

CONTRACT NO. 15-DSR-12594

BETWEEN

**UNITED STATES
DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION
Desert Southwest Customer Service Region**

AND

CITY OF MESA, ARIZONA

FOR

PAYMENT OF PEAK RELIABILITY INCORPORATED CHARGES

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1. **PREAMBLE:** This Contract is made this _____ day of _____, 2016, pursuant to the Acts of Congress approved June 17, 1902 (32 Stat. 388) and August 4, 1977 (91 Stat. 565); and Acts amendatory or supplementary to the foregoing Acts between the UNITED STATES OF AMERICA, acting by and through the Administrator, Western Area Power Administration, Department of Energy, hereinafter called Western, represented by the officer executing this Contract or a duly appointed successor, and CITY OF MESA, ARIZONA, a corporation organized and existing under and by virtue of the laws of the State of Arizona, hereinafter called Contractor, its successors and assigns, each sometimes hereinafter individually called the Party and both collectively called the Parties.

2. **EXPLANATORY RECITALS:**

- 2.1 Peak Reliability, Inc. (Peak) performs reliability coordinator functions for the Peak Reliability Coordinator (RC) Area. Peak is in the process of amending its assessment methodology to allocate the costs to Balancing Authorities (BA) and Transmission Operators (TOP) instead of LSEs. Under the new assessment

methodology, Peak will assess charges for non-TOP LSEs to the BA where such LSEs reside.

2.2 Western operates various BAs within the Peak RC Area.

2.3 Contractor is a LSE operating in Western's BA Area. Contractor is not a TOP or a BA but will continue to benefit from the reliability coordinator services provided by Peak and desires to reimburse Western for its proportional share of Peak's costs based on its total net energy load.

3. **AGREEMENT:** The Parties agree to the terms and conditions set forth herein.

4. **TERM OF CONTRACT:**

4.1 This Contract shall become effective upon execution, and shall terminate on December 31, 2024, or upon a one (1) year written notice provided by either Party to the other.

4.2 Termination by the Contractor must be accompanied by proof that Contractor no longer has load within Western's BA Area(s). Any financial obligation incurred prior to the termination of the Contract shall be preserved until satisfied.

5. **PAYMENT:** The Contractor shall pay Western for the Contractor's annual share of Peak, or any successor organization, assessments for dues, costs or charges based on Contractor's proportional share of load within Western's BA Area(s), as calculated in Exhibit A.

5.1 Western will invoice the Contractor annually for reliability coordinator services following Peak's annual assessment. Peak generally completes its assessment before November 1. Under certain circumstances, Peak may amend or adjust its annual assessment. If Peak makes an amendment or adjustment, Western will

invoice the Contractor for such amendment or adjustment. Western will show the amount owed by the Contractor on each invoice.

5.2 The Contractor shall pay the full amount of each invoice by following the instructions on the invoice. The invoice will include a due date and payment instructions.

6. **EXHIBITS:** In as much as certain provisions of this Contract may change during the term of this Contract, they will be set forth in exhibits as formulated and modified from time to time as agreed upon by the Parties. The initial Exhibit A is attached hereto, made a part hereof, and shall be in full force and effect in accordance with its terms until superseded by a subsequent exhibit.
7. **NOTICES:** The Parties agree to designate and provide contact information of the representatives, identified in Appendix A (Appendix), to receive notices that are associated with this Contract. Changes or modifications to a representative's contact information shall be immediately communicated to each Party by a revised Appendix issued to the Contractor.
8. **GENERAL POWER CONTRACT PROVISIONS:** Provisions 38 through 45 of Western's General Power Contract Provisions (GPCP), effective September 1, 2007, are attached hereto, shall apply, and are hereby made a part of this Contract the same as if they had been expressly set forth herein; provided, that if the provisions in the GPCP are in conflict with this Contract, the terms of this Contract shall control.
9. **AUTHORITY TO EXECUTE:** Each individual signing this Contract certifies that the Party represented has duly authorized such individual to execute this Contract that binds and obligates the Party.

10. **NOTICE OF ARS §38-511:** Notice is hereby given to Western of the provisions of A.R.S. §38-511 to the extent applicable.

DRAFT

The Parties have caused this Contract No. 15-DSR-12594 to be executed as of the date first written above.

DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION

By _____
Darren Buck
Title _____ Vice President of Operations
_____ for CRSP, DSW, and RMR
Address _____ 5555 East Crossroads Boulevard
_____ Loveland, CO 80538-8986

CITY OF MESA, ARIZONA

(SEAL)

By _____
Title _____
Address _____

Attest:

By _____
Title _____