RESOLUTION 15-1

PRELIMINARY DIRECTION TO STAFF REGARDING THE PRELIMINARY PROPOSAL FOR THE ALLOCATION OF POST-2017 HOOVER POWER:

JOINT APPLICATIONS

WHEREAS, the Arizona Power Authority Commission finds that:

A. The technical and legal consultants (Consultants) for the Arizona Power Authority (Authority) have provided the Commission with the Consultants’ Final Public Information and Comment Draft Plan (Final Draft Plan) on February 16, 2015. The timeline for the regulatory process that was adopted by the Commission on February 17, 2015, provides that the Commission intends to initiate the formal regulatory process on April 3, 2015, by declaring that a supply of Long-term Power is available and by giving notice of its intent to receive applications for electric service. After the due date for applications, the Authority will provide a preliminary proposal for the allocation and marketing of available Long-term Power (Preliminary Proposal) to be presented at the public information Conference tentatively scheduled for May 18, 2015.

B. In anticipation of the forthcoming formal regulatory process, the Commission held a special meeting on March 3, 2015, to hear public comments on policy and legal issues affecting the Post-2017 Hoover Allocation Process.

C. The Commission desires to give preliminary direction on these issues to aid staff in the preparation of the Preliminary Proposal. No decision with respect to this preliminary direction shall be final until the final allocation of post-2017 Hoover Power is made by the Commission.

NOW, THEREFORE, BE IT RESOLVED by the Commission as follows:

1. The Commission has considered the written and oral comments from interested members of the public on whether to allow a single application for electric service from more than one Qualified Entity, and provides the following preliminary direction to staff for the preparation of the Preliminary Proposal.

2. There is some rationale for accepting joint applications submitted by more than one Qualified Entity. The Authority will, on a preliminary basis, accept joint applications. The Authority will provide notice if this preliminary position changes prior to the application deadline.

3. The Commission reserves the right to modify any directions as it proceeds with the regulatory process described above. No decision or action is final until the Authority issues a final allocation plan.
RESOLUTION 15-2

PRELIMINARY DIRECTION TO STAFF REGARDING THE PRELIMINARY PROPOSAL
FOR THE ALLOCATION OF POST-2017 HOOVER POWER:
NEW DISTRICTS

WHEREAS, the Arizona Power Authority Commission finds that:

A. The technical and legal consultants (Consultants) for the Arizona Power Authority (Authority) have provided the Commission with the Consultants’ Final Public Information and Comment Draft Plan (Final Draft Plan) on February 16, 2015. The timeline for the regulatory process that was adopted by the Commission on February 17, 2015, provides that the Commission intends to initiate the formal regulatory process on April 3, 2015, by declaring that a supply of Long-term Power is available and by giving notice of its intent to receive applications for electric service. After the due date for applications, the Authority will provide a preliminary proposal for the allocation and marketing of available Long-term Power (Preliminary Proposal) to be presented at the public information Conference tentatively scheduled for May 18, 2015.

B. In anticipation of the forthcoming formal regulatory process, the Commission held a special meeting on March 3, 2015, to hear public comments on policy and legal issues affecting the Post-2017 Hoover Allocation Process.

C. The Commission desires to give preliminary direction on these issues to aid staff in the preparation of the Preliminary Proposal. No decision with respect to this preliminary direction shall be final until the final allocation of post-2017 Hoover Power is made by the Commission.

NOW, THEREFORE, BE IT RESOLVED by the Commission as follows:

1. The Commission has considered the written and oral comments from interested members of the public on whether to allow entities that are in the process of forming “districts” to receive a proposed allocation of post-2017 Hoover power, and provides the following preliminary direction to staff for the preparation of the Preliminary Proposal.

2. The Preliminary Proposal will be developed based upon the premise that a district must be formed as of the due date for the application of electric service to be eligible as a “district,” as that term is defined for purposes of Title 30 of the Arizona Revised Statutes, for a proposed allocation of post-2017 Hoover power. A new district, i.e., a district formed within one year prior to the Authority’s declaration that a supply of Long-term Power is available, must submit the final order of the board of supervisors with its application. All entities that receive a proposed allocation of post-2017 Hoover power, including new districts, will be required to provide an opinion letter from the entity’s legal counsel indicating that the entity is legally entitled to enter into the contract upon the terms and conditions set forth in the power sales contract offered by the Authority.
3. The Commission reserves the right to modify any directions as it proceeds with the regulatory process described above. No decision or action is final until the Authority issues a final allocation plan.
RESOLUTION 15-3

PRELIMINARY DIRECTION TO STAFF REGARDING THE PRELIMINARY PROPOSAL FOR THE ALLOCATION OF POST-2017 HOOVER POWER:

FINANCIAL CONSIDERATIONS

WHEREAS, the Arizona Power Authority Commission finds that:

A. The technical and legal consultants (Consultants) for the Arizona Power Authority (Authority) have provided the Commission with the Consultants’ Final Public Information and Comment Draft Plan (Final Draft Plan) on February 16, 2015. The timeline for the regulatory process that was adopted by the Commission on February 17, 2015, provides that the Commission intends to initiate the formal regulatory process on April 3, 2015, by declaring that a supply of Long-term Power is available and by giving notice of its intent to receive applications for electric service. After the due date for applications, the Authority will provide a preliminary proposal for the allocation and marketing of available Long-term Power (Preliminary Proposal) to be presented at the public information Conference tentatively scheduled for May 18, 2015.

B. In anticipation of the forthcoming formal regulatory process, the Commission held a special meeting on March 3, 2015, to hear public comments on policy and legal issues affecting the Post-2017 Hoover Allocation Process.

C. The Commission desires to give preliminary direction on these issues to aid staff in the preparation of the Preliminary Proposal. No decision with respect to this preliminary direction shall be final until the final allocation of post-2017 Hoover Power is made by the Commission.

NOW, THEREFORE, BE IT RESOLVED by the Commission as follows:

1. The Commission has considered the written and oral comments from interested members of the public on whether the Authority should require a letter of credit or comparable information as a condition of a power sales contract offered to a potential customer, and provides the following preliminary direction to staff for the preparation of the Preliminary Proposal.

2. The Preliminary Proposal will be developed with a requirement that customers that receive a proposed allocation of post-2017 Hoover power must provide assurance of their financial ability to pay under the terms of a power sales contract. For Authority customers that have a post-1987 Hoover power allocation, the Authority will accept a customer’s past performance of timely billing payments. For entities that do not have a payment history with the Authority, the Authority will accept past performance of timely billing payments with a power supplier, or the Authority will ask the entity to provide at least two months of prepayments until the entity has established a satisfactory history of performance with the Authority.
3. The Commission reserves the right to modify any directions as it proceeds with the regulatory process described above. No decision or action is final until the Authority issues a final allocation plan.
RESOLUTION 15-4

PRELIMINARY DIRECTION TO STAFF REGARDING THE PRELIMINARY PROPOSAL FOR THE ALLOCATION OF POST-2017 HOOVER POWER: SCHEDULE C POWER

WHEREAS, the Arizona Power Authority Commission finds that:

A. The technical and legal consultants (Consultants) for the Arizona Power Authority (Authority) have provided the Commission with the Consultants’ Final Public Information and Comment Draft Plan (Final Draft Plan) on February 16, 2015. The timeline for the regulatory process that was adopted by the Commission on February 17, 2015, provides that the Commission intends to initiate the formal regulatory process on April 3, 2015, by declaring that a supply of Long-term Power is available and by giving notice of its intent to receive applications for electric service. After the due date for applications, the Authority will provide a preliminary proposal for the allocation and marketing of available Long-term Power (Preliminary Proposal) to be presented at the public information Conference tentatively scheduled for May 18, 2015.

B. In anticipation of the forthcoming formal regulatory process, the Commission held a special meeting on March 3, 2015, to hear public comments on policy and legal issues affecting the Post-2017 Hoover Allocation Process.

C. The Commission desires to give preliminary direction on these issues to aid staff in the preparation of the Preliminary Proposal. No decision with respect to this preliminary direction shall be final until the final allocation of post-2017 Hoover Power is made by the Commission.

NOW, THEREFORE, BE IT RESOLVED by the Commission as follows:

1. The Commission has considered the written and oral comments from interested members of the public on whether, and how, the Authority should allocate excess energy that become available under Schedule C during this process, and provides the following preliminary direction to staff for the preparation of the Preliminary Proposal.

2. The Preliminary Proposal will be developed based on the premise that excess energy that becomes available under Schedule C will be offered first to post-2017 Schedule B customers to increase their capacity factor equal to the Schedule A capacity factor, and then any remaining Schedule C energy will be offered to post-2017 Schedule D customers to increase their capacity factor equal to the Schedule A capacity factor. The balance of excess energy, if any, that becomes available under Schedule C, after it has been first offered to Schedule B and D customers will be offered to all post-2017 customers.
3. The Commission reserves the right to modify any directions as it proceeds with the regulatory process described above. No decision or action is final until the Authority issues a final allocation plan.
RESOLUTION 15-5

PRELIMINARY DIRECTION TO STAFF REGARDING THE PRELIMINARY PROPOSAL FOR THE ALLOCATION OF POST-2017 HOOVER POWER:

CONTRACT TERM & MODIFICATION CLAUSE

WHEREAS, the Arizona Power Authority Commission finds that:

A. The technical and legal consultants (Consultants) for the Arizona Power Authority (Authority) have provided the Commission with the Consultants’ Final Public Information and Comment Draft Plan (Final Draft Plan) on February 16, 2015. The timeline for the regulatory process that was adopted by the Commission on February 17, 2015, provides that the Commission intends to initiate the formal regulatory process on April 3, 2015, by declaring that a supply of Long-term Power is available and by giving notice of its intent to receive applications for electric service. After the due date for applications, the Authority will provide a preliminary proposal for the allocation and marketing of available Long-term Power (Preliminary Proposal) to be presented at the public information Conference tentatively scheduled for May 18, 2015.

B. In anticipation of the forthcoming formal regulatory process, the Commission held a special meeting on March 3, 2015, to hear public comments on policy and legal issues affecting the Post-2017 Hoover Allocation Process.

C. The Commission desires to give preliminary direction on these issues to aid staff in the preparation of the Preliminary Proposal. No decision with respect to this preliminary direction shall be final until the final allocation of post-2017 Hoover Power is made by the Commission.

NOW, THEREFORE, BE IT RESOLVED by the Commission as follows:

1. The Commission has considered the written and oral comments from interested members of the public on the length of the contract term and the form of modification or termination clause in the power sales contract, and provides the following preliminary direction to staff for the preparation of the Preliminary Proposal.

2. The Preliminary Proposal will be developed based upon the premise that the power sales contracts will be for a term of 50 years, but will contain a “termination” provision that will allow the Commission to terminate the contracts upon five years prior written notice at any time after the initial 20-year period of the contracts. Power sales contracts for power, pursuant to 43 U.S.C. § 619a(a)(2)(C)(ii), shall be for a 50-year term and shall also contain the termination provision above; Provided, however, that the implementation of the termination provision in these contracts shall be consistent with applicable federal and state law.
3. The Commission reserves the right to modify any directions as it proceeds with the regulatory process described above. No decision or action is final until the Authority issues a final allocation plan.
RESOLUTION 15-6

PRELIMINARY DIRECTION TO STAFF REGARDING THE PRELIMINARY PROPOSAL FOR THE ALLOCATION OF POST-2017 HOOVER POWER:

**MINIMUM ALLOCATION REQUIREMENT**

WHEREAS, the Arizona Power Authority Commission finds that:

A. The technical and legal consultants (Consultants) for the Arizona Power Authority (Authority) have provided the Commission with the Consultants’ Final Public Information and Comment Draft Plan (Final Draft Plan) on February 16, 2015. The timeline for the regulatory process that was adopted by the Commission on February 17, 2015, provides that the Commission intends to initiate the formal regulatory process on April 3, 2015, by declaring that a supply of Long-term Power is available and by giving notice of its intent to receive applications for electric service. After the due date for applications, the Authority will provide a preliminary proposal for the allocation and marketing of available Long-term Power (Preliminary Proposal) to be presented at the public information Conference tentatively scheduled for May 18, 2015.

B. In anticipation of the forthcoming formal regulatory process, the Commission held a special meeting on March 3, 2015, to hear public comments on policy and legal issues affecting the Post-2017 Hoover Allocation Process.

C. The Commission desires to give preliminary direction on these issues to aid staff in the preparation of the Preliminary Proposal. No decision with respect to this preliminary direction shall be final until the final allocation of post-2017 Hoover Power is made by the Commission.

NOW, THEREFORE, BE IT RESOLVED by the Commission as follows:

1. The Commission has considered the written and oral comments from interested members of the public on whether a minimum allocation threshold should be implemented, i.e., if an allocation methodology does not yield a minimum allocation of 100 kilowatts (kW), then the entity does not receive any allocation, and provides the following preliminary direction to staff for the preparation of the Preliminary Proposal.

2. The Preliminary Proposal will be developed without consideration of a minimum allocation threshold. That is, if an allocation methodology does not yield a minimum allocation of 100 kW, then the Authority has to discretion to raise the allocation of an entity receiving less than 100 kW under the allocation methodology to 100 kW by decreasing other entities’ allocations in some manner.

3. The Commission reserves the right to modify any directions as it proceeds with the regulatory process described above. No decision or action is final until the Authority issues a final allocation plan.
RESOLUTION 15-7

PRELIMINARY DIRECTION TO STAFF REGARDING THE PRELIMINARY PROPOSAL FOR THE ALLOCATION OF POST-2017 HOOVER POWER:

REIMBURSEMENT SCHEME

WHEREAS, the Arizona Power Authority Commission finds that:

A. The technical and legal consultants (Consultants) for the Arizona Power Authority (Authority) have provided the Commission with the Consultants’ Final Public Information and Comment Draft Plan (Final Draft Plan) on February 16, 2015. The timeline for the regulatory process that was adopted by the Commission on February 17, 2015, provides that the Commission intends to initiate the formal regulatory process on April 3, 2015, by declaring that a supply of Long-term Power is available and by giving notice of its intent to receive applications for electric service. After the due date for applications, the Authority will provide a preliminary proposal for the allocation and marketing of available Long-term Power (Preliminary Proposal) to be presented at the public information Conference tentatively scheduled for May 18, 2015.

B. In anticipation of the forthcoming formal regulatory process, the Commission held a special meeting on March 3, 2015, to hear public comments on policy and legal issues affecting the Post-2017 Hoover Allocation Process.

C. The Commission desires to give preliminary direction on these issues to aid staff in the preparation of the Preliminary Proposal. No decision with respect to this preliminary direction shall be final until the final allocation of post-2017 Hoover Power is made by the Commission.

NOW, THEREFORE, BE IT RESOLVED by the Commission as follows:

1. The Commission has considered the written and oral comments from interested members of the public on whether the Authority should adopt a reimbursement scheme where potential customers that do not currently receive post-1987 Hoover power pay some share of the Hoover Dam Repayable Advances already paid by the Authority, other advance payments, or the costs incurred for the Post-2017 Hoover Power Allocation Process, and provides the following preliminary direction to staff for the preparation of the Preliminary Proposal.

2. At this time, the Commission is inclined to require “new” customers, i.e., entities that receive an allocation of post-2017 Hoover power but did not receive a post-1987 Hoover power allocation, to true up two categories of costs: Hoover Dam repayable advances, and costs incurred for the Post-2017 Hoover Power Allocation Process. However, the Commission acknowledges that it is premature to develop the exact methodology for doing this before the final allocation plan is complete and the Authority knows who is a “new” customer. Accordingly, the Commission will reconsider this issue once it has published a final allocation plan.
3. The Commission reserves the right to modify any directions as it proceeds with the regulatory process described above. No decision or action is final until the Authority issues a final allocation plan.
RESOLUTION 15-8

PRELIMINARY DIRECTION TO STAFF REGARDING THE PRELIMINARY PROPOSAL FOR THE ALLOCATION OF POST-2017 HOOVER POWER:

EXCESS FEDERAL RESOURCE TEST

WHEREAS, the Arizona Power Authority Commission finds that:

A. The technical and legal consultants (Consultants) for the Arizona Power Authority (Authority) have provided the Commission with the Consultants’ Final Public Information and Comment Draft Plan (Final Draft Plan) on February 16, 2015. The timeline for the regulatory process that was adopted by the Commission on February 17, 2015, provides that the Commission intends to initiate the formal regulatory process on April 3, 2015, by declaring that a supply of Long-term Power is available and by giving notice of its intent to receive applications for electric service. After the due date for applications, the Authority will provide a preliminary proposal for the allocation and marketing of available Long-term Power (Preliminary Proposal) to be presented at the public information Conference tentatively scheduled for May 18, 2015.

B. In anticipation of the forthcoming formal regulatory process, the Commission held a special meeting on March 3, 2015, to hear public comments on policy and legal issues affecting the Post-2017 Hoover Allocation Process.

C. The Commission desires to give preliminary direction on these issues to aid staff in the preparation of the Preliminary Proposal. No decision with respect to this preliminary direction shall be final until the final allocation of post-2017 Hoover Power is made by the Commission.

NOW, THEREFORE, BE IT RESOLVED by the Commission as follows:

1. The Commission has considered the written and oral comments from interested members of the public on the methodology for calculating whether an applicant has excess federal hydropower resources, e.g., whether to consider Contract Rate of Delivery (CROD) or Sustainable Hydro Power (SHP) for entities that have allocations of Colorado River Storage Project (CRSP) power, and provides the following preliminary direction to staff for the preparation of the Preliminary Proposal.

2. The Preliminary Proposal will be developed based on the implementation of an “excess federal resource test” that uses SHP as the relevant number for CRSP power allocations.

3. The Commission reserves the right to modify any directions as it proceeds with the regulatory process described above. No decision or action is final until the Authority issues a final allocation plan.
RESOLUTION 15-9

PRELIMINARY DIRECTION TO STAFF REGARDING THE PRELIMINARY PROPOSAL FOR THE ALLOCATION OF POST-2017 HOOVER POWER:

RED BOOK

WHEREAS, the Arizona Power Authority Commission finds that:

A. The technical and legal consultants (Consultants) for the Arizona Power Authority (Authority) have provided the Commission with the Consultants’ Final Public Information and Comment Draft Plan (Final Draft Plan) on February 16, 2015. The timeline for the regulatory process that was adopted by the Commission on February 17, 2015, provides that the Commission intends to initiate the formal regulatory process on April 3, 2015, by declaring that a supply of Long-term Power is available and by giving notice of its intent to receive applications for electric service. After the due date for applications, the Authority will provide a preliminary proposal for the allocation and marketing of available Long-term Power (Preliminary Proposal) to be presented at the public information Conference tentatively scheduled for May 18, 2015.

B. In anticipation of the forthcoming formal regulatory process, the Commission held a special meeting on March 3, 2015, to hear public comments on policy and legal issues affecting the Post-2017 Hoover Allocation Process.

C. The Commission desires to give preliminary direction on these issues to aid staff in the preparation of the Preliminary Proposal. No decision with respect to this preliminary direction shall be final until the final allocation of post-2017 Hoover Power is made by the Commission.

NOW, THEREFORE, BE IT RESOLVED by the Commission as follows:

1. The Commission has considered the written and oral comments from interested members of the public on the significance of the “Final Hoover Power Marketing Post-1987” document published on June 7, 1985, known as the “Red Book,” and provides the following preliminary direction to staff for the preparation of the Preliminary Proposal.

2. In the event that the Preliminary Proposal, or the final allocation, differs from the Red Book, the Commission will identify where the Preliminary Proposal differs from the Red Book and provide the rationale for proceeding in this manner.

3. The Commission reserves the right to modify any directions as it proceeds with the regulatory process described above. No decision or action is final until the Authority issues a final allocation plan.
RESOLUTION 15-10

PRELIMINARY DIRECTION TO STAFF REGARDING THE PRELIMINARY PROPOSAL
FOR THE ALLOCATION OF POST-2017 HOOVER POWER:

DEFINITION OF A DISTRICT

WHEREAS, the Arizona Power Authority Commission finds that:

A. The technical and legal consultants (Consultants) for the Arizona Power Authority (Authority) have provided the Commission with the Consultants’ Final Public Information and Comment Draft Plan (Final Draft Plan) on February 16, 2015. The timeline for the regulatory process that was adopted by the Commission on February 17, 2015, provides that the Commission intends to initiate the formal regulatory process on April 3, 2015, by declaring that a supply of Long-term Power is available and by giving notice of its intent to receive applications for electric service. After the due date for applications, the Authority will provide a preliminary proposal for the allocation and marketing of available Long-term Power (Preliminary Proposal) to be presented at the public information Conference tentatively scheduled for May 18, 2015.

B. In anticipation of the forthcoming formal regulatory process, the Commission held a special meeting on March 3, 2015, to hear public comments on policy and legal issues affecting the Post-2017 Hoover Allocation Process.

C. The Commission desires to give preliminary direction on these issues to aid staff in the preparation of the Preliminary Proposal. No decision with respect to this preliminary direction shall be final until the final allocation of post-2017 Hoover Power is made by the Commission.

NOW, THEREFORE, BE IT RESOLVED by the Commission as follows:

1. The Commission has considered the written and oral comments from interested members of the public on the definition of a “district” for purposes of Title 30 of the Arizona Revised Statutes, and provides the following preliminary direction to staff for the preparation of the Preliminary Proposal.

2. The Preliminary Proposal will be developed based upon the definition of a “district” and supporting analysis set forth in section IV.A.2.a of the Final Draft Plan.

3. The Commission reserves the right to modify any directions as it proceeds with the regulatory process described above. No decision or action is final until the Authority issues a final allocation plan.
RESOLUTION 15-11

PRELIMINARY DIRECTION TO STAFF REGARDING THE PRELIMINARY PROPOSAL FOR THE ALLOCATION OF POST-2017 HOOVER POWER:
INTERPRETATION OF A.R.S. SECTIONS 45-1708 & 45-1710

WHEREAS, the Arizona Power Authority Commission finds that:

A. The technical and legal consultants (Consultants) for the Arizona Power Authority (Authority) have provided the Commission with the Consultants’ Final Public Information and Comment Draft Plan (Final Draft Plan) on February 16, 2015. The timeline for the regulatory process that was adopted by the Commission on February 17, 2015, provides that the Commission intends to initiate the formal regulatory process on April 3, 2015, by declaring that a supply of Long-term Power is available and by giving notice of its intent to receive applications for electric service. After the due date for applications, the Authority will provide a preliminary proposal for the allocation and marketing of available Long-term Power (Preliminary Proposal) to be presented at the public information Conference tentatively scheduled for May 18, 2015.

B. In anticipation of the forthcoming formal regulatory process, the Commission held a special meeting on March 3, 2015, to hear public comments on policy and legal issues affecting the Post-2017 Hoover Allocation Process.

C. The Commission desires to give preliminary direction on these issues to aid staff in the preparation of the Preliminary Proposal. No decision with respect to this preliminary direction shall be final until the final allocation of post-2017 Hoover Power is made by the Commission.

NOW, THEREFORE, BE IT RESOLVED by the Commission as follows:

1. The Commission has considered the written and oral comments from interested members of the public on the interpretation of sections 45-1708 and 45-1710 of the Arizona Revised Statutes and the eligibility of entities to enter into contracts under Title 45, and provides the following preliminary direction to staff for the preparation of the Preliminary Proposal.

2. The Preliminary Proposal will be developed based upon the interpretation of sections 45-1708 and 45-1710 of the Arizona Revised Statutes set forth in section IV.B.1 of the Final Draft Plan.

3. The Commission reserves the right to modify any directions as it proceeds with the regulatory process described above. No decision or action is final until the Authority issues a final allocation plan.
RESOLUTION 15-12

PRELIMINARY DIRECTION TO STAFF REGARDING THE PRELIMINARY PROPOSAL FOR THE ALLOCATION OF POST-2017 HOOVER POWER:

**INTERPRETATION OF “NEW ALLOTTEES”**

WHEREAS, the Arizona Power Authority Commission finds that:

A. The technical and legal consultants (Consultants) for the Arizona Power Authority (Authority) have provided the Commission with the Consultants’ Final Public Information and Comment Draft Plan (Final Draft Plan) on February 16, 2015. The timeline for the regulatory process that was adopted by the Commission on February 17, 2015, provides that the Commission intends to initiate the formal regulatory process on April 3, 2015, by declaring that a supply of Long-term Power is available and by giving notice of its intent to receive applications for electric service. After the due date for applications, the Authority will provide a preliminary proposal for the allocation and marketing of available Long-term Power (Preliminary Proposal) to be presented at the public information Conference tentatively scheduled for May 18, 2015.

B. In anticipation of the forthcoming formal regulatory process, the Commission held a special meeting on March 3, 2015, to hear public comments on policy and legal issues affecting the Post-2017 Hoover Allocation Process.

C. The Commission desires to give preliminary direction on these issues to aid staff in the preparation of the Preliminary Proposal. No decision with respect to this preliminary direction shall be final until the final allocation of post-2017 Hoover Power is made by the Commission.

NOW, THEREFORE, BE IT RESOLVED by the Commission as follows:

1. The Commission has considered the written and oral comments from interested members of the public on whether an entity that received an allocation of post-1987 Schedule A or B power may also receive an allocation of power from the post-2017 Schedule D power pool allocated by the Authority (D-2 power), and whether an entity that receives an allocation of post-2017 Schedule A or B power may also receive an allocation of post-2017 D-2 power, and provides the following preliminary direction to staff for the preparation of the Preliminary Proposal.

2. The Preliminary Proposal will be developed based upon premise that an entity may receive an allocation of post-2017 D-2 power if it did not receive an allocation of post-1987 Schedule A or B power, and if it does not receive an allocation of post-2017 Schedule A or B power. Additionally, the Preliminary Proposal will be developed based upon the premise that an entity that received an allocation of post-2017 Schedule D power from the Western Area Power Administration (D-1 power) may not receive an allocation of post-2017 Schedule A or B power from the Authority.
3. The Commission reserves the right to modify any directions as it proceeds with the regulatory process described above. No decision or action is final until the Authority issues a final allocation plan.
RESOLUTION 15-13

PRELIMINARY DIRECTION TO STAFF REGARDING THE PRELIMINARY PROPOSAL
FOR THE ALLOCATION OF POST-2017 HOOVER POWER:

ALLOCATION OF “D-2” POWER

WHEREAS, the Arizona Power Authority Commission finds that:

A. The technical and legal consultants (Consultants) for the Arizona Power Authority (Authority) have provided the Commission with the Consultants’ Final Public Information and Comment Draft Plan (Final Draft Plan) on February 16, 2015. The timeline for the regulatory process that was adopted by the Commission on February 17, 2015, provides that the Commission intends to initiate the formal regulatory process on April 3, 2015, by declaring that a supply of Long-term Power is available and by giving notice of its intent to receive applications for electric service. After the due date for applications, the Authority will provide a preliminary proposal for the allocation and marketing of available Long-term Power (Preliminary Proposal) to be presented at the public information Conference tentatively scheduled for May 18, 2015.

B. In anticipation of the forthcoming formal regulatory process, the Commission held a special meeting on March 3, 2015, to hear public comments on policy and legal issues affecting the Post-2017 Hoover Allocation Process.

C. The Commission desires to give preliminary direction on these issues to aid staff in the preparation of the Preliminary Proposal. No decision with respect to this preliminary direction shall be final until the final allocation of post-2017 Hoover Power is made by the Commission.

NOW, THEREFORE, BE IT RESOLVED by the Commission as follows:

1. The Commission has considered the written and oral comments from interested members of the public on whether the Authority should allocate the Schedule D power under its jurisdiction (D-2 power) according to Title 30, Title 45, or a combination thereof, and provides the following preliminary direction to staff for the preparation of the Preliminary Proposal.

2. The Preliminary Proposal will be developed based upon an allocation of post-2017 D-2 power pursuant to the broad statutory provisions of Title 30 and Title 45 of the Arizona Revised Statutes (A.R.S). A.R.S. §§ 30-101 to 30-228; A.R.S. §§ 45-1701 to 45-1722. The Preliminary Proposal may allocate some or all of post-2017 D-2 power based upon the preferences, for example, found in A.R.S. section 30-125.

3. The Commission reserves the right to modify any directions as it proceeds with the regulatory process described above. No decision or action is final until the Authority issues a final allocation plan.
RESOLUTION 15-14

PRELIMINARY DIRECTION TO STAFF REGARDING THE PRELIMINARY PROPOSAL FOR THE ALLOCATION OF POST-2017 HOOVER POWER:

SUBSTANTIATION OF DATA

WHEREAS, the Arizona Power Authority Commission finds that:

A. The technical and legal consultants (Consultants) for the Arizona Power Authority (Authority) have provided the Commission with the Consultants’ Final Public Information and Comment Draft Plan (Final Draft Plan) on February 16, 2015. The timeline for the regulatory process that was adopted by the Commission on February 17, 2015, provides that the Commission intends to initiate the formal regulatory process on April 3, 2015, by declaring that a supply of Long-term Power is available and by giving notice of its intent to receive applications for electric service. After the due date for applications, the Authority will provide a preliminary proposal for the allocation and marketing of available Long-term Power (Preliminary Proposal) to be presented at the public information Conference tentatively scheduled for May 18, 2015.

B. In anticipation of the forthcoming formal regulatory process, the Commission held a special meeting on March 3, 2015, to hear public comments on policy and legal issues affecting the Post-2017 Hoover Allocation Process.

C. The Commission desires to give preliminary direction on these issues to aid staff in the preparation of the Preliminary Proposal. No decision with respect to this preliminary direction shall be final until the final allocation of post-2017 Hoover Power is made by the Commission.

NOW, THEREFORE, BE IT RESOLVED by the Commission as follows:

1. The Commission has considered the written and oral comments from interested members of the public on requirements for the type of data and documentation submitted with the application for electric service, and provides the following preliminary direction to staff for the preparation of the Preliminary Proposal.

2. The application for electric service will require that data reported in the “Power Usage History” section be substantiated with documentation. An example of acceptable documentation includes power bills generated by the applicant for its customers, or generated by a third party. The Authority will review and evaluate the merits of all the applications and accompanying documentation received by the due date.

3. The Commission reserves the right to modify any directions as it proceeds with the regulatory process described above. No decision or action is final until the Authority issues a final allocation plan.
RESOLUTION 15-15

PRELIMINARY DIRECTION TO STAFF REGARDING THE PRELIMINARY PROPOSAL FOR THE ALLOCATION OF POST-2017 HOOVER POWER:
OPPORTUNITY TO CURE DEFICIENT APPLICATIONS

WHEREAS, the Arizona Power Authority Commission finds that:

A. The technical and legal consultants (Consultants) for the Arizona Power Authority (Authority) have provided the Commission with the Consultants’ Final Public Information and Comment Draft Plan (Final Draft Plan) on February 16, 2015. The timeline for the regulatory process that was adopted by the Commission on February 17, 2015, provides that the Commission intends to initiate the formal regulatory process on April 3, 2015, by declaring that a supply of Long-term Power is available and by giving notice of its intent to receive applications for electric service. After the due date for applications, the Authority will provide a preliminary proposal for the allocation and marketing of available Long-term Power (Preliminary Proposal) to be presented at the public information Conference tentatively scheduled for May 18, 2015.

B. In anticipation of the forthcoming formal regulatory process, the Commission held a special meeting on March 3, 2015, to hear public comments on policy and legal issues affecting the Post-2017 Hoover Allocation Process.

C. The Commission desires to give preliminary direction on these issues to aid staff in the preparation of the Preliminary Proposal. No decision with respect to this preliminary direction shall be final until the final allocation of post-2017 Hoover Power is made by the Commission.

NOW, THEREFORE, BE IT RESOLVED by the Commission as follows:

1. The Commission has considered the comments from interested members of the public on whether, consistent with the recommendations in the Final Draft Plan, the Authority should notify an applicant if its application is deficient and grant the applicant seven calendar days to cure the deficiency, and whether an application should be deemed administratively complete, and provides the following preliminary direction to staff for the preparation of the Preliminary Proposal.

2. Shortly after the deadline to submit applications for electric service, the Authority will conduct a preliminary review of the submitted applications. The Authority will notify an applicant if the application is defective and give the applicant seven calendar days to cure the identified defect.

3. Other than any initial notification of deficiency, the Authority will not comment on or indicate the completeness or adequacy of any application until it issues its final allocation plan. In this regard, the Authority does not adopt the recommendation in the Final Draft
Plan that an application should be deemed “administratively complete” if the Authority does not identify any deficiency within 14 calendar days.

4. The Commission reserves the right to modify any directions as it proceeds with the regulatory process described above. No decision or action is final until the Authority issues a final allocation plan.