

# Arizona Electric Power Cooperative, Inc.

P.O. Box 670 • Benson, Arizona 85602-0670 • Phone 520-586-3631

## RE: LIMITED INTERIM AGENCY AUTHORITY

Dear Sir or Madam,

This letter, dated August \_\_\_\_, 2009, regarding Limited Interim Agency Authority (Limited Agency Letter) is addressed to each potential counter party, or their representative, to the Gila River Generating Station (GRGS) Unit Purchased Power Agreement (Potential Counter Party), as identified on Exhibit A attached hereto, which has been developed based upon past expressions of interest. As you know, the prospect of a Gila River Generating Station Unit Purchased Power Agreement (GRGS Unit PPA) between Gila River Power Station L.P. (Seller) and each Potential Counter Party is currently being considered.

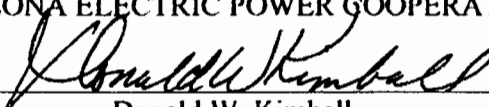
It is contemplated that a formal Preliminary Funding Agreement for Assessment of Alternative Power Supply Options (Assessment PFA) will be entered into among the Potential Counter Parties, or some of them, in the near future with respect to the further consideration and possible negotiation of a GRGS Unit PPA. The purpose of this Limited Agency Letter is to provide authorization from each Potential Counter Party to Arizona Electric Power Cooperative, Inc. (AEPCO), who is also a Potential Counter Party, to undertake certain interim, limited and specified actions on behalf of each Counter Party with respect to preliminary matters in contemplation of the ultimate negotiation and execution of a GRGS Unit PPA until the Assessment PFA becomes effective.

Accordingly, by executing a counterpart of this Limited Agency Letter each Potential Counter Party hereby appoints AEPCO, and AEPCO hereby accepts such appointment by its signature hereof, to serve as agent for each Potential Counter Party, with respect to the execution on behalf of each Potential Counter Party of a certain Letter of Intent and appended Term Sheet (LOI), a preliminary copy of which has been furnished to each of the Potential Counter Parties or their representatives, and delivery of the final LOI to Seller. Of course, the LOI itself will not commit any party to enter into a GRGS Unit PPA.

It is specifically understood and agreed that the content of the final LOI that is delivered to Seller shall be solely determined by the Negotiating Committee, acting in concert with the Legal/Participation Committee (Unit PPA Negotiating Committees). Both of the Unit PPA Negotiating Committees were duly constituted, empowered and directed by the Potential Counter Parties. It is also specifically understood and agreed to that the Unit PPA Negotiating Committees will undertake all discussions and negotiations with Seller with respect to the LOI and a GRGS Unit PPA and that AEPCO will only participate in such discussions and negotiations with Seller to the extent that it has representation on the Unit PPA Negotiating Committees.

Finally, the effectiveness of this Limited Agency Letter will terminate upon the earlier of completion of (i) the execution and delivery of the LOI to Seller or (ii) the effectiveness of the Assessment PFA.

**AGENT:**  
ARIZONA ELECTRIC POWER GOOPERATIVE, INC.

By:   
Donald W. Kimball

Its: Executive Vice President and Chief Executive Officer

**POTENTIAL COUNTER PARTY:**

Party: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

## Emergency Callout Phone Proposal

Pat O'Malley

August 11, 2009

1. Employees chosen by their supervisor as somebody who may be called out in an emergency will be paid \$1.50 a day (\$10.50 per week) to keep their District supplied cell phones with them continuously so they can be contacted in an emergency.
2. The employee carrying the emergency phone will be paid \$2.25 per day and will be expected to keep the emergency phone with them at all times.
3. An employee carrying the emergency phone will not also be paid for carrying their regular District supplied phone.
4. An employee who receives an emergency call outside of normal working hours on their personal District supplied cell phone will be paid \$10 for answering the call.
  - a. They will be paid regardless of whether or not it is practical for them to respond to the emergency.
  - b. They will not be paid for non-emergency calls, such as a call for information.
  - c. Receiving a call on the emergency phone is not an emergency, and does not pay \$10, until it is declared to be an emergency that results in a call out.
5. An employee who doesn't answer their District supplied cell phone or get back to the caller within 30 minutes will not be paid the \$1.50 for that day.

## **Monthly Report For August 13/2009 By Alfonso Garcia.**

CHCID employees Mike and Arnold read meters for this period. The meter reading went fine after making adjustments for the month of July.

CHCID employees were trained by Alfonso Garcia on plant operations.

CHCID employees took residuals for this week results were exceptable.

The employees prepared supplies for temporary –POE- line at the plant schedule for the week of July 20/ trough July 25.

CHCID employees are schedule to work on Sunday July 19 to rearrange the office furniture.

Weekly Report for 07/19- to -07/25 2009 by Alfonso Garcia.

CHCID employees on Sunday 07/19 at office removed cubicles from the office to the conex and assembled two new office desks.

Monday night 07/20 CHCID employees installed fittings for temporary line coming from the manifold it is at pump house.

CHCID employees excavated – POE, line for preparation to replace excising damage line at water plant.

Water main line to chlorination room was relocated from lower to a higher connection.

Saturday 07/25. I had call out ,for somebody from 26617, S Lemon rd, around 2 pm, somebody turn off his meter angle valve for one hour and half then he make a call to chcid emergency phone #.

Weekly Report for week of 07/27/09-to-07/31/09. By Alfonso Garcia.

CHCID employees installed a 12'' gate valve in stand pipe at 174- and Stacey rd. [ block # 23-35].

CHCID employees unloaded pipes, fittings, and flow meter for P.O.E. Project.

CHCID employees are being trained on plant operations.

CHCID employees greased pumps 1,2,3,and nigh pump, small pump station, also chlorination pump with one shot in each zert. Also exercised valves around the district.

Friday 07/31/09 call out 8 pm. The power was off. Put back on service. Same nigh around 11:45 pm. Emergency call out for. Blue Stake request make a marks on our water main lines on Power rd and Hunt Hwy. Cruz and I attended this call.

**Weekly Report for Week of 08/03/2009 to 08/07/2009 by Alfonso Garcia**

**CHCID employees relocated a hydromantic tank and placed on Southside of tank one. The concrete pads were removed and installed at new location. Compressor on hydromantic tank, power supply and conduit were rerouted to the new location. Mr. Gene Rose was informed about this procedure.**

**CHCID employees cut out south wall of vault of. P.O.E. For installation of new line for. P.O.E. Mr Gene Rose was informed for this procedure.**

**CHCID employees build a stand for replacement swamp cooler for the pump station room at the plant.**

**Completed by cleaning up plant removing a concrete broke, pieces of pipe and trash. Also two cycle week residuals were done as well changing the oil barrel for well #6.**

General Update  
Pat O'Malley  
August 11, 2009

### **Computers**

Backup is working well.

Internet service to the office failed, but the problem was on our ISP's side and they have upgraded their equipment at our site. Service has been restored.

The monitor on the PC in the chlorination room has failed. I plan to buy a replacement monitor for about \$130. The new monitor will go to the office and the smallest monitor in the office will go to the chlorination building.

### **Maps**

An irrigation map has been prepared which is much more complete than anything we had before. This is because Cruz and Vance marked up an old map over time. I will continue to correct it by driving around, but won't involve the zanjeros again until fall.

### **Water Quality**

No problems. Water quality remains consistently good. All required tests and reports are on schedule.

Copper/lead testing needs to begin this month and be complete by the end of September.