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MINUTES OF THE C-CUBED (Customer Consultation Committee) MEETING HELD ON MAY 16, 2017

PRESENT: Tisha Brackeen, AEPCO
Thomas Chenal, APA Legal Counsel
Heather Cole, APA Executive Secretary
Michael Curtis, AMWUA
Dennis Delaney, K.R. Saline & Associates
Todd Dillard, R.S. Lynch
Alan Dulaney, City of Mesa
Elston Grubagh, Wellton Mohawk Irrigation and Drainage District
Abel Gunn, APA Sr. Accountant
Dan Jones, Electrical District #3 & #4
R.D. Justice, Electrical District #7
Sam Lofland, Ryley, Carlock & Applewhite
Susan Lozier, Wellton Mohawk Irrigation and Drainage District
Douglas Milligan, Salt River Project
Jay Moyes, Moyes Sellers & Hendricks, Ltd.
Ken Robbins, Electrical District #4
Ken Saline, KR Saline & Associates
Chris Shoop, APA Senior Rate Analyst
Mike Simonton, Western Area Power Administration
Linda Sullivan, APA Senior Rate Analyst
Sheryl Sweeney, Ryley, Carlock & Applewhite
John Underhill, APA Interim Deputy Director
Kelly Urbine, Current Insights
Terry Urbine, Current Insights
Glen Votherms, Maricopa Water District

CALL TO ORDER: The meeting was called to order at 8:30 a.m. at the Arizona Power Authority.

ROLE CALL: Everyone introduced themselves and the company/organization they represent.

BUSINESS ITEMS:

- **APA Calendar/Timeline:** The APA Calendar/Timeline has been updated and can be found on the APA Website. A discussion was held about the timing of future meetings.

It was proposed that the C-Cubed committee meet in the next couple weeks to review the Draft Power Pooling Program and in particular Section 5.7. The goal would be to have a final draft document ready to present to the Commission for consideration at the Regularly Scheduled Commission Meeting on Tuesday, June 13, 2017.

- **Strategic Plan Customer Survey:** Surveys are still being completed. Results will be brought back to this committee prior to being presented to the Commission. Please contact the APA office if you still have not received the survey.
- **Status of D&B Programming Portal & Design:** Robert updated the attendees on the current status of the data programming. We are still on track to have templates by June 1, 2017. He asked again for customers to let him know if there was anything in particular they would like to have added to the programming.

There was some discussion regarding Entitlement vs. Allocation and use of MWh vs. kWh and how the average water year will be estimated. It was noted that the industry as a whole is moving to MW.

A question was asked regarding when the first invoice from Western to D1 for repayable advances would occur and how will the software address it? Repayable advances must be paid in the first 5 years. Beginning October 1, 2017 amounts equaling 1/5 the total repayable amount divided by 12 months will be included on the monthly invoice. These amount will then be paid to WAPA at the end of the year.

- **Emerging Markets Presentation** – Dave Slick, SRP will present Power 101 on Friday, June 2, 2017 at **SRP Information Systems Building, 600 N. Priest Dr., Tempe, AZ, Flagstaff Conference Room from 9:00am – Noon.** To facilitate entry to SRP's facility, please *RSVP to Teresa Beltran @ Teresa.beltran@srpnet.com, (602-236-2171) by May 26.*
- **Scheduling Entity RFP Conference:** RFP Respondents are invited to participate in a conference on Thursday, May 18 at the APA offices. They will have the opportunity to ask questions that they may have regarding the RFP. AEPCO and SRP confirmed they would be in attendance.
- **Draft Power Pooling Program(s):** The draft power pooling program was posted to the website and positive comments are being received. One comment was to change the exhibit lettering from A, B, C to roman numerals so as not to be confused with allocations to A, B, D customers. The word “program” is used in the document in a couple different ways and perhaps can be changed to “policy” or “regulation” when describing the approved power pool. Consideration must be given to the word “policy” as we would not want the unintended consequence of ending up in a rule-making process.

A follow-up meeting will take place in the next couple weeks to review the draft after all comments have been incorporated. Once the draft has been reviewed by customers it will be presented to the Commission for consideration.

Comments:

- Kelly Urbine mentioned that perhaps the preamble could be moved into a separate

exhibit, which would provide for a more general document.

- Sheryl Sweeney asked for clarification of the term “Management Committee.” Would this committee replace the “Scheduling Committee” which already meets on a monthly basis. John Underhill confirmed that would be the intent.
- Ken Saline commented that the APA should remain out of the scheduling business but that the APA should coordinate, track and make sure total amount of Hoover Power is being delivered and matches the allocations/entitlements. The APA should keep themselves isolated from scheduling decisions and dealing with the potential consequences of errors.
- Section 5.7 – several in attendance had comments regarding the intermingling of power between A, B & D allocations. In order to receive A power, entities must have a power purchase certificate. Questions arose regarding D-1 and D-2 allocations and whether or not they could be pooled together? John Underhill commented that the Commissioners worked hard to establish these allocations and that they would need to hear from the customers regarding this issue. The customers are concerned that these categories are unnecessarily restrictive and they would like to see more flexibility.

NEXT C-CUBED MEETING – Thursday, June 8, 2017 @ 9:00am at the APA Offices, 1810 W. Adams, Phoenix, AZ 85007