

AGREEMENT

Power Pool Group II

Identifying Name:

Municipal Power Exchange (MPX)

Agreement Effective Date:

Administrative Agent:

Current Insight Inc.

Group II Participants:

- 1) Town of Payson
- 2) City of Sedona
- 3) City of Globe
- 4) City of Flagstaff
- 5) City of Phoenix
- 6) City of Sierra Vista

Group II Description:

Group II has been established by the Group II Participants to provide Group II Participants the opportunity to coordinate the use of each Participant's Hoover Power Allocation pursuant to the Hoover Power Pooling Program adopted by the Arizona Power Authority ("Authority"), July 18, 2017, and any subsequent amendments thereto by the Authority. The goal is for each Group II Participant and Group II as a whole, to optimize the benefits and reduce overall operating costs through the use of efficient scheduling and the tools provided in the Hoover Power contracts.

The purpose of the pool is to schedule Participants' Hoover Power to the benefit of all pool Participants, operating within the confines of the Authority power sales contracts, regulations, and each Participant's bill credit contract with the host utility.

The Group II Administrative Agent will submit power schedules to the Authority for each of the Group II Participants on a monthly basis using contractual mechanisms such as layoff, and supplemental and firming purchases.

Group II Operations:

The Administrative Agent will consult with the Group II Participants each month to determine the most efficient and cost-effective strategy for each Participant, after receiving from the Authority the monthly entitlements for each entity. The Administrative Agent will then submit a report to the Authority listing the Hoover capacity and/or energy for each entity to be scheduled. At that time, the Administrative Agent will also consult with the Authority if any supplemental or firming purchases are desired for any entity and to determine the costs for such supplemental or firming power. Subsequent to those discussions the Administrative Agent will arrange for those purchases through the Authority. Each Group II Participant will be billed accordingly for Hoover capacity and energy scheduled as well as for any supplemental or firming purchases. The Administrative Agent will provide to the Authority energy accounting and check out services for each Participant. The Administrative Agent will also be responsible for ensuring that each Participant is scheduling resources appropriately considering the contract requirements laid out in each entities' power sales contracts with Authority as well as the bill crediting agreements with host utilities.

This Agreement does not modify or amend any other agreement, program, or legal obligation of the Parties or any other entity, including, without limitation, any Arizona Power Authority Power Sales Contract or the Hoover Power Pooling Program adopted by the Authority. In the event of a conflict between this Agreement and any other agreement, program, or legal obligation, the other agreement, program or legal obligation shall control.

This Agreement implements certain aspects of the Hoover Power Pooling Program of the Authority. Each of the undersigned agrees to be bound by the terms and conditions of the Hoover Power Pooling Program adopted by the Authority on July 18, 2017 and any subsequent amendments thereto by the Authority.

This Agreement may be terminated by any Party to this Agreement with 30 days written notice to the other Parties, provided, however, that any termination shall not affect the obligation of a Participant to pay for any amounts due at the time of termination under the Hoover Power Pooling Program or this Agreement.

ARIZONA POWER AUTHORITY

By: _____

Its: _____

Dated: _____

CITY OF FLAGSTAFF

By: _____

Its: _____

Dated: _____

CURRENT INSIGHT INC.

By: _____

Its: _____

Dated: _____