Contractor Information Transfer

On April 11, 2014, OSHA issued new rules that apply to APS and to certain of our employer-contractor relationships. See 79 Fed. Reg. 20316 (April 11, 2014). These rules revise the general industry standard covering the operation and maintenance of electric power generation, control, transformation, transmission, and distribution lines and equipment (see 29 CFR § 1910.269). The rules also revise the standards that cover the construction of electric power transmission and distribution lines and equipment (see 29 CFR § 1926, Subpart V).

Generally, the new rules become effective April 1, 2015. Our contractors who are subject to these rules ("Covered Contractors") are required to become familiar with, to thoroughly understand, and to fully comply with the new rules.

One part of the new rules requires APS, as the "host employer," to convey to its Covered Contractors certain pieces of safety-related information (see 29 CFR §§ 1910.269(a)(3) and 1926.950(c)). The table below sets forth the required pieces of information and how / where APS will provide this information to its Covered Contractors:

<table>
<thead>
<tr>
<th>Information</th>
<th>Conveyed How?</th>
</tr>
</thead>
<tbody>
<tr>
<td>The nominal voltages of lines and equipment</td>
<td>This information will be provided in the work package documents supplied to Covered Contractors prior to commencing the work.</td>
</tr>
<tr>
<td>The maximum switching-transient voltages</td>
<td>This information is set forth in Section 25 of the revised APS Contractor Safety Manual (see link below). In the revised Manual, see the maximum per unit transient overvoltage factors set forth in the table at the end of Section 25.</td>
</tr>
<tr>
<td>The presence of hazardous induced voltages</td>
<td>This information will be provided during the site walk-down with the APS designated representative and is further addressed in Section 28 of the revised APS Contractor Safety Manual.</td>
</tr>
<tr>
<td>The presence of protective grounds and equipment grounding conductors</td>
<td>This information will be provided during the site walk-down with the APS designated representative and / or by the APS inspector.</td>
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</tbody>
</table>

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The locations of circuits and equipment, including electric supply lines, communication lines, and fire-protective signaling circuits

Prior to commencement of work.

To the extent we are able to obtain this information through the exercise of reasonable diligence, this information will be provided in the work package documents supplied to Covered Contractors prior to commencing the work and/or during the site walk-down with the APS designated representative.

The condition of protective grounds and equipment grounding conductors

This information will be provided during the site walk-down with the APS designated representative and/or by the APS inspector prior to commencement of work.

The condition of poles

To the extent we are able to obtain this information through the exercise of reasonable diligence, this information will be provided during the site walk-down with the APS designated representative and/or is set forth in Section 8 of the revised APS Contractor Safety Manual.

Environmental conditions relating to safety

To the extent we are able to obtain this information through the exercise of reasonable diligence, this information will be provided during the site walk-down with the APS designated representative.

Information about the design and operation of our installation that you need to make the assessments required by the rules

This information will be provided in the work package documents supplied to our Covered Contractors prior to commencing the work; please also see the revised APS Contractor Safety Manual.

Information about the design and operation of our installation that we know about, that you request, and that is related to the protection of your employees

Provided upon request.

The rules also require APS to work with its Covered Contractors to coordinate our respective work rules and procedures, so that each of our respective employees is protected. We intend to meet this requirement by conducting in-person meetings between
the APS designated representative for each job and the Covered Contractor's project lead at the beginning of each job.

Here is a link to the revised APS Contractor Safety Manuals (click on the “resources” tab, then select the appropriate safety manual):

For additional information, please visit the OSHA website at:
https://www.osha.gov/dsg/power_generation/index.html