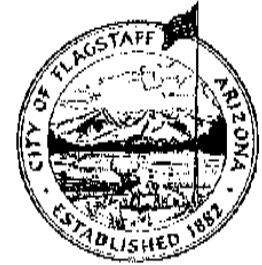


**CITY OF FLAGSTAFF
STAFF SUMMARY REPORT**

To: The Honorable Mayor and Council
From: James Duval, Senior Project Manager, ext. 4859
Community Development Department
Date: November 4, 2008
Meeting Date: December 2, 2008

Title: Consideration of a confirming payment for construction of electric transmission lines for Fire Station No. 3.

Recommended Action:

- 1) Approve confirming payment in the amount of \$51,474.10 to Arizona Public Service (APS) for the construction electric transmission lines for Flagstaff Fire Station No. 3.
 - 2) Authorize the City Manger to execute the necessary documents.
-

ACTION SUMMARY:

Arizona Public Service constructed the necessary infrastructure to provide three phase electric service to Fire Station No. 3 located at 4500 E. Nestle Purina Avenue.

DISCUSSION:**Background/History:**

In May 2004, the voters authorized the City Council to issue up to \$16,800,000 in general obligation bonds for the relocation and construction of four fire stations, acquisition of land, construction of a training tower, emergency operations center and for emergency vehicles and fire fighting safety equipment.

On April 15, 2008, Council awarded the Guaranteed Maximum Price contract to FCI Constructors in the amount of \$3,192,304 to construct Fire Station #3 at 4500 E. Nestle Purina Avenue for the east side fire station. Construction of the station began on June 30, 2008. The contractor and staff have been working since this time with APS to provide the design and construction of APS facilities for three phase power service to the site.

Fire Station No. 1 located at 1972 S. Thompson Street was completed and became operational in August of 2007. Fire Station No. 5 located at 2525 N. Fort Valley was completed and became operational in July of 2008.

Key Considerations:

Fire Station No. 3 will be the third of four planned stations to be constructed in the overall relocations program. Property acquisition for this facility was acquired through the GPLET (Government Property Lease Excise Tax) agreement with Nestle Purina in March of 2008.

In order to provide electric service to the new facility, APS has supplied and installed approximately 1,600 linear feet of conductor and one transformer to serve the site.

The primary purpose of the Fire Stations Relocations Program is to allow the Fire Department to improve their response times to levels recommended by National Fire Protection Association Standard 1710 without the addition of extra fire stations, staff and equipment. Accelerated response times improve the health, safety and welfare concerns for all the citizens of Flagstaff.

Community Involvement:

The fire stations, along with the other community bond projects, were the subject of a significant amount of community involvement and input. This included open houses, area displays, and presentations to civic and special interest groups. Additionally there were radio, TV and newspaper features, extensive information on the City website, several editions of Cityscape, water bill inserts, telephone surveys and focus groups. Presentations were made to Council, Boards & Commissions and to the Bond Advisory Task Force. The fire stations and other bond questions were also the subject of debate among the Mayoral and Council candidates up for election.

The public's support of the Fire Stations Relocations Program is evidenced by voter approval of the \$16.8M bond amount in May of 2004. In addition, on August 15, 2006 Mayor and Council approved GMP No.1 for the construction of Fire Station No. 1 located at 1972 S. Thompson Street, on March 20, 2007 Mayor and Council approved GMP No. 2 for the construction of Fire Station No. 5 located at 2525 N Fort Valley Road and on April 15, 2008 GMP No. 3 for Fire Station No.3 located at 4500 E. Nestle Purina Avenue.

On February 22, 2008 staff gave a detailed presentation to Mayor and Council on the status and budget requirements for the Fire Stations Bond Program at the annual budget retreat.

Financial Implications:

Approval of confirming payment to APS will reimburse the utility for services performed. The Fire Station Relocation Program is budgeted in the amount of \$8,892,000 for FY 08/09 (Acct. No. 403-2406-691).


Options and Alternatives:

Options available to Council include:

- 1) No options have been provided as APS has been reimbursed for payment of services rendered. Because the cost of the service is above the \$50,000 limit, Council approval is required.

Attachments/Exhibits:

1. Vicinity Map
2. APS invoice for construction of services.



Department Head (Acknowledgment that all reviews have been completed and required approvals initialed below.)

INITIALS	RESPONSIBILITY	DATE	INITIALS	RESPONSIBILITY	DATE
<u>MLC</u>	BIDS/PURCHASES	<u>11/12/08</u>	_____	FINANCE/BUDGET	_____
_____	GRANTS	_____	_____	CONTRACTS	_____
<u>JAB</u>	LEGAL	<u>11/13/08</u>	_____	IGAS	_____
<u>RAB</u>	City Engineer	<u>11/17/08</u>	_____	_____	_____

DATE OF COUNCIL APPROVAL: _____

Lynch Ave.
U.S. 89 N

Flagstaff Mall



Spur St.

Route "66"

B.N. & S.F. RR

INDUSTRIAL DR.

FIRE STATION
NUMBER 3



Huntington Dr.

Country Club Dr.

E. Nestle

Purina Ave.



REPLACING EXISTING FIRE STATION RELOCATION NUMBER 3

SCALE : N.T.S.

FIRE STATION No. 3
VICINITY MAP

City of Flagstaff
CAPITAL IMPROVEMENTS SECTION

DRAWN BY:
B. CAYTON
DATE:
MARCH 2008



**AGREEMENT
TO CONSTRUCT ELECTRIC DISTRIBUTION FACILITIES**

The parties to this Agreement are ARIZONA PUBLIC SERVICE COMPANY, an Arizona corporation, hereinafter called "APS" and THE CITY OF FLAGSTAFF hereinafter called "Customer." In consideration of the promises and provisions set forth below, the parties to this Agreement agree as follows:

1. CONSTRUCTION

1.1 APS shall construct electric distribution facilities as an extension of its present facilities in order to serve FLAGSTAFF FIRE STATION #3, 4501 NESTLE PURINA AVE, FLAGSTAFF, Arizona, in accordance with the attachments set forth in Section 4 to this Agreement and APS' line extension tariff, "Schedule 3: Conditions Governing Extensions of Electric Distribution Lines and Services," hereinafter called "Extension Policy." The terms and conditions of APS' Extension Policy and the attachments described in Section 4 are hereby incorporated in full into this Agreement.

1.2 The earthwork, conduits and materials necessary for construction shall be provided by the parties as follows: CUSTOMER shall provide distribution line and service line earthwork; APS shall provide equipment, and manholes, (unless otherwise noted on the sketch); CUSTOMER shall provide and install conduit(s) (unless otherwise noted on the sketch). Customer-provided earthwork, conduits, materials, and installation(s) shall be provided in accordance with the attached sketch(es), specifications(s), and Trenching Agreement - Requirements, and shall be approved by APS prior to APS commencing the installation of lines and equipment.

1.3 Distribution facilities shall be installed by APS in the location indicated on the attached sketch(es). Customer agrees to the location of APS' facilities and agrees to convey an easement on its property to APS (in APS' standard Utility Easement form attached hereto) for APS' use at that location. Customer shall provide APS access to these distribution system facilities at all times, and shall not block or interfere with said access in any way, including fencing or the placement of obstructions adjacent to and on the door-side of cabinets, transformers, or any other equipment.

1.4 All meters are to be located as shown on the sketch, a copy of which is attached to this Agreement. No variation to the meter locations identified may be made unless approved in writing by an authorized representative of APS.

1.5 Customer's "off-site" construction is estimated to begin on OCTOBER 15, 2008, and to be completed on NOVEMBER 15, 2008. APS' construction is estimated to begin on NOVEMBER 16, 2008, and to be completed on DECEMBER 15, 2008, contingent upon scheduled completion of Customer's off-site construction. These dates are provided only as estimates, are not binding upon APS, and are subject to change to accommodate APS' workload, material requirements, or other factors.

2. PAYMENT

APS shall not begin any construction pursuant to this Agreement until it receives from Customer a payment of \$51,474.10 DOLLARS, which sum equals the installation cost to APS of extending service to Customer. Such payment shall be non-refundable and shall include all costs for the local facilities and municipal street lighting facilities required to serve Customer's anticipated load. A breakdown of these costs are attached hereto as the Project Invoice Cost Summary. Such payment is due to APS upon Customer's execution of this Agreement.

3. GENERAL PROVISIONS

3.1 This Agreement shall be binding upon and inure to the benefit of the heirs, administrators, executors, or assignees of the parties to this Agreement, provided, however, that no assignment or other transfer of this Agreement shall be binding upon APS or create any rights in Customer's assignee until such assignment or other transfer is approved and accepted in writing by an authorized representative of APS.

3.2 All electric facilities install pursuant to this Agreement shall be owned by APS.

3.3 APS may use the installed facilities to serve other customers, and may extend service to other customers from the facilities located within the easement(s) conveyed by Customer pursuant to this Agreement.

3.4 This Agreement does not require APS to construct any line extensions to future customers not included in the attached sketches.

3.5 This Agreement will become effective only upon the execution of this document by duly authorized representatives of the parties and payment by Customer to APS of the total amount set forth in Section 2.

3.6 The prevailing party in any proceedings instituted by either party regarding a dispute concerning this Agreement shall be entitled to recover its reasonable attorney's fees, costs, and expenses.

3.7 If any term or condition of this Agreement is held to be invalid, void, or otherwise unenforceable by any court of competent jurisdiction, that holding shall not

affect the validity or enforceability of any other term or condition of this Agreement, unless enforcing the balance of this Agreement would deprive either party of a fundamental benefit of its bargain.

3.8 This Agreement contains the final and complete agreement between the parties for the construction of the line extension described herein and supersedes all prior and contemporaneous conduct, agreements, statements, representations, negotiations, course of conduct, course of dealing, and communications pertaining to the subject matter hereof, whether written or oral. The parties shall not be bound by or be liable for any statement, representation, promise, inducement, or understanding of any kind not set forth in or formally incorporated into this Agreement

4. ATTACHMENTS

The provisions, terms, and conditions of each of the following documents, attached to this Agreement, are hereby incorporated in full into this Agreement.

Design Sketches
Sales Invoice AR0240000123
Project Invoice Cost Summary
Trenching Agreement – Requirements

5. EXECUTION AND EFFECTIVE DATE

This Agreement has been executed by the duly authorized representatives of the parties, and shall be effective as of the date signed by APS.

ARIZONA PUBLIC SERVICE

**CUSTOMER Or CUSTOMER'S
REPRESENTATIVE**

SIGNATURE: _____
NAME: LARRY SMITH
TITLE: SERVICE PLANNING SECTION
LEADER

SIGNATURE: _____
NAME: _____
TITLE: _____

DATE: _____

DATE: _____

MAILING ADDRESS:
211 WEST ASPEN
FLAGSTAFF, AZ 86001

PERMANENT PHONE NUMBER:

Signatory on the Agreement must be an Officer of the Company or a representative who has authority to bind the entity signing the contract.

APS Invoice No: AR0240000123
Prepared By: SCOTT JONES
Date: October 13, 2008

Amount Paid \$ _____
(Including taxes)
Date Received: _____



TRENCHING AGREEMENT - REQUIREMENTS

WO# W416847

The parties to this Agreement are ARIZONA PUBLIC SERVICE COMPANY, an Arizona corporation, hereinafter called "APS" and THE CITY OF FLAGSTAFF, hereinafter called "Customer". In consideration of the services to be performed by APS and Customer for construction of underground distribution facilities at FLAGSTAFF FIRE STATION #3, 4501 NESTLE PURINA AVE, FLAGSTAFF, it is agreed as follows:

1. Customer shall provide trench, conduit, backfill and 3-phase transformer pads. Customer shall install conduit, backfill, 3-phase transformer pads and APS provided equipment pads/box pads, pull boxes, j-boxes and manholes. These items shall be provided and installed according to this agreement, the Installation Specifications (Sheet 2), the T&D Construction Standards and the attached drawings.
2. APS shall be responsible for inspecting all trench, conduit and equipment installations outlined in item 1 above. Customer shall provide easements for trench routes, equipment locations, and secure all necessary permits required by local municipalities and/or governing agencies.
3. Customer shall have property corners and other control points as requested, installed and flagged before APS will survey and/or inspect the job. In addition, easements, alleys, streets and water retention areas adjacent to proposed trench route must be graded to within 6" of finished grade and grade stakes set before APS approves trench and begins construction. Customer agrees to reimburse APS for any costs incurred in adjusting facilities due to changes in finished grade.
4. Customer shall be responsible for having all existing underground facilities located and identified in the field before excavation begins.
5. APS approved and customer provided concrete caps shall be installed over conduit in trenches which cross or are located in drainage areas, washes, and other areas subject to erosion as shown on the attached drawings and as required by the APS inspector.
6. APS will not energize underground cables until the trench depth is verified, and backfill is compacted with a minimum of 24" cover for secondary/service and 36" cover for primary, unless otherwise shown on the attached drawings.
7. Customer shall restore, at Customer's expense, any damaged landscaping or property to its original condition, due to Customer provided trenching, backfilling or equipment installations.
8. APS reserves the right to inspect all and every part of Customer's work during or after completion of trenching, conduit installation, shading, backfilling, or compaction. If all of any part of the work has not been done according to APS specifications, Customer shall take corrective action at Customer's expense. APS, at Customer's request, may perform the corrective action at the Customer's expense. Neither inspection of the work by APS nor lack of same, shall relieve Customer of the responsibility to provide and perform the work according to APS specifications. In all cases, the Customer is responsible for conduit system location, integrity and usefulness until APS conductors are energized.
9. Where Customer provides the trenching and backfilling, Customer shall indemnify or cause its contractors to indemnify and save harmless APS and any other utility who is a joint trench occupant with APS, from any and all claims, losses, costs and damages incurred by the utilities, on account of injuries or damages to persons or property received or sustained by any persons, firms, or corporations by reason of any acts or omissions of Customer, its agents or employees, or of any defects in the methods, materials, equipment, or tools used in the trenching or backfilling.
10. Customer shall use a properly licensed contractor when excavating in the public right-of-way or utility easement. Licensing information is available through the State Registrar of Contractors.
11. The following documents are attached to and made a part of this agreement.

<input checked="" type="checkbox"/> Construction drawings	<input checked="" type="checkbox"/> Three phase transformer pad and conduit requirements
<input type="checkbox"/> Customer trenching diagram	<input type="checkbox"/> Section 500 and/or 600 of APS' Electric Service Requirements.
<input type="checkbox"/> Duplex transformer requirements	<input type="checkbox"/> T&D Construction Standards
<input checked="" type="checkbox"/> Equipment box pad details	<input type="checkbox"/> Other _____
12. Customer shall review this document, and the Installation Specifications (Sheet 2) with their trenching contractor before work begins. The trenching contractor shall maintain a copy of these documents at the job site for review.
13. For inspection call the APS Inspector two (2) working days prior to start of work:

Name: WAYNE PATTEN

Telephone: 928-699-7939

14. Contact APS representative shown below for project scheduling and coordination.

15. Signatory on the agreement must be an officer of the company or a representative who has authority to bind the entity signing the contract.

This agreement has been executed by the duly authorized representatives of the parties.

ARIZONA PUBLIC SERVICE

CUSTOMER

Signature: _____
 Name: SCOTT JONES
 Title: CUSTOMER SERVICE REPRESENTATIVE
 Date _____
 Signed: _____
 Mailing Address: 2200 E. HUNTINGTON DRIVE
 City/State/Zip: FLAGSTAFF, AZ 86004
 Telephone: 928-773-6440

Signature: _____
 Name: _____
 Title: _____
 Date _____
 Signed: _____
 Mailing Address: 211 WEST ASPEN AVE
 City/State/Zip: FLAGSTAFF, AZ 86001
 Telephone: _____



TRENCHING AND CONDUIT INSTALLATION SPECIFICATIONS

1. All primary, secondary, and service conductors shall be installed in PVC conduit unless otherwise specified on the drawings.
2. Rigid conduit is defined as PVC. Sweeps shall have one belled end and one plain end. Both ends shall be internally chamfered.
3. Customer will provide conduit which meets the following specifications:

APPLICATION	ACCEPTABLE PRODUCT MATERIAL (Note 5)	CONDUIT MARKING REQUIREMENTS
Straight Conduit (See Notes 1 & 2)	PVC DB-120 (Modulus 400,000 PSI)	Mfg. Name, nom. size, 90° C, Type (i.e. DB-120), ASTM F-512, PVC 12254B or PVC 12254B AZ2 or PVC 12254B AZR
	PVC SCH 40 or SCH 80	Mfg. Name, nom. size, PVC SCH 40 or SCH 80, NEMA TC-2
Bends, Sweeps and Elbows (See Note 3)	PVC SCH 40 or SCH 80 (See Note 4)	Mfg. Name, nom. size, PVC SCH 40 or SCH 80, NEMA TC-2 radius, degree of curvature
Fittings	PVC SCH 40 or SCH 80	Mfg. Name, nom. size, PVC SCH 40 or SCH 80, NEMA TC-2 (marking may be on packing material)
Notes: 1. 12254B minimum cell classification per ASTM D-1748. 2. PVC DB-100, modulus 400,000 PSI, ASTM F-512 is suitable for 4" and 5" diameters. 3. 4" diameter & under-SCH 40 NEMA TC-2; 5" diameter & larger-SCH 80 NEMA TC-2, 60° radius. 4. Sweeps at house end shall be SCH 80. 5. All PVC shall be gray.		

4. When installing PVC conduit apply purple primer/cleaner ASTM F656 to all PVC joints prior to applying a coating of gray PVC to PVC cement ASTM D2564.
5. Unless otherwise specified, sweeps/bends shall be 24" minimum radius for secondary/service and 36" minimum radius for primary. Five inch conduit requires a 60" minimum radius sweep.
6. The conduit sweeps at device locations shall extend a minimum of 1-1/2" and a maximum of 2" above the top of the pad. Trench depth shall be adjusted to obtain the correct extension (conduit sweeps shall not be cut). Service conduit stub out locations shall be identified by lot number using a permanent black ink marker.
7. Customer shall provide and install 3 phase transformer pads, as well as install APS provided equipment pads/box pads, pull boxes, j-boxes and manholes per the attached Work Order drawings. Conduit stubs shall be positioned in equipment as specified on the attached drawings or details. APS will provide ground rods or ground wire. The Customer shall install the ground rod to within 6" of finished grade at time of conduit installation at each equipment location. Alternate #6 copper ground wire (where specified on the Work Order drawings) shall be buried a minimum of 18" deep. Working clearance shall be provided for all equipment per APS Standard 1278 and 1279.
8. Minimum 90 percent soil compaction is required at all equipment locations (compacted area to extend 1' out from equipment). A minimum soil compaction of 85 percent is required at all other locations. In the event of an inconsistency or conflict with other agency specifications, the more stringent specification shall apply. All equipment locations shall be backfilled with select (1-1/2" maximum diameter rock) material, compacted with mechanical tamping machine and leveled to finished grade. The use of a mechanical tamping machine is not required where 1-sack slurry (1 sack of cement per cubic yard of sand or ABC) is utilized for backfill. Equipment locations shall maintain the minimum clear working areas specified in APS T&D Construction Standards.
9. Concrete caps shall consist of 3000 psi concrete at 28 days, 4 inches thick and 2 inches minimum on all sides.
10. Shading over all APS conduit shall be a minimum of 12" regardless of soil conditions. The 6" immediately above the conduit shall contain no rocks larger than 1-1/2" in diameter. The next 6" lift shall contain no rocks larger than 3" in diameter. The remaining backfill may be trench spoils. Shading is not required when 1-sack slurry backfill (1-sack of cement per cubic yard of sand or ABC) is utilized.
11. The APS Inspector shall approve trench depth changes due to obstructions encountered while digging.
12. See T&D Construction Standards and trench details on the construction sketch, for minimum separations to other utilities.
13. Crossings require a minimum of 12" vertical separation between APS facilities and other utilities, including water and sew taps.
Exceptions: 1. If crossing is with a gas service line, this separation may be reduced to 6" if the gas service line is sleeved in a rigid pipe. The sleeve shall extend 12" beyond APS conduits, measured perpendicular from the sidewall of the nearest electric conduit/cable. 2. A 2" vertical crossing separation (above or below) is allowed between APS and communications at equipment locations.
14. If APS facilities are joint trench with natural gas facilities, natural gas lines shall be installed with a minimum 12" vertical separation, outside wall to outside wall, above all APS conduits. In addition, natural gas lines shall maintain a minimum 12" horizontal separation from the outside edge of all APS equipment pads to the outside wall of the gas lines.
15. The conduit system shall be proven after backfill is completed. An APS provided pull line shall be installed by the customer (except in service stubs). All empty conduit ends shall be plugged at equipment locations. APS shall provide and the customer shall install expandable plugs in switching cabinets, in other equipment use universal plugs. Future conduit stubouts shall be capped and a locate marker installed. Tape is not an acceptable substitute for caps or plugs.
16. Customer shall excavate by hand within two (2) feet of existing energized APS equipment. Contact the APS Inspector prior to digging within ten (10) feet of a pole or five (5) feet of a down guy rod unless the excavation is two (2) feet or less in depth or specified on the Work Order drawings. All trench spoils shall be placed a minimum of two (2) feet from the trench wall.
17. Refer all questions to the APS Inspector.



PRO FORMA

Invoice: AR0240000123
 Rec Type: 81
 Invoice Date: 10/13/2008
 Page 1 of 1

Arizona Public Service Company
 P.O. Box 53920, Sta 9996
 Phoenix, AZ 85072-3920

Customer No: 100129
 Due Date: 11/12/2008
 Payment Terms: Net 30 Days

Bill To:
 CITY OF FLAGSTAFF
 211 W ASPEN AVE
 FLAGSTAFF AZ 86001
 United States

AMOUNT DUE: 51,474.10 USD

Amount Remitted

Please return the top portion with your payment.

Invoice: AR0240000123
 Rec Type: 81
 Invoice Date: 10/13/2008

For billing questions, please call: Customer Service Representative at 928-773-6440

Original

Description	Period Covering	Customer Reference	Qty	Amount	Net Amount
-------------	-----------------	--------------------	-----	--------	------------

NON-TAXABLE ITEM(S)

NTx CIAC Non-Refundable Adv

INVOICE FOR LOCAL FACILITIES CHARGES FOR FLAGSTAFF FIRE STATION #3
 4501 NESTLE PURINA AVENUE, FLAGSTAFF

51,474.10

Subtotal:

51,474.10

AMOUNT DUE:

51,474.10

Please provide invoice numbers with all remittance. An 18% per annum finance charge will be applied to outstanding invoices unless prior contractual agreements are in effect.

PROJECT INVOICE COST SUMMARY

APS WORK ORDER #W416847

Local Facilities:

Cost to Serve	=	<u>\$73,050.34</u>
Less APS System Planning Cost	=	<u>\$21,576.24</u>
Less APS Street Light Cost	=	<u>\$0.00</u>
Less Other:	=	<u>\$0.00</u>
Subtotal (1):		<u>\$51,474.10</u>

Municipal Street Light Costs:

Poles & Fixtures		<u>\$0.00</u>
Non-Standard Items		<u>\$0.00</u>
Applicable Tax:		
City	<u> </u>	<u>\$0.00</u>
County	<u> </u>	<u>\$0.00</u>
State	<u> </u>	<u>\$0.00</u>
Subtotal (2)		<u>\$0.00</u>

Total Amount Due: (Subtotals 1 + 2) \$51,474.10



SERVICE SCHEDULE 3
CONDITIONS GOVERNING EXTENSIONS OF
ELECTRIC DISTRIBUTION LINES AND SERVICES

Provision of electric service from Arizona Public Service Company (Company) may require construction of new facilities or upgrades to existing facilities. Costs for construction depend on the customer's location, load size, and load characteristics. This schedule establishes the terms and conditions under which Company will extend its facilities to provide new or upgraded facilities.

All extensions shall be made in accordance with good utility construction practices, as determined by Company, and are subject to the availability of adequate capacity, voltage and Company facilities at the beginning point of an extension as determined by Company. All payments received for new or upgraded service under provisions of this schedule shall be non-refundable.

The following policy governs the extension of overhead and underground electric facilities rated up to 21kV to customers whose requirements are deemed by Company to be usual and reasonable in nature.

DEFINITIONS

- a. **Backbone Infrastructure** means the electrical distribution facilities typically consisting of main three-phase feeder lines and/or cables, conduit, duct banks, manholes, switching cabinets and capacitor banks.
- b. **Conduit Only Designs** mean a line extension request where the developer is only requesting the conduit layout and design to serve the project. Local distribution facilities such as transformers and services will be installed at a later date when lot sales occur.
- c. **Corporate Business & Industrial Developments** means a tract of land which has been divided into contiguous lots in which a developer offers improved lots for sale and the purchaser of the lot is responsible for construction of buildings for commercial and/or industrial use. Separate line extensions and equipment installations may be needed to provide service to each permanent customer.
- d. **High Rise Residential** means residential multi-family developments built with four or more floors, usually using elevators for accessing floors.
- e. **Irrigation** means water pumping service. **Agricultural pumping** means water pumping for farms and farm-related pumping used to grow commercial crops or crop-related activity. **Non-agricultural water pumping** is pumping for purposes other than the growing of commercial crops, such as golf course irrigation or municipal water wells.
- f. **Master Planned Community Developments** means developments that consist of a number of separately subdivided parcels for different "Residential Homebuilder Subdivisions". Developments may have a variety of uses including residential, commercial, and public use facilities.
- g. **Mixed Use Residential Developments** means buildings that consist of both residential and commercial use, such as a high-rise building where the first level is for commercial purposes and the upper floors are residential.
- h. **Residential Custom Home "Lot Sale" Developments** means any tract of land that has been divided into four or more contiguous lots in which a developer offers improved lots for sale and the purchaser of the lot is responsible for construction of a residential home. Separate line extensions and equipment installations may be needed to provide service to each permanent customer.

ARIZONA PUBLIC SERVICE COMPANY
Phoenix, Arizona
Filed by: David J. Rumolo
Title: Manager, Regulation and Pricing
Original Effective Date: January 31, 1954

A.C.C. No. 5695
Canceling A.C.C. No. 5683
Service Schedule 3
Revision No. 10
Effective: February 27, 2008



**SERVICE SCHEDULE 3
CONDITIONS GOVERNING EXTENSIONS OF
ELECTRIC DISTRIBUTION LINES AND SERVICES**

DEFINITIONS (cont)

- i. Residential Homebuilder Subdivisions means any tract of land which has been divided into four or more contiguous lots with an average size of one acre or less in which the developer is responsible for the construction of residential homes or permanent mobile home sites.
- j. Residential Multi-family Developments means developments consisting of apartments, condominiums, or townhouse developments.
- k. Residential Single Family means a house, or a mobile home permanently affixed to a lot or site.

1.0 RESIDENTIAL

1.1 SINGLE FAMILY HOMES

Residential extensions will be made to new permanent residential customers or groups of new permanent residential customers. For purposes of this section, a "group" shall be defined as less than four homes. All estimated costs of extending service to applicant, as determined by Company, including backbone infrastructure costs, shall be paid by the applicant prior to the Company extending facilities. Payment is due at the time the extension agreement is executed.

1.2 RESIDENTIAL HOMEBUILDER SUBDIVISIONS

Extensions will be made to residential subdivision developments of four or more homes in advance of application for service by permanent customers provided the applicant(s) signs an extension agreement. All estimated costs of extending service to applicant, as determined by Company, including backbone infrastructure costs, shall be paid by the applicant prior to the Company extending facilities. Payment is due at the time the extension agreement is executed.

1.3 RESIDENTIAL CUSTOM HOME "LOT SALE" DEVELOPMENTS

1.3.1 Extensions will be made to residential "lot sale" custom home developments in advance of application for service by permanent customers, provided the applicant(s) sign an extension agreement. All estimated costs of extending service to applicant, as determined by Company, including backbone infrastructure costs, shall be paid by the applicant prior to the Company extending facilities.

1.3.2 Payment is due at the time the extension agreement is executed.

1.3.3 Line extensions and/or equipment installations will be made for each permanent customer upon request for service in accordance with Section 1.1 of this service schedule.

1.3.4 Company will provide "conduit only" designs provided applicant makes a payment in the amount equal to the estimated cost of the preparation of the design, in addition to the costs for any materials, field survey and inspections that may be required.



SERVICE SCHEDULE 3
CONDITIONS GOVERNING EXTENSIONS OF
ELECTRIC DISTRIBUTION LINES AND SERVICES

1.4 MASTER PLANNED COMMUNITY DEVELOPMENTS

1.4.1 Extensions will be made to Master Planned Community Developments in advance of application for service by permanent customers, provided the applicant signs an extension agreement. All estimated costs of extending service to applicant, as determined by Company, including backbone infrastructure costs, shall be paid by the applicant prior to the Company extending facilities. Payment is due at the time the extension agreement is executed.

1.4.2 Line extensions and equipment installations will be made for each residential subdivision within the planned development in advance of application for service by permanent customers in accordance with Section 1.2 of this Service Schedule.

1.5 RESIDENTIAL MULTI-FAMILY DEVELOPMENTS

Extensions will be made to multi-family apartment, condominium or townhouse developments in advance of application for service by permanent customers provided the applicant signs an extension agreement. All estimated costs of extending service to applicant, as determined by Company, including backbone infrastructure costs, shall be paid by the applicant prior to the Company extending facilities. Payment is due at the time the extension agreement is executed.

1.6 HIGH RISE AND MIXED USE RESIDENTIAL DEVELOPMENTS

1.6.1 Extensions will be made to High Rise and Mixed Use Residential Developments where the residential units are privately owned and either individually metered or master metered in accordance with Section 5.11.

1.6.2 In general, APS will provide service to these type of developments at one point of delivery and it is the applicant's responsibility to provide and maintain the electrical distribution facilities within the building.

1.6.3 Extensions will be made to High Rise and Mixed Use Residential Developments in advance of application for service by permanent customers provided the applicant signs an extension agreement. All estimated costs of extending service to applicant, as determined by Company, including backbone infrastructure costs, shall be paid by the applicant prior to the Company extending facilities. Payment is due at the time the extension agreement is executed.

2.0 NON-RESIDENTIAL

General service line extensions and equipment installations will be made to all applicants not meeting the definition of Residential or as provided for in Section 2.1, or Section 3.0 of this Schedule. All estimated costs of extending service to applicant, as determined by Company, including backbone infrastructure costs, shall be paid by the applicant prior to the Company extending facilities. Payment is due at the time the extension agreement is executed.



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2.1 CORPORATE BUSINESS & INDUSTRIAL PARK DEVELOPMENTS

2.1.1 Extensions will be made to Corporate Business & Industrial Park Developments in advance of application for service by permanent customers provided the applicant signs an extension agreement. All estimated costs of extending service to applicant, as determined by Company, including backbone infrastructure costs, shall be paid by the applicant prior to the Company extending facilities. Payment is due at the time the extension agreement is executed.

2.1.2 Extensions will be made to individual customers within the Corporate and Business Park Development in accordance with the applicable sections of this Service Schedule.

3.0 OTHER CONDITIONS

3.1 IRRIGATION CUSTOMERS

Extensions will be made to Irrigation Customers provided the applicant signs an extension agreement. All estimated costs of extending service to applicant, as determined by Company, including backbone infrastructure costs, shall be paid by the applicant prior to the Company extending facilities. Payment is due at the time the extension agreement is executed. Non-agricultural irrigation pumping service to permanent customers will be extended as specified in Section 2. Non-agricultural irrigation pumping service to temporary or doubtful permanency customers will be extended as specified in Section 3.2 or 3.3 below, as applicable.

3.2 TEMPORARY CUSTOMERS

Where a temporary meter or construction is required to provide service to the customer, the customer shall make a payment in advance of installation or construction equal to the cost of installing and removing the facilities required to furnish service, less the salvage value of such facilities. When the use of service is discontinued or agreement for service is terminated, Company may dismantle its facilities and the materials and equipment provided by Company will be salvaged and remain Company property.

3.3 DOUBTFUL PERMANENCY CUSTOMERS

When, in the opinion of Company, permanency of the customer's residence or operation is doubtful, the customer will be required to pay the total estimated construction cost.

4.0 UNDERGROUND CONSTRUCTION

4.1 GENERAL UNDERGROUND CONSTRUCTION POLICY - With respect to all underground installations, Company may install underground facilities only if all of the following conditions are met:

4.1.1 The extension meets all requirements as specified in Sections 1.0, 2.0, or 3.0.



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- 4.1.2 The customer or applicant(s) provides all earthwork including, but not limited to, trenching, boring or punching, backfill, compaction, and surface restoration in accordance with Company specifications.
- 4.1.3 The customer or applicant(s) provides installation of equipment pads, pull-boxes, manholes, and conduits as required in accordance with Company specifications.
- 4.1.4 In lieu of customer or applicant(s) providing these services and equipment, the company may provide and the customer or applicant(s) will make a payment equal to the cost of such work plus any administrative or inspection fees incurred by Company. Customers or applicants electing this option will be required to sign an agreement indemnifying and holding APS harmless against claims, liabilities, losses or damage (Claims) asserted by a person or entity other than APS' contractors, which Claims arise out of the trenching and conduit placement, provided the claims are not attributable to APS' gross negligence or intentional misconduct.

5.0 GENERAL CONDITIONS

5.1 VOLTAGE

All extensions will be designed and constructed for operation at standard voltages used by Company in the area in which the extension is located. Company may deliver service for special applications of higher voltages with prior approval from Company's Engineering Department, applicant will be required to pay the costs of any required studies.

5.2 POINT OF DELIVERY

- 5.2.1 For overhead service, the point of delivery shall be where Company's service conductors terminate at the customer's weatherhead or bus riser.
- 5.2.2 For underground service, the point of delivery shall be where Company's service conductors terminate in the customer's or development's service equipment. The customer shall furnish, install and maintain any risers, raceways and/or termination cabinets necessary for the installation of Company's underground service conductors.
- 5.2.3 For special applications where service is provided at voltages higher than the standard voltages specified in the Electric Service Requirements Manual, APS and customer shall mutually agree upon the designated point of delivery.

5.3 THREE PHASE

Extensions for three-phase service can be made under this extension policy where the customer has installed major three-phase equipment. Motors with a name-plate rating of 7-1/2 HP or more or single air conditioning units of 6 tons or more or where total horsepower of all connected three phase motors exceeds 12 HP or total load exceeding 100 kVA demand shall qualify for three phase service.



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5.4 EASEMENTS

All suitable easements or rights-of-way required by Company for any portion of the extension which is either on premises owned, leased or otherwise controlled by the customer or developer, or other property required for the extension, shall be furnished in Company's name by the customer without cost to or condemnation by Company and in reasonable time to meet proposed service requirements. All easements or rights-of-way obtained on behalf of Company shall contain such terms and conditions as are acceptable to Company.

5.5 GRADE MODIFICATIONS

If subsequent to construction of electric distribution lines and services, the final grade established by the customer or developer is changed in such a way as to require relocation of Company facilities or the customer's actions or those of his contractor results in damage to such facilities, the cost of relocation and/or resulting repairs shall be borne by customer or developer.

5.6 OWNERSHIP

Except for customer-owned facilities, all electric facilities installed in accordance with this Service Schedule will be owned, operated and maintained by Company.

5.7 MEASUREMENT AND LOCATION

5.7.1 Measurement must be along the proposed route of construction.

5.7.2 Construction will be on public streets, roadways, highways, or easements acceptable to Company.

5.7.3 The extension must be a branch from, the continuation of, or an addition to, one of Company's existing distribution lines.

5.8 UNUSUAL CIRCUMSTANCES

In unusual circumstances as determined by Company, when the application and provisions of this policy appear impractical, or in case of extension of lines to be operated on voltages other than specified in the applicable rate schedule, or when customer's estimated load will exceed 3,000 kW, Company will make a special study of the conditions to determine the basis on which service may be provided. Additionally, Company may require special contract arrangements as provided for in Section 1.1 of Company's Schedule 1, Terms and Conditions for Standard Offer and Direct Access Service.

5.9 ABNORMAL LOADS

Company, at its option, may make extensions to serve certain abnormal loads (such as: transformer-type welders, x-ray machines, wind machines, excess capacity for test purposes and loads of unusual characteristics) and the costs of any distribution system modifications or enhancements required to serve the customer will be included in the payment described in previous sections of this Service Schedule.



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5.10 RELOCATIONS AND/OR CONVERSIONS

- 5.10.1 Company will relocate or convert its facilities for the customer's convenience or aesthetics. The estimated cost of relocation or conversion as determined by the Company will be included in the payment described in previous sections of this Service Schedule.
- 5.10.2 When the relocation of Company facilities involve "prior rights" conditions, the customer will be required to make payment equal to the total cost of relocation.

5.11 MASTER METERING

- 5.11.1 Mobile Home Parks - Company shall refuse service to all new construction and/or expansion of existing permanent residential mobile home parks unless the construction and/or expansion is individually metered by Company.
- 5.11.2 Residential Apartment Complexes, Condominiums - Company shall refuse service to all new construction of apartment complexes and condominiums which are master metered unless the builder or developer can demonstrate that the installation meets the provisions of R14-2-205 of the Corporation Commission's Rules and Regulations or the requirements discussed in 5.11.3 below. This section is not applicable to Senior Care/Nursing Centers registered with the State of Arizona with independent living units which provide packaged services such as housing, food, and nursing care.
- 5.11.3 Multi-Unit Residential Developments - Company will allow master metering for residential units where the residential units are privately owned provided the building will be served by a centralized heating, ventilation and/or air conditioning system, and each residential unit shall be individually sub-metered and responsible for energy consumption of that unit.
 - 5.11.3.1 Sub-metering shall be provided and maintained by the builder or homeowners association.
 - 5.11.3.2 Responsibility and methodology for determining each unit's energy billing shall be clearly specified in the original bylaws of the homeowners association, a copy of which must be provided to Company prior to Company providing the initial extension.
- 5.11.4 Company will convert its facilities from master metered system to a permanent individually metered system at the customer's request provided the customer makes a payment equal to the residual value plus the removal costs less salvage of the master meter facilities to be removed. The new facilities to serve the individual meters will be extended on the basis specified in Section 1. Applicant is responsible for all costs related to the installation of new service entrance equipment.

5.12 CHANGE IN CUSTOMER'S SERVICE REQUIREMENTS

Company will rebuild or revamp existing facilities to meet the customer's added load or change in service requirements on the basis specified in Section 2.0 or 3.0.

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5.13 STUDY AND DESIGN PAYMENT

Any applicant requesting Company to prepare special studies or detailed plans, specifications, or cost estimates will be required to make a payment to Company an amount equal to the estimated cost of preparation. Where the applicant authorizes Company to proceed with construction of the extension, the payment shall be credited to the cost of the extension otherwise the payment shall be nonrefundable. Company will prepare, without charge, a preliminary sketch and rough estimate of the cost to be paid by the customer for a line extension upon request.

5.14 SETTLEMENT OF DISPUTES

Any dispute between the customer or prospective customer and Company regarding the interpretation of these "Conditions Governing Extensions of Electric Distribution Lines and Services" may, by either party, be referred to the Arizona Corporation Commission or a designated representative or employee thereof for determination.

5.15 EXTENSION AGREEMENTS

All line extensions or equipment upgrades requiring payment by the customer shall be in writing and signed by both the customer and Company.

5.16 ADDITIONAL PRIMARY FEED

When specifically requested by the customer to provide an alternate primary feed (excluding transformation), Company will perform a special study to determine the request's feasibility and the customer may be required to pay for the added cost as well as the applicable rate for the additional feed requested.

5.17 POLICY EXCEPTION

The Schedule 3 as stated herein is applicable to all customers unless specific exemptions are approved by the Arizona Corporation Commission. The following exemptions have been approved:

5.17.1 Residential Homes on Native American Land

Extensions for residential homes on Native American Reservations will be made in accordance with the provisions of Service Schedule 3 that was in effect April 1, 2005 through June 31, 2007. Application of this Section 5.17.1 is limited to Native American Reservations as defined by applicable Federal law.

5.17.2 Existing Line Extension Agreements

All applicants who have executed line extension agreements as of February 27, 2008 will be "grandfathered" into the Schedule 3 in effect at the time the agreement was executed.



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5.17.3 Transition Plan

Applicants that have not executed a line extension agreement, will be provided extensions in accordance with the provisions of Service Schedule 3 that was in effect July 1, 2007 through February 26, 2008, if they meet both of the following conditions:

1. Such applicant has received from APS, within six months prior to February 27, 2008, a written estimate of the costs to the applicant for extending service (i.e. received an estimate during the period August 27, 2007 and February 27, 2008); and
2. That same applicant executes a written line extension agreement within twelve (12) months of February 27, 2008 (i.e. no later than February 27, 2009).