

SRP

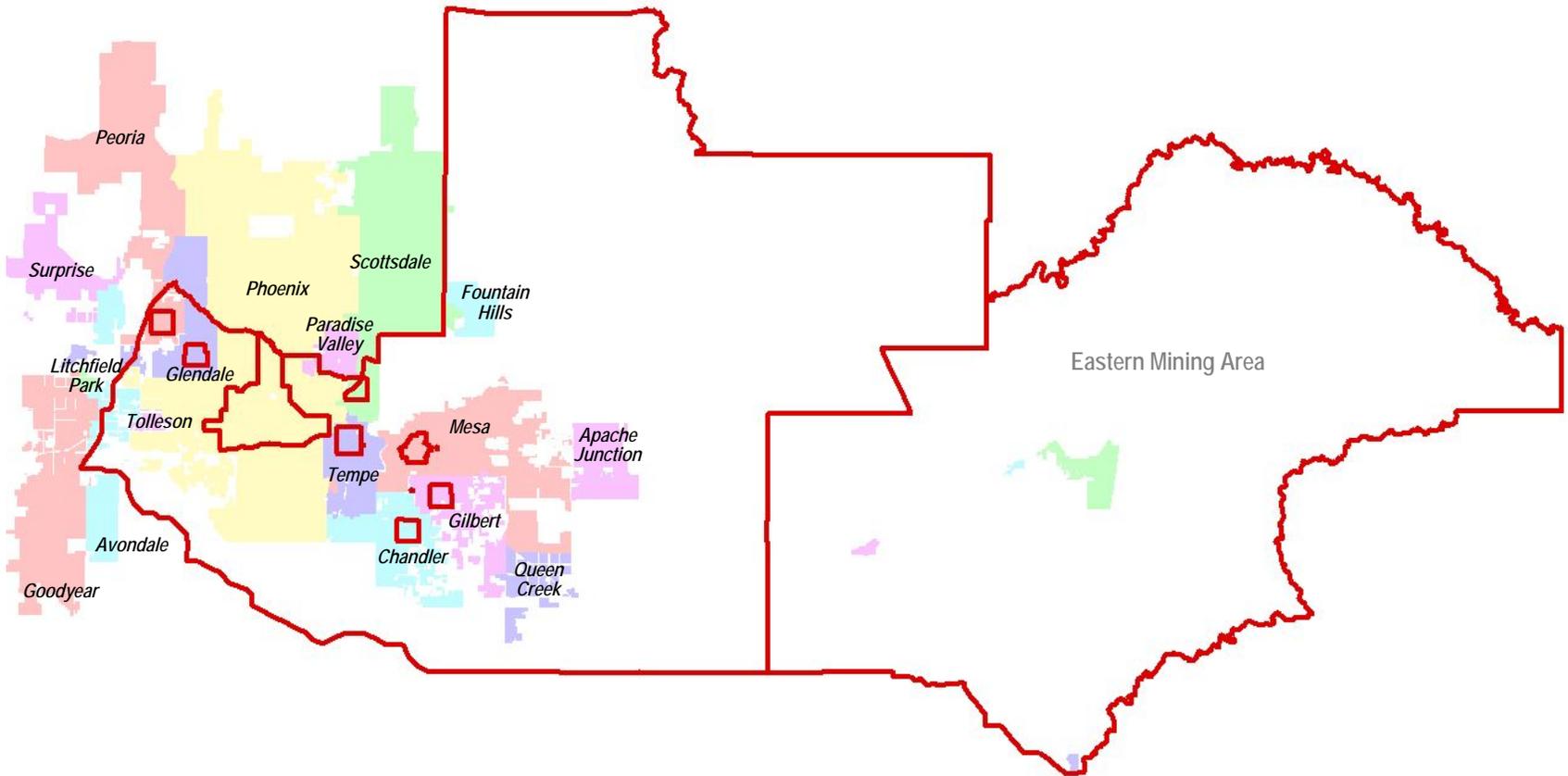
Summer Preparedness

2008

Mike Hummel
Manager – Supply & Trading
and
Gary Harper
Manager – System Operations

ACC Summer 2008 Energy Preparedness Meeting
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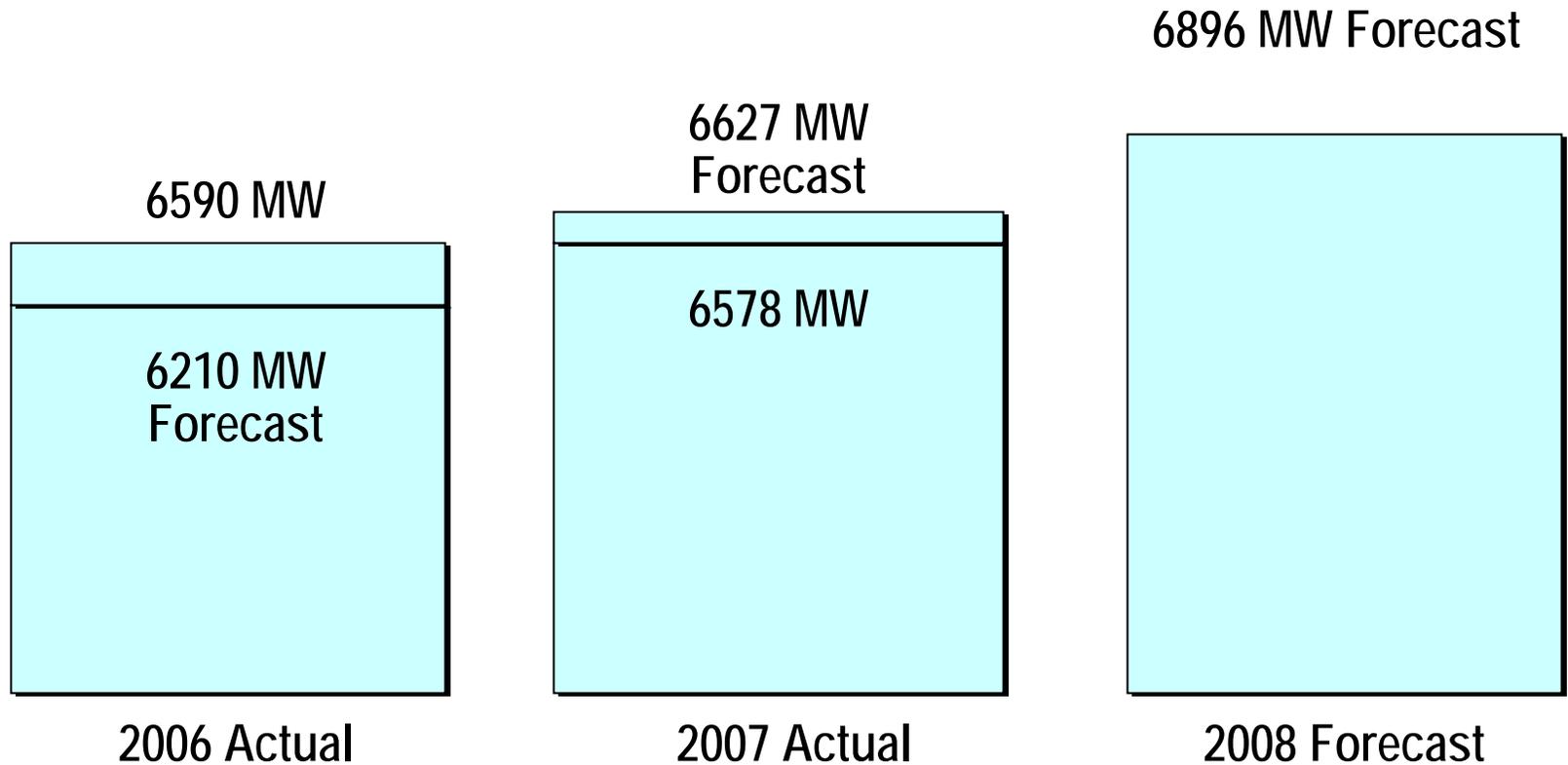
SRP Electric Service Territory



Summary

- Peak demand is expected to be higher than last year due to continued growth.
- Adequate resources have been secured to meet the anticipated demand.

Peak Load Forecast



Summer 2008 Outlook

Expected
Need

Expected
Capability

898 MW

Reserves

Purchased
Power

2088 MW

6896 MW

SRP
Forecast
Peak Load

SRP
Generation

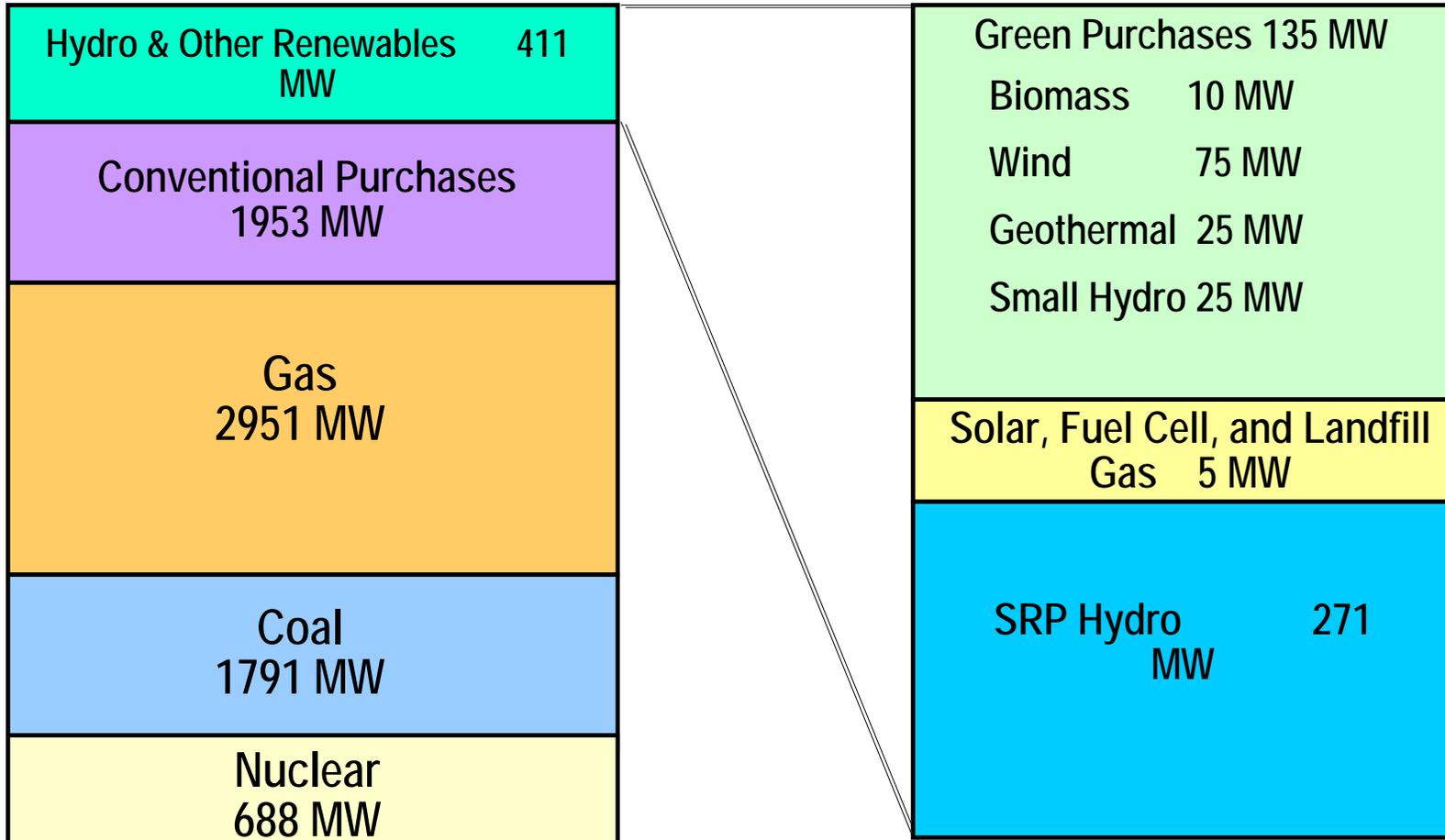
5706 MW

Total 7794 MW

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SRP Resources – 2008

Total Capacity: 7794 MW



Purchased Power

- Purchased power portfolio is in place to meet demand.
- Additional purchases may be needed to respond to forced unit outages.
- Regional market conditions suggest that capacity is tightening but there will be sufficient capacity to meet the Arizona demand.

Reserves

- Respond to load extremes above base forecast.
- Provide an immediate response to forced outages.
- Quantity is based on NERC and WECC operating criteria and contractual arrangements.
- A portfolio of resources is utilized to meet the reserve requirements.

Energy Efficiency and Conservation Program

- Peak
 - Super Peak Time-of-Use
 - Time-of-Use pricing (second largest program in U.S.)
 - M-Power (largest pre-pay program in U.S.)
 - Interruptible
 - Use-Fee interruptible
- Energy
 - Lighting rebate
 - Heat pump/AC rebate

Fuel Status

- Nuclear
 - Full requirements under contract.
- Coal
 - Plants expected to be at or above target inventories by summer season.
 - Full requirements under contract.
- Natural Gas
 - Full transportation requirements under contract.
 - In process of securing retail commodity requirements.

System Additions Stations

| NEW | NUMBER |
|----------------------------|---------------|
| Distribution Substations | 5 |
| 28MVA 69/12kV Transformers | 12 |
| 230kV Breakers | 3 |
| 69kV Breakers | 35 |
| 69kV and 230kV Capacitors | 48 / 150 MVar |
| 230/69kV Transformers | 2 |
| 500/230kV Transformers | 0 |

System Additions

Lines

| ADDITIONS | NUMBER |
|--------------------------------|------------|
| Pole Replacements | 395 |
| Rebuilt/Upgrade 69kV Lines | 6.1 Miles |
| New Circuit Miles of 69kV Line | 39.2 Miles |
| New and Upgraded 230kV Line | 10.2 Miles |
| New 500kV Line | 51 Miles |

System Preparation

Transmission and substation maintenance and training will be complete by summer. This includes:

- Line patrols/inspections
- Preventative maintenance
- Pole reinforcement
- Pole change-outs/ upgrades
- Wildfire coordination
- Operations coordination
- Tree trimming
- Cable replacement
- Storm planning
- Emergency procedure training
- Blackstart training

Distribution

- Summer operating procedures reviewed and refresher training provided to O&M personnel.
- Six mobile substation transformers are available for service if needed.
- If required, the process for implementing rotating outages has been automated.
 - The planned sequence of substation outages and the duration of each outage is the same as in the past.

Summary of Year 2008 Projected Conditions

- Transmission, distribution, SRP generation and planned energy purchases are adequate to serve the forecasted year 2008 demand.
- Contingency plans are in place to handle emergency events.

Current Reservoir Levels

- Total Salt System: 94%
 - Roosevelt Lake: 93% (SRP portion is 100%)
 - Horse Mesa/Apache Lake: 98%
 - Mormon Flat/Canyon Lake: 97%
 - Stewart Mountain/Saguaro Lake: 97%
- Total Verde System: 99%
 - Horseshoe Lake: 98%
 - Bartlett Lake: 99%
- Total Reservoir System: 94% (one year ago: 62%)