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HERES THE WORK I SPOKE TO  
YOU ABOUT ON TUESDAY. I THINK THIS  
WELL WORK AS A PROJECT DESCRIPTION.  
BRENT

**Memorandum of Understanding**

**For**

**Installation of Metering and a Circuit Breaker  
at the Powell 69KV Substation**

**Between**

**Arizona Public Service Company**

**and**

**City of Page, Arizona / Page Electric Utility**

**and**

**Western Area Power Administration**

Memorandum of Understanding  
For  
Installation of Metering and a Circuit Breaker  
at the Powell 69-kV Substation  
Among  
Arizona Public Service  
and  
City of Page, Arizona / Page Electric Utility  
And  
Western Area Power Administration

1. **PARTIES:** This Memorandum of Understanding for installation of a new circuit breaker and metering at the Powell 69-kV Substation ( the "MOU" ) is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2011, by Arizona Public Service Company, an Arizona corporation ( "APS" ), and City of Page, Arizona / Page Electric Utility, an Arizona municipality ( "PEU" ), and Western Area Power Administration, an entity of the Federal Government ("Western") hereinafter referred to individually as "Party" and collectively as "Parties".
2. **RECITALS:** This MOU is made with reference to the following:
  - 2.1 Western is electrically connected to PEU through two 69KV transmission lines from Western's Glen Canyon 69KV Substation to the PEU Slavens and Powell 69KV Substations. APS has a 69kV line from the Flagstaff, Arizona, area to the City of Page that allows an emergency feed to PEU at the Powell Substation.
  - 2.2 In order for APS to connect or disconnect from this emergency feed , it is necessary for both Western and PEU to perform switching procedures. In addition, while this feed is closed, load on the APS system is supplied by Western, through PEU's system, without any formal agreement for transmission arrangements or the return of such emergency energy to Western.
  - 2.3 To rectify this situation, the Parties have agreed to install a billing quality metering and a breaker at the APS emergency feed, located in PEU's Powell 69KV Substation.
3. **AGREEMENT:** In consideration of these premises and the mutual covenants contained herein, the Parties agree as follows:
4. **EFFECTIVE DATE AND TERMINATION:** This Agreement shall become effective upon execution by the Parties and shall terminate on the earlier of: (i) Thirty years from the

execution date, (ii) written notice by any party, or (iii) mutual agreement of the Parties. Any obligations relating to payment of costs under this MOU incurred prior to termination shall continue until satisfied.

5. **RIGHTS GRANTED AND RESERVED:** PEU hereby grants to APS, subject to the terms and conditions of this MOU, the following:

5.1 If PEU builds new facilities between the Powell Substation and APS's point of ownership on the 69 KV line going south out of the Powell Substation, PEU can remove the circuit breaker and/or metering equipment installed pursuant to this MOU or move the equipment to the new location.

5.2 The emergency feed access and location is granted at the continued pleasure of the PEU Board and/or Page City Council. Should the emergency feed diminish PEU's ability to reliably serve Page, the feed will be ceased immediately. The breaker installation can in no way cause harm to or diminish PEU revenues or prevent any future business interest located inside or outside Page's Corporate Boundaries.

6. **CONSTRUCTION WORK:**

PEU shall perform the following activities in a good and workmanlike manner and in accordance with good utility practice:

- Prepare engineering and design of the proposed circuit breaker and metering installation.
- Install a 69KV circuit breaker, two sets of isolation switches, a set of potential transformers, relays (SEL 311B) and associated equipment at the Powell Substation.
- PEU shall promptly commence performance of these work items following execution of this MOU.

WAPA shall perform the following activities in a good and workmanlike manner and in accordance with good utility practice:

- Procure and install the billing quality metering and associated equipment.
- WAPA shall promptly commence performance of these work items following execution of this MOU.

APS shall perform the following activities in a good and workmanlike manner and in accordance with good utility practice:

- Procure and deliver to the Powell Substation a 69KV, 2000A, 40KA circuit breaker with billing quality current transformers in the bushing, two sets of isolation switches, a set of potential transformers and a relay, which has been specified in the engineering and design work performed by PEU.
- APS shall promptly commence performance of these work items following execution of this MOU.

**7. OWNERSHIP:**

- 7.1 PEU shall own and operate the circuit breaker, the two sets of isolation switches, the potential transformers, the relay and related equipment installed pursuant to this MOU, located within the boundaries of the Powell 69KV Substation
- 7.2 Western shall own the billing quality metering and related equipment installed pursuant to this MOU, located within the boundaries of the Powell 69KV Substation.
- 7.3 APS shall not own any of the new equipment located within the boundaries of the Powell 69kV Substation.

**8. OPERATION, MAINTENANCE AND REPLACEMENT:**

- 8.1 PEU shall be responsible for operation, limited maintenance (any single cost under \$1000) of the circuit breaker, two sets of isolation switches, the set of potential transformers, the relay and related equipment installed pursuant to this MOU. Because this MOU serves for the primary benefit of APS, major maintenance and replacement (above \$1,000) shall remain an expense of APS.
- 8.2 Western shall be responsible for the operation, maintenance and replacement of the billing quality metering, and related equipment installed pursuant to this MOU.
- 8.3 PEU shall have control of the circuit breaker installed at the Powell Substation. Closure of this normally open line will be for emergency service to APS via the Glen Canyon/PEU system or for emergency service to PEU via the APS Flagstaff area 69kV system.

**9. COST RESPONSIBILITY**

- 9.1 APS shall be responsible for the cost of procurement of the new circuit breaker, two sets of isolation switches, a set of potential transformers, a relay and meter.
- 9.2 PEU shall be responsible for the cost of the engineering and design of the Powell Substation expansion, installing the circuit breaker, two sets of isolation switches, the set

of potential transformers and the relay. PEU will also be responsible for all costs related to operation, and limited maintenance, as set forth in Section 8.1, of the breaker, isolation switches, potential transformers and relay installed pursuant to this MOU.

9.3 Western shall be responsible for the cost of installing the new metering as well as for all costs related to operation, maintenance and replacement of the metering, and related equipment installed pursuant to this MOU.

10. **LIABILITY; LIMITATION OF LIABILITY:** No Party, nor its respective officers, directors, employees, agents, advisers, representatives, affiliates, or successor or assigns shall be liable to the other Party for any indirect, consequential, special, or punitive damages for any actions resulting from or arising out of this Agreement, whether based on contract, tort (including negligence), strict liability, professional liability, contribution, or otherwise. APS agrees to hold harmless, indemnify, and defend PEU against any and all claims brought by third parties arising out of PEU's actions under this Agreement.

11. **DISPUTES**

In any litigation, arbitration or other action between the Parties arising out of or related to this Agreement, the prevailing Party shall be entitled to recover its reasonable attorney fees at trial and on appeal, in accordance with applicable law.

12. **NOTICES:** All notices required or permitted hereunder shall be made to the following:

If to APS: Arizona Public Service Company  
Attn: Interconnections Development Manager  
P.O. Box 53999 – MS2259  
Phoenix, AZ 85072 – 3999

If to PEU: Page Electric Utility  
Attn: General Manager  
PO Box 1955  
640 Haul Road  
Page, Arizona 86040

If to Western: Western Area Power Administration  
Attn: CRSP Manager  
150 Social Hall Ave, Suite 300  
Salt Lake City, Utah 84111

13. **AUTHORITY TO EXECUTE:** Each person executing this Agreement hereto represents that they have been duly authorized to enter into this Agreement on behalf of and bind the Party represented.

**ARIZONA PUBLIC SERVICE COMPANY**

SIGNATURE: \_\_\_\_\_

NAME: \_\_\_\_\_

TITLE: \_\_\_\_\_

DATE SIGNED: \_\_\_\_\_

**CITY OF PAGE / PAGE ELECTRIC UTILITY**

SIGNATURE: Bryan Hill

NAME: BRYAN HILL

TITLE: GENERAL MANAGER

DATE SIGNED: 1-12-11

**WESTERN AREA POWER ADMINISTRATION**

SIGNATURE: \_\_\_\_\_

NAME: \_\_\_\_\_

TITLE: \_\_\_\_\_

DATE SIGNED: \_\_\_\_\_

WESTERN, CRSP - MC  
ENVIRONMENTAL REVIEW SIGN OFF SHEET

Environmental Project Number: CX 94

Project Title:

Installation of metering & circuit breaker  
at the Powell 69 kV substation

City(s), County(s), State(s) in which the action will be taken:

Page, Arizona

Brief description of work to be done:

Installation of electrical equipment completely  
within an existing substation

A full description of this project/action can be found in the following document(s):

Attached MOU, draft of 12/9/2010

This project/action has complied with relevant environmental laws and can proceed with  
the following stipulations, commitments, explanations, and/or remarks:

N/A

Certified or  
Approved by:

S. Clayton Rad  
(Name/Title)

\*  
Date: 1/25/11

[\* Note: this approval applies only to the project/action described in the documents cited above.  
This approval may not extend to a project/action which differs from the one described.]

WAPA Distribution:

L6200; Brent Osiek  
David Bennion  
A0200; Matt Blevins  
CRSP-mc web page - external

- 1. This action or group of actions would have a significant effect on the quality of the human environment. No  Uncertain \_\_\_ Yes \_\_\_
- 2. This action or group of actions would involve unresolved conflicts concerning alternative uses of available resources. No  Uncertain \_\_\_ Yes \_\_\_

**Evaluation of Exceptions to Actions Within Categorical Exclusion**

- 1. This action would have significant adverse effects on public health or safety. No  Uncertain \_\_\_ Yes \_\_\_
- 2. This action would affect unique geographical features such as: wetlands, wild or scenic rivers, refuges, flood plains, rivers placed on the nationwide river inventory or prime and unique farmlands. No  Uncertain \_\_\_ Yes \_\_\_
- 3. This action will have highly controversial environmental effects. No  Uncertain \_\_\_ Yes \_\_\_
- 4. This action will have highly uncertain environmental effects or involve unique unknown environmental risk. No  Uncertain \_\_\_ Yes \_\_\_
- 5. This action will establish a precedent for future actions. No  Uncertain \_\_\_ Yes \_\_\_
- 6. This action is related to other actions with individually insignificant but cumulatively significant effects. No  Uncertain \_\_\_ Yes \_\_\_
- 7. This action will affect properties listed or eligible for listing in the National Register of Historic Places. No  Uncertain \_\_\_ Yes \_\_\_
- 8. This action will adversely affect a species listed or proposed to be listed as Endangered or Threatened. No  Uncertain \_\_\_ Yes \_\_\_
- 9. This action threatens to violate Federal, State, and local, or tribal law or requirements imposed for protection of the environment. No  Uncertain \_\_\_ Yes \_\_\_
- 10. This action will affect Indian Trust Assets. No  Uncertain \_\_\_ Yes \_\_\_



NEPA Action (choose one):

Specific CX - This project was reviewed under the DOE NEPA Regulations (10 CFR 1021) subpart D, Appendixes A & B. Referenced sections:

par. 11; "Other improvements to existing facilities for environmental or safety reasons that do not significantly change the design or function of the facility . . . ."

An EA  or EIS  was prepared (DOE document no )

This project/action has been reviewed for compliance with:

- The Endangered Species Act, Section 7;
- The National Historic Preservation Act, Section 106;
- The Floodplain/Wetlands Environmental Review Requirement.

Preparer's Name: Clayton Palmer

| Title: CRSP - MC NEPA Compliance Officer

| Date Prepared: 1/25/11