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**RESOLUTION 15-20**

**POLICY ON COLLECTION AND DISTRIBUTION OF LEGAL AND ENGINEERING CONSULTING EXPENSES FOR THE POST-2017 HOOVER POWER ALLOCATION PROCESS**

WHEREAS, the Arizona Power Authority Commission (Authority) finds that:

- A. The Authority has incurred legal and engineering consulting expenses for implementation of the post-2017 Hoover power allocation process (Consulting Expenses), and these expenses have been paid by the Authority's "Existing Non-Recapture Customers", i.e., entities currently receiving a post-1987 Hoover allocation from the Authority.
- B. Many existing Non-Recapture Customers have requested that the Authority: (a) collect a pro-rata share of the Consulting Expenses from "New Customers", i.e., entities that receive an allocation of post-2017 Hoover power but did not receive a post-1987 Hoover allocation; and (b) reimburse Existing Non-Recapture Customers a pro-rata share of the Consulting Expenses. The Authority has calculated this pro-rata share. The Authority has also calculated the pro-rata share of the Consulting Expenses for "Recapture Customers", i.e., entities that receive an allocation of post-2017 Hoover power and received a post-1987 allocation but had their post-1987 power recaptured. Recapture Customers have not paid a share of the Consulting Expenses.
- C. The pro-rata share of the Consulting Expenses for both the New Customers and Recapture Customers is *de minimis* relative to the current annual financial obligation of the Existing Non-Recapture Customers for Hoover operations costs.
- D. The Authority's cost to administer any such program would further reduce any limited benefit Existing Non-Recapture Customers may realize.

NOW, therefore, be it RESOLVED that:

1. It is not in the best financial interest of the Authority or its Existing Non-Recapture Customers for the Authority to collect a pro-rata share of the Consulting Expenses from New Customers or Recapture Customers and distribute these collections to Existing Non-Recapture Customers.
2. The Authority will neither collect a pro-rata share of the Consulting Expenses from New Customers or Recapture Customers, nor reimburse the Existing Non-Recapture Customers for any of the Consulting Expenses.

UNANIMOUSLY ADOPTED by the Arizona Power Authority Commission on this 15<sup>th</sup> day of September, 2015.

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Chairman Stephen Brophy

ATTEST:

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Acting Executive Secretary