

Arizona Public Service Company Water Resources Principles

The Arizona Public Service Company (“APS”) recognizes water is a precious natural resource in the desert southwest and APS is committed to using water as efficiently as possible. As an electric utility located in a rapidly growing state, the future demand for both energy and water is expected to increase. Accordingly, APS will responsibly and proactively secure the necessary water resources to meet our public service obligations and will manage our water resources in an efficient manner. To ensure proper water management, APS will establish and maintain water management metrics with appropriate targets and will be transparent with our water management performance.

As a leader in water management within the state, APS will operate according to the following principles:

- Act as responsible stewards of water resources striving to use water in the most efficient way practicable
- Engage with appropriate stakeholders regarding any new or revised state water policy issues
- Comply with all local, state and federal water laws and regulations, and participate in the development of new water laws and regulations
- Plan cooperatively with other entities at the local and regional level to ensure that supply and demand needs are understood and met to support diverse local and regional economic interests
- Ensure water management decisions are based on sound technical knowledge regarding future water availability and consumption in order to improve reliability and longevity of water supplies
- Transparently communicate our water management goals and performance
- Secure and maintain a long-term, cost-effective supply of water to support reliable and affordable energy generation
- Use renewable water supplies whenever possible, such as reclaimed water, thereby conserving fresh water for other purposes.
- Evaluate technological advancements that will allow more water-efficient generation of electricity
- Properly maintain and replace essential water infrastructure to support plant operation