



VIA E-MAIL

August 5, 2016

John T. Underhill, Jr.
Interim Deputy Executive and Director & Chief Engineer
1810 West Adams Street
Phoenix, AZ 85007

Re: Demonstration of Available Transmission for Post-2017 Hoover Power Sales Contract

The Electrical District Number 3 of Pinal County ("ED3") is an existing APA contractor and owns and operates its own distribution facilities which are interconnected to the Western Test Track Substation. ED3 will enter into a Parker-Davis Project Firm Transmission Service Agreement from Mead 230 kV Substation to ED3's interconnection with Western at Test Track. Western has provided ED3 with a "Firm Transmission Service Arrangement" similar to the arrangement Western offered the APA. We are exchanging draft modifications, including the right to terminate the agreement if needed in the future.

In addition, ED3's transmission request included transmission for the City of Maricopa and the Ak-Chin Indian Community. ED3 requests written confirmation that Western's Parker-Davis Project Firm Transmission Service Agreement satisfies the APA requirements for ED3, City of Maricopa, and the Ak-Chin Indian Community.

Sincerely,

A handwritten signature in black ink that reads "Dennis L. Delaney". The signature is written in a cursive, flowing style.

Dennis L. Delaney, P.E.

cc: Bill Stacy
Paul R. Orme, Esq.