price Index is otherwise no longer commercially acceptable, SRP shall select a permanent replacement index, reported by a reputable third party, that reflects the actual same-day firm transactions at an appropriate hub.