

## Process for Allocating Single-Phase Transformers to Projects

### Introduction

CPS Energy has worked diligently to help mitigate the global supply chain issues affecting our community. We are working through shortages of critical materials and equipment, including transformers. The impact of the supply chain challenges has resulted in extended lead times & delayed deliveries of material, ultimately resulting in current, or expected, delays to CPS Energy and customer projects requiring Single-Phase pad mount transformers. Due to this, CPS Energy has created a process for organizing projects into Single-Phase Project Queues to create an equitable methodology for allocating transformers to projects when they are received from suppliers. There are two Single-Phase Project Queues, one for the 13kV supply voltage class and one for the 35kV supply voltage class.

Please note that CPS Energy expects the underlying conditions impacting the supply of transformers to continue for the next 3-5 years. Customers should take extended transformer delivery timeframes into account when planning projects.

### Organization of the Single-Phase Project Queues

CPS Energy maintains a separate list for each of the two distribution voltage classes (13kV & 35kV).

- Projects are placed in the queue based on the date CPS Energy received the payment for the associated project contract, otherwise referred to as “CIAC payment,” as recorded by CPS Energy’s business management system.
- CPS Energy publishes the single-phase queue on our website ([link](#)) for those customers who have agreed to have their project information publicly available. To request your project(s) to be added to the published list, please email CPS Energy at [CDDProjects@CPSEnergy.com](mailto:CDDProjects@CPSEnergy.com). Please see the [FAQ](#) for the information needed.
- CPS Energy recognizes the hardship the supply chain issues have placed on developers and has responded with equitable options for moving projects in the queue. Please refer to the “Project Swapping” and “Partial Energization” explanations and criteria. **Requests to move projects in the queue are denied if the move negatively impacts projects in the queue.**
- Errors are corrected immediately upon discovery relative to queue placement.

### Process for allocating transformers in the Single-Phase Project Queues

When transformers are received from suppliers and ready for use, the following applies to the allocation of those transformers to the projects in the queues:

- Transformers will be allocated to the project(s) next up in the queue that are ready to receive transformers.
- CPS Energy will work as many projects as possible concurrently utilizing the available stock of transformers.
- If a project is up next in the queue but is not ready to receive transformers, the next project in the queue that is ready for transformers will receive transformers, and the project that was skipped will remain in the queue at its current position until it is ready for transformers. **In-stock transformers will not be held for unready projects, and CPS Energy may allocate to the next ready project in the queue.**

- To maximize the use of resources and materials, transformers may be allocated to projects in the queue based on available stock size. The result may be unfinished projects (with some transformers installed but not energized) until all needed sizes are received and allocated to complete the project as designed.
- Transformers are not reserved for a specific project unless the stipulations for CPS Energy's purchase of customer-referred materials have been met. Reference the *Process for Reviewing Customer Material* document and request form.
- CPS Energy must maintain an appropriate stock of each transformer size for emergency use to replace in-service transformers that have failed or are deemed at risk of near-term failure. These "safety-stock" units cannot be allocated to new construction projects.
- CPS Energy must maintain our system and reliability for our customers. To do this, system improvement projects may be planned, and stock assigned to these projects will be unavailable for customer projects in the queue.

#### Project Estimated Completion Dates

The Forecasted Transformer Availability Date is based on supplier-provided delivery estimates. Be advised in the current supply situation, it is common for these delivery dates to be missed. **These dates are estimates only for your planning purposes and CPS Energy shall be held harmless for the accuracy of these dates.** These dates do not include the estimated 2 to 3 weeks for project construction completion after transformers are received. Please remember that delays for other materials could also impact your project's progress