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June 6, 2005

Docket Control
Arizona Corporation Commission
1200 W. Washington
Phoenix, Arizona 85007

Arizona Corporation Commission
DOCKETED
JUN - 6 2005
DOCKETED BY KA

RE: DOCKET NO. E-01345A-03-0437

Dear Sir/Madam:

Pursuant to Decision No. 67744, Section VI (Order), page 42, and Paragraph 135 of the Settlement approved in that Decision, attached please find Arizona Public Service Company's Plans For Administration for the Competition Rules Compliance Charge ("CRCC"), Demand Side Management Adjustment Charge ("DSMAC"), Environmental Portfolio Standard Surcharge ("EPS"), Returning Customer Direct Access Charge ("RCDAC"), and the Transmission Cost Adjustment ("TCA").

Also attached is an update to the Company's rates, schedules and charges originally filed on March 31, 2005 that contains revisions as required pursuant to Commission Staff's review. The Decision number of the final order has also been inserted as appropriate in applicable schedules.

In addition, please note that confidential contract rate sheets are not included in this filing. We will provide ACC Staff and Mr. Johnson a copy of these confidential sheets under separate cover.

If you or your staff have any questions, please feel free to call me.

Sincerely,

David J. Rumolo
Manager
Regulation and Pricing

Attachment

DJR/bgs

cc: Manager, Compliance Enforcement
Mr. Ernest Johnson, Director, Utilities Division

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Competition Rules Compliance Charge Plan for Administration

Competition Rules Compliance Charge Plan for Administration

Competition Rules Compliance Charge

The Arizona Public Service Company ("Company") may recover $47.7 million plus interest through the Competition Rules Compliance Charge ("CRCC") of $0.000338 per kWh over a collection period of five years. Interest will be calculated using the one-year Nominal Treasury Constant Maturities rate that is contained in the Federal Reserve Statistical Release, H-15, or its successor publication. The CRCC was derived by dividing the December 31st, 2004 competition rules compliance account balance ($47.7 million plus interest) by the energy usage forecast for the applicable five-year period. The CRCC will be applied to customer's bills as a monthly kilowatthour charge that is separate from base rates. It will be assessed against all customers except for those served on rate schedules Solar-1 and Solar-2.

The CRCC will expire at the end of the five-year period, or when $47.7 million plus interest is collected, whichever comes first. Any then remaining over/under-recovered amount of the allowed costs will be refunded or collected upon an order from the Arizona Corporation Commission authorizing such refund or collection.

Demand Side Management Adjustment Charge Plan for Administration

Demand Side Management Adjustment Charge Plan for Administration

General Description

Section VII of the Settlement Agreement approved by the Arizona Corporation Commission ("Commission") Decision No. 67744 provides for the establishment of a Demand-Side Management Adjustment Charge ("DSMAC"). The Arizona Public Service Company ("Company") is obligated under the Settlement Agreement to spend $30 million ($10 million annually) in base rates and at least another $18 million (an average of $6 million annually) during calendar years 2005 - 2007, with the latter amounts to be recovered by the DSMAC, on approved eligible Demand Side Management ("DSM") related items.

For purposes of implementing the Settlement Agreement, eligible DSM-related items include energy-efficiency DSM programs; a performance incentive; and low income bill assistance. These terms are defined in the Settlement Agreement. Energy-efficiency DSM is defined as the planning, implementation, and evaluation of programs that reduce the use of electricity by means of energy-efficiency products, services, or practices. The DSMAC charge is applied to Standard Offer or Direct Access customer's bills as a monthly kilowatthour or kilowatt demand charge. The charge is initially set at zero and will be reset annually, on March 1st, beginning in 2006. The change to the charge will be effective in billing cycle 1 of the March revenue month and will not be prorated.

All DSM programs must be approved before the Company may include their costs in any determination of the total DSM costs incurred. The Company may apply the program costs incurred after December 31, 2004 but prior to the effective date of Decision No. 67744 to the annual $10 million base rate DSM allowance and to the additional spending on eligible DSM-related items provided for in the Settlement Agreement. These costs must be from programs already approved by Staff, or the Commission.

The Company may request Commission approval for DSM program costs and performance incentives that exceed the $16 million ($48 million over three years) level. Such additional DSM programs may include demand-side response and additional energy efficiency programs and the costs and incentives that will be recovered through the DSMAC.

Base Rate DSM Description

The Company may phase in its DSM spending from the base rate allowance funding. However, the Company is required to expend at least $30 million on approved energy-efficiency DSM programs over the initial three years after a Commission order authorizing this program. After the initial three-year period, the Company is required to spend at least $10 million of the base rate DSM funds annually on approved energy-efficiency DSM programs. If the Company does not expend during calendar years 2005 through 2007 at least $30 million (in total) of the base rate allowance for approved and

eligible DSM-related items, the unspent amount of the $30 million will be credited to the balance for the DSMAC. The Company is obligated to spend at least $13 million on approved and eligible DSM-related items during 2005 with the spending obligation to be pro-rated to the date that the Commission approves the Final 2005 DSM Plan. In no event will such pro-ration reduce the Company's 2005 obligation below the annual $10 million base rate DSM allowance.

Performance Incentives

The Company will be permitted to earn, and recover, performance incentives based on a share of the net economic benefits (benefits minus costs) from the energy-efficiency DSM programs approved in accordance with the Settlement Agreement. Such performance incentives will be capped at 10% of the total amount of DSM spending, inclusive of the program incentives, provided for in the Settlement Agreement (e.g., $1.6 million out of the $16 million average annual spending or $4.8 million over the initial three-year period). Any such performance incentive collected by the Company during a test year will be considered as a credit against the Company's test year base revenue requirement.

DSMAC Billing

For residential billing purposes, the DSMAC and the EPS Surcharge adjustor are combined and will appear on customer bills as the "Environmental Benefits Surcharge." For the billing of general service and other non-residential customers, the Company may, but is not required to, provide for such combined billing of the EPS and DSM adjustment mechanisms. In any event, each such adjustor shall have separate rate schedules and will be kept separate in the Company's books, records, and reports to the Commission.

Allowable Costs

The DSMAC will recover: (1) all costs (whether capitalized or expensed) associated with pre-approved energy-efficient DSM programs in excess of the $10 million built into base rates; and (2) performance incentives as described above. The DSMAC may also recover approved DSM program costs and performance incentives that exceed $16 million annually ($48 million over three years). Such additional DSM programs may include demand-side response and additional energy-efficiency programs. The types of allowable costs are as follows:

A. Program Costs	Allowable expenses will include: program development, implementation, promotion, administrative and general, monitoring/metering costs, advertising, educational expenditures, incentives, research and development, data collection (such as end-use), tracking systems, demonstration facilities and all other activities required to design and implement cost effective energy efficient DSM for DSM Programs that are pre-approved and are not in base rates. For those

	DSM programs that generate revenue, the revenue will be credited back to the DSMAC.
B. Performance Incentives	Represents a share of the net economic benefits (benefits minus costs). Performance Incentives cannot exceed 10% of the total amount of DSM spending inclusive of the program incentive.

Customer Participation

Direct access customers shall be eligible to participate in the Company DSM programs. Any customer who can demonstrate an active DSM program and whose single site usage is twenty MW or greater may file a petition with the Commission for exemption from the DSM adjustor. The public shall have 20 days to comment on such petition. In considering any petition pursuant to this paragraph, the Commission may consider the comments received and any other information that is relevant to the customer's request.

DSMAC Calculations

Before March 1st, beginning in 2006, the Company will file a request with supporting documentation to revise its DSMAC. The DSMAC will be recomputed annually.

All required and approved spending on eligible DSM-related items above the annual $10 million base rate allowance will be recovered by the Company only on an "after-the-fact" basis through the DSM adjustment mechanism. DSMAC Schedules 1 through 4 shall be used to document DSMAC calculations.

The per-kWh charge for the year will be calculated by dividing the DSMAC recoverable costs by the number of kWh used by customers in the previous calendar year. General Service customers that are demand billed will pay a per kW charge instead of a per kWh charge. General Service customers that are not demand billed shall pay the DSMAC on a per kWh basis. To calculate the per kW charge, the recoverable costs shall first be allocated to the General Service class based upon the number of kWh consumed by that class. The remainder of the recoverable costs allocated to the General Service class shall then be divided by the kW billing determinants for the demand billed customers in that class to determine the per kW DSM adjustor charge. The DSM adjustor will be applied to both Standard Offer and Direct Access customers with the exception of solar rates Solar-1, Solar-2 and SP-1.

DSMAC Schedules

The recoverable annual costs and incentives from approved programs above the base rate cost allowance will be listed on Schedule 1. Schedule 2 lists actual revenues received by the Company through imposition of the DSMAC on customer bills. The Balancing Account computation (Schedule 3) contains the development of the recoverable costs for each year's DSMAC. Each year, the Un-Recovered DSM Cost accrues interest using the one-year Nominal Treasury Constant Maturities rate that is contained in the Federal

Reserve Statistical Release H-15 or its successor publication. Schedule 4 is an example of the DSMAC demand and energy charge calculations.

ARIZONA PUBLIC SERVICE COMPANY
DSMAC Schedule 1
Example DSM Adjustment
Recoverable Costs
Charge Period XXXXXXX 1, XXXX through XXXXXXX 31, XXXX

Line No.		2005	2006	2007
1	Recoverable Program and Incentive Costs above the Base Rate allowance	$ 100,000	$ 5,000,000	$ 11,000,000

ARIZONA PUBLIC SERVICE COMPANY
DSMAC Schedule 2
Example DSM Adjustment
ACTUAL DSM Adjustment Charge Revenues
Charge Period XXXXXXX 1, XXXX through XXXXXXX 31, XXXX

Line No.	Mths	Actual Retail Energy Sales (kwh)	Effective DSM Adj. Energy Charge $ per kWh	Revenue From DSM Adj. Energy Charge	Actual Retail G.S. Monthly Demand (kW)	Effective DSM Adj. Monthly Demand Charge $ per kW	Revenue From DSM Adj. Demand Charge	Revenue From DSM Adj. Charges
1	Jan - Feb 05	3,048,197,000	$ -	$ -	4,166,667	$ -	$ -	$ -
2	Mar - Dec 05	19,305,074,000	$ -	$ -	20,833,333	$ -	$ -	$ -
		22,353,271,000		$ -	25,000,000		$ -	$ -
3	Jan - Feb 06	3,109,160,940	$ -	$ -	4,250,000	$ -	$ -	$ -
4	Mar - Dec 06	19,691,175,480	$ 0.000005	$ 98,456	21,250,000	$ 0.002000	$ 42,500	$ 140,956
		22,800,336,420		$ 98,456	25,500,000		$ 42,500	$ 140,956
5	Jan - Feb 07	3,171,344,159	$ 0.000005	$ 15,857	2,167,500	$ 0.002000	$ 4,335	$ 20,192
6	Mar - Dec 07	20,084,998,990	$ 0.000220	$ 4,418,700	23,842,500	$ 0.088000	$ 2,098,140	$ 6,516,840
		23,256,343,148		$ 4,434,556	26,010,000		$ 2,102,475	$ 6,537,031

ARIZONA PUBLIC SERVICE COMPANY
DSMAC Schedule 3
Example DSM Adjustment
Balancing Account Computation
Charge Period XXXXXXX 1, XXXX through XXXXXXX 31, XXXX

Line No.		2005	2006	2007
1	Recoverable Program and Incentive Costs above the Base Rate allowance (Sch. 1)	$ 100,000	$ 5,000,000	$ 11,000,000
2	Less DSM Revenue recovered from effective DSMAC (Sch. 2)	$ -	$ 140,956	$ 6,537,031
3	Un-Recovered DSM Costs (Line 1 - Line 2)	$ 100,000	$ 4,859,044	$ 4,462,969
4	Annual Interest @ 3.33%	$ 3,330	$ 161,806	$ 148,617
5	Total DSMAC Recoverable Costs (Forward to Sch. 4)	$ 103,330	$ 5,020,850	$ 4,611,585

ARIZONA PUBLIC SERVICE COMPANY
DSMAC Schedule 4
Example Calculation of the DSM Adjustment Charge
Charge Period XXXXXXX 1, YYYY through XXXXXXX 31, YYYY

Line No.		2005	2006	2007
1	Total DSMAC Recoverable Costs (Sch. 3, Line 5)	$103,330	$5,020,850	$4,611,585
2	Retail kWh Sales in Period (Sch. 2)	22,353,271,000	22,800,336,420	23,256,343,148
3	DSM Adjustment Charge per kWh to be Applied in Following Year (Line 1/Line 2)	**$ 0.000005**	**$ 0.000220**	**$ 0.000198**
4	kWh Sales for General Service Customers with Demand-Based Bills	10,000,000,000	10,200,000,000	10,404,000,000
5	kW Billing Determinants for General Service Customers with Demand-Based Bills	25,000,000	25,500,000	26,010,000
6	Revenue for G.S. Customers with Demand-Based Bills (Line 3*Line4)	$50,000	$2,244,000	$2,059,992
7	Monthly DSM Adj. Charge per kW to be Applied in Following Year (Line 6/Line 5)	**$ 0.002000**	**$ 0.088000**	**$ 0.079200**

Environmental Portfolio Standard Surcharge Adjustor Plan for Administration

Environmental Portfolio Standard Surcharge Plan for Administration

General Description

The Environmental Portfolio Standard Surcharge Adjustor ("EPS Surcharge") is applicable to Arizona Public Service Company's ("Company") Retail Electric Rate Schedules and is set forth in A.A.C. R-14-2-1618 or its successor EPS regulation. The EPS Surcharge is applied to both Standard Offer and Direct Access customer bills with the exception of solar rates Solar-1, Solar-2 and SP-1. The Company will separately account for EPS revenue collected from Direct Access customers and such revenue will be available to electric service providers for funding their EPS obligations. The EPS Surcharge and the Demand Side Management Adjustment Charge may be combined on the customer's bill and shown on the "Environmental Benefits Surcharge" line. Each adjustor shall have separate rate schedules and will be kept separate in the Company's books, records, and reports to the Arizona Corporation Commission ("Commission"). The EPS surcharge and caps contained in the April 1, 2002 EPS-1 rate schedule will remain in effect until such time the Commission approves a change. From time to time the EPS program spending requirements will be evaluated and if necessary the charge and/or caps will be altered if approved by the Commission. Any new charges/caps will be applied in billing cycle 1 beginning in the month following Commission approval and will not be prorated.

Cost Recovery and Disposition of Funds

Funds collected from the EPS Surcharge will be separately held for current and future use specifically to implement the solar resource and/or environmentally friendly renewable electricity technology requirements for Load Serving Entities as set forth in A.A.C. R14-2-1618 or its successor EPS regulation. If the Commission amends Rule 1618 or it successor EPS regulation, any resulting change in funding requirements can be recovered from the Company's customers. The Company can file a revised EPS rate schedule for Commission approval should the funding requirements change. These adjustments may be made outside of a rate case.

Paragraph 64 of the Settlement Agreement approved in Decision No. 67744 allows the Company to request additional EPS funding beyond that provided in base rates and the EPS Surcharge. Prior to spending additional funds, the Company may apply to the Commission to increase its EPS funding. In its application, the Company shall provide the following information:

a. The Company shall explain why it has been unable to meet the standard.

b. The Company shall account for all EPS funds that it has collected from ratepayers and shall describe how they were spent.

c. The Company shall support the prudence and cost effectiveness of all of its EPS expenditures.

d. The Company shall demonstrate that it has appropriately managed its EPS funding and programs.

e. If the Company has chosen to expend EPS funding on technologies, programs, or other items that do not represent the least cost method for meeting the standard established in Rule 1618 or its successor, the Company shall identify each such instance and explain why it chose to employ something other than the least cost alternative.

f. The Company shall set forth a plan for meeting the standard and shall support the cost effectiveness of each element of the plan. Where the plan does not employ the least cost alternative, the Company shall identify each such instance and shall explain why it is reasonable to elect a more expensive alternative.

g. The Company shall provide the proposed budget that it believes would allow it to meet the standard and shall explain the cost effectiveness of every item addressed in the budget.

h. In its application, the Company shall address whether ratepayers would benefit from partial or phased implementation of the plan and associated budget provided in response to sections f and g above.

i. The Company shall identify any potential impacts on ratepayers of additional EPS funding and shall consider how many adverse impacts may be mitigated.

If the Commission approves additional EPS funding pursuant to Paragraph 64 of the Settlement Agreement any change in EPS funding requirements resulting from such actions will be collected from customers. The Company can file a request to change the EPS Surcharge to accommodate the changes in funding. Changes to the EPS Surcharge will maintain the proportions between customer categories embodied in the current EPS Surcharge. The surcharge amount and caps may be adjusted outside of a rate case.

Returning Customer Direct Access Charge Plan for Administration

Returning Customer Direct Access Charge Plan for Administration

General Description

Section 2.6 of the May 17, 1999 Settlement Agreement ("Agreement") in Docket No. E-01345A-98-0473 allows Arizona Public Service Company ("APS") to recover the reasonable and prudent costs associated with compliance and implementation of the Electric Competition Rules beginning July 1, 2004. The Arizona Corporation Commission ("Commission") approved the collection of these costs in Decision No. 67744, Docket No. E-01345A-03-0437. Section 2.6(2) of the Agreement provides the opportunity to recover the costs of providing Standard Offer service to customers who have left an APS Standard Offer service or special contract rate for a competitive generation supplier and are returning to Standard Offer service. Customers that have been Direct Access customers since the origination of their APS service that request Standard Offer service are considered to be returning customers.

The Company may assign any of the above costs directly to the customer(s) who caused them via a Returning Customer Direct Access Charge ("RCDAC"). This will only be done when a customer, or an aggregated group of customers, with a monthly demand of three MW or greater returns to Standard Offer service and APS did not include their load in planned resource acquisitions. If APS is provided one year's advance notice of the customer's intent to return to Standard Offer service then they will not be assessed a RCDAC. APS may create a RCDAC in each individual case and require the customer(s) to enter into a service agreement that specifies the charge, its duration, and how it will be applied and collected. In situations where an aggregated group of customers wish to return, each customer from the group will be charged the same rate for the same duration and an agreement will be required from each customer.

Returning Customer Direct Access Charge

The RCDAC will be based on the cost differential between the applicable Standard Offer rate generation component and the cost of the resources required to serve the returning customer(s). The costs associated with serving customers that are required to enter into RCDAC agreements will be kept separate from the retail power supply costs subject to recovery through the Power Supply Adjustment. The types of costs that will be used to develop the RCDAC are incremental Power Supply, Transmission, Ancillary Services and Metering costs. These terms are defined as follows:

Incremental Power Supply - The costs of generation or purchased power supplied to the customer that is over the base rate power supply cost for their applicable rate schedule.

Transmission – The costs of delivering power across a utility system or to other utility systems.

Ancillary Service – The costs of services necessary to support the transmission of energy from the resources to the loads while maintaining reliable operation of the transmission provider's transmission system.

Metering – The costs of measuring the power used by the customer.

These costs will be amortized over an appropriate period to allow their timely recovery. In no event, however, will the RCDAC last longer than 12 months for any individual customer.

Transmission Cost Adjustment Plan for Administration

Transmission Cost Adjustment Plan for Administration

General Description

The purpose of the Transmission Cost Adjustment ("TCA") is to ensure that Standard Offer customers pay the same for transmission as any potential Direct Access customers. The TCA becomes effective when the transmission component of retail rates exceeds the test year base amount of $0.00476 per kWh by five percent and the Company obtains Arizona Corporation Commission ("Commission") approval of a TCA rate. If the Company files an application with FERC to change its transmission rates it shall also file a notice with the Commission and provide a copy of the application to the Director of the Utilities Division.

The TCA is applicable to Arizona Public Service Company's ("Company") Retail Electric Rate Schedules, with the exception of solar rates Solar-1, Solar-2 and SP-1, and is calculated annually. It is applied to the Standard Offer customer's bill as a monthly kilowatthour charge and it will be the same for all customer classes. The charge will take effect in billing cycle 1 of the April revenue month and it will not be prorated.

Allowable Costs

Included in the TCA are the Transmission and Ancillary Services costs incurred by APS to provide service to its Standard Offer customers. The TCA is limited to the recovery (refund) of costs associated with changes in the Company's Open Access Transmission Tariff or the applicable tariff of an RTO or similar organization.

Calculation

The TCA charge is calculated by dividing the Total TCA costs by the annual Retail kWh sales. The Total TCA cost is the sum of the annual Transmission and Ancillary Service costs. The result is the annual Transmission and Ancillary Service Cost per kWh. The Base System Transmission and Ancillary Service Cost per kWh ($0.00476) is then subtracted from the annual Transmission and Ancillary Service Cost per kWh. This produces the Applicable TCA charge. The Applicable TCA charge can be either positive or negative.

Filings

The Company shall file a request for a TCA charge if the 5% trigger is exceeded.

ARIZONA PUBLIC SERVICE COMPANY
Schedule 1
Example TCA Charge Calculation Methodology

Line No.	Mth	(a) Transmission & Ancillary Service Costs	(b) Retail Energy Sales kWh	(c) Trans. & Anc. Service Cost $ per kWh	(d) Base System Trans. & Anc. Serv. Cost $ per kWh	(e) TCA Charge $ per kWh
				(a/b)		(c-d)
1	Jan	$ 9,139,148	1,963,130,000			
2	Feb	$ 8,885,964	1,801,819,000			
3	Mar	$ 7,987,381	1,712,984,000			
4	Apr	$ 7,977,732	1,665,949,000			
5	May	$ 8,551,184	1,844,862,000			
6	Jun	$ 10,401,155	2,216,556,000			
7	Jul	$ 12,309,966	2,615,184,000			
8	Aug	$ 12,553,591	2,699,139,000			
9	Sep	$ 12,181,966	2,575,503,000			
10	Oct	$ 10,353,510	2,154,054,000			
11	Nov	$ 8,369,791	1,768,036,000			
12	Dec	$ 8,460,552	1,834,804,000			
13		$ 117,171,942	24,852,020,000	$ 0.004715	$ 0.004760	$ (0.000050)

Applicable TCA Charge for Following Year $ (0.000050)

A. RESIDENTIAL SERVICE

1. Residence - Single

Residential service to a single residence covers electric service to a private residence or individually metered apartment unit, only.

Outbuildings on the same premises may be connected to the residential service meter, but only if such outbuildings form a part of the general living establishment.

2. Residence - Multiple

Residential service to two or more residences on the same premises or a residence or residences subdivided into two or more individual housekeeping apartments shall not be supplied through one meter on a Residential Service Rate Schedule.

Individual meters will be installed by the Company for each individual dwelling or housekeeping unit. If, for any reason, a separate meter is not installed for each individual dwelling or housekeeping unit, then the appropriate General Service Rate Schedule will be used for billing for the service supplied through the single meter.

3. Professional Offices or Commercial Activities in Dwellings

The supply of service under a Residential Rate Schedule to a dwelling involving some business or professional activity will be permitted only where such activity is of only occasional occurrence, or where the energy used in connection with such activity is small in amount and used only by equipment which would normally be in use if the space were used as living quarters.

Where the portion of a dwelling is used regularly for business, professional or other gainful purposes, and any considerable amount of electricity is used for other than domestic purposes, or electric equipment not normally used in living quarters is installed in connection with such activities referred to above, the entire premises shall be classified as non-residential and the appropriate General Service Rate Schedule shall be applied. Customer may at his option provide separate circuits so that the residential uses can be metered and billed separately under the appropriate Residential Service Rate Schedule, and the other uses under the appropriate General Service Rate Schedule.

4. Farm and Rural Residences

The Residential Service Rate Schedules are available for electric service through one meter to a farm residence, and the usual farm uses outside the dwelling unit, but not if the use extends to operations such as canning plants, packing plants, stone quarries, ice cream manufacturing plants, stores, restaurants, tea rooms, tourist and trailer camps, gasoline stations, automobile service stations, repair shops, blacksmith shops or any other commercial or non-farming operation.

In no case shall the use extend to the processing, preparing or distributing of products not raised on the same farm and in no cases shall the use extend to a hatchery, dairy, butchery, greenhouse, or any other specialized operation unless such operation is conducted solely by the farmer and is incidental to the usual farm residence uses.

A. RESIDENTIAL SERVICE (cont)

Customer may at his option elect to take the entire service under the appropriate General Service Rate Schedule, or may provide separate circuits so that the residential uses, together with the usual farm uses outside the dwelling unit, can be metered and billed separately under the appropriate Residential Service Rate Schedule, and the other uses under the appropriate General Service Rate Schedule.

The Residential Service Rate Schedules are not available for any use outside the dwelling unit on a farm which is not operated by an individual owner or lessee, occupying the farm residence.

B. GENERAL SERVICE

This covers service to any establishment for any purpose not prohibited by the rate schedule or Agreement for Service.

The General Service Rate Schedules are available only when all electric service required on the premises is taken through one meter at one point of delivery, except that:

(a) General Service Rate Schedules are available for more than one point of delivery on any one premise, provided that in such event, service supplied at each point of delivery will be separately metered and separately billed.

(b) The General Service Rate Schedules will be available for service to that portion of the Customer's premises which cannot be served at the Residential Service Rate Schedule or a Classified Service Rate Schedule. Service to such portion of the premises shall be considered as service to a separate customer, and all electric service taken therein at the General Service Rate Schedule must be through one meter at one point of delivery.

C. CLASSIFIED SERVICE

Classified service covers service for which specific rate schedules are available, due to the nature and load characteristics of the particular business. For such service, the General Service Rate Schedule may be used, except as specifically prohibited in that Schedule, while Classified Rate Schedules are available only to those businesses complying with the specific requirements of the particular schedule.

Service supplied under a Classified Rate Schedule shall be used only for the purposes specified in such rate schedule. In the event the Company questions whether the service is being used in compliance with said rate schedule, the customer shall have the burden of establishing such compliance to the satisfaction of the Company. In the absence of such compliance, the Company may substitute an appropriate General Service Rate Schedule.

A customer conducting mixed operations, a part of which may be served at a Classified Rate Schedule may, at his option, elect to take the entire service under the General Service Rate Schedule or may provide separate circuits so that the classified service can be metered and billed separately at the available classified schedule, and the other uses metered and billed under the available General Service Rate Schedule.

C. CLASSIFIED SERVICE (cont)

The Classified Services for which specific rate schedules are available, excluding special street light service, are listed below.

Schedule No.	Classification
E-20*	Time of Use for Religious Houses of Worship
E-36	Station Use Service
E-38*	Agricultural Irrigation Service
E-38-8T*	Time of Use for Agricultural Irrigation Service
E-40	Agricultural Wind Machine Service
E-47**	Dusk to Dawn Lighting Service
E-51*	Optional Electric Service for Qualified Cogeneration and Small Power Production Facilities over 100 kW
E-52	Electric Service for Partial Requirements Service of less than 3,000 kW
E-55	Electric Service for Partial Requirements Service 3,000 kW or greater
E-58**	Street Lighting Service
E-59	Government Owned Street Lighting Systems
E-221	Water Pumping Service
E-221-8T	Water Pumping Service Time of Use
EQF-M	Scheduled Maintenance Service for Qualified Facilities
EQF-S	Standby Electric Service for Qualified Facilities
Solar-1*	Photovoltaic Service Pilot Program
Solar-2	Individual Solar Electric Service
SP-1	Solar Partners
	Purchase Rates
EPR-2	Purchase Rates for Qualified Facilities under 100 kW for Partial Requirements
EPR-3*	Purchase Rates for Qualified Facilities 10 kW or Less for Partial Requirements
EPR-4	Purchase Rates for Renewable Qualified Facilities 10 kW or Less for Partial Requirements

* Frozen Rate
** Partially Frozen Rate

RATE SCHEDULE E-3
RESIDENTIAL SERVICE
ENERGY SUPPORT PROGRAM

AVAILABILITY

This rate schedule is available in all territory served by the Company at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the sites served.

APPLICATION

This rate schedule is applicable to all Standard Offer and Direct Access electric service billed under Residential Rate Schedules, where the customer has qualified for this rate as specified in the Company's Plan for Administration of the Residential Energy Support Program pursuant to Arizona Corporation Commission Decision Nos. 55931 and 56680. All provisions of the applicable Residential Rate Schedule will apply except as modified herein.

RATES

The customer's bill shall be in accordance with the applicable specified schedule with the following exceptions:

A.

For Bills with Usage of:	The Total Bill as calculated according to the applicable Residential Rate Schedule (before Taxes, Regulatory Assessments and Franchise Fees) Will be Discounted by:
0 – 400 kWh	40%
401 – 800 kWh	26%
801 – 1200 kWh	14%
1201 kWh and above	$13.00

B. Adjustment Schedule PSA-1 will not apply to customers served under this rate schedule.

AVAILABILITY

This rate schedule is available in all territory served by the Company at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the sites served.

APPLICATION

This rate schedule is applicable to all Standard Offer and Direct Access electric service, except as stated below, required for residential purposes in individual private dwellings and in individually metered apartments when such service is supplied at one site through one point of delivery and measured through one meter. For those dwellings and apartments where electric service has historically been measured through two meters, when one of the meters was installed pursuant to a water heating or space heating rate schedule no longer in effect, the electric service measured by such meters shall be combined for billing purposes. Rate selection is subject to paragraphs 3.2 through 3.5 of the Company's Schedule 1, Terms and Conditions for Standard Offer and Direct Access Services.

This schedule is not applicable to breakdown, standby, supplemental or resale service.

TYPE OF SERVICE

The type of service provided under this schedule will be single phase, 60 Hertz, at a single standard voltage (120/240 or 120/208 as may be selected by customer subject to availability at the customer's site). Three phase service may be furnished under the Company's Schedule 3 (Conditions Governing Extensions of Electric Distribution Lines and Services), and is required for motors of an individual rated capacity of 7-1/2 HP or more.

RATES

The customer's bill shall be computed at the following rates plus any adjustments incorporated in this schedule:

Bundled Standard Offer Service

Basic Service Charge: $ 0.253 per day

Energy Charge:

May – October Billing Cycles (Summer)	November – April Billing Cycles (Winter)
$0.07570 per kWh for the first 400 kWh, plus $0.10556 per kWh for the next 400 kWh, plus $0.12314 per kWh for all additional kWh	$0.07361 per kWh

Bundled Standard Offer Service consists of the following Unbundled Components:

Unbundled Components

Basic Service Charge: $ 0.056 per day

RATES (cont)

Unbundled Components (cont)

Revenue Cycle Service Charges:

Metering	$0.080	per day
Meter Reading	$0.055	per day
Billing	$0.062	per day
System Benefits Charge:	$0.00213	per kWh
Transmission Charge:	$0.00476	per kWh
Delivery Charge:	$0.02874	per kWh

Generation Charges:

May – October Billing Cycles (Summer)	November – April Billing Cycles (Winter)
$0.04007 per kWh for the first 400 kWh, plus $0.06993 per kWh for the next 400 kWh, plus $0.08751 per kWh for all additional kWh	$0.03798 per kWh

DIRECT ACCESS

The bill for Direct Access customers will consist of the Unbundled Components Basic Service Charge, the System Benefits Charge, and the Delivery Charge, plus any applicable adjustments incorporated in this schedule. Direct Access customers must acquire and pay for generation, transmission, and revenue cycle services from a competitive third party supplier. If any revenue cycle services are not available from a third party supplier and must be obtained from the Company, the Unbundled Components Revenue Cycle Service Charges will be applied to the customer's bill.

ADJUSTMENTS

1. The Environmental Portfolio Surcharge shall be applied to every retail electric service as set forth in the Company's Rate Schedule EPS-1.

2. The bill is subject to the Power Supply Adjustment factor as set forth in the Company's Rate Schedule PSA-1 pursuant to Arizona Corporation Commission Decision No. 67744.

3. The bill is subject to the Transmission Cost Adjustment factor as set forth in the Company's Rate Schedule TCA-1 pursuant to Arizona Corporation Commission Decision No. 67744.

4. The bill is subject to the Competition Rules Compliance Charge as set forth in the Company's Rate Schedule CRCC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

ADJUSTMENTS (cont)

5. Direct Access customers returning to Standard Offer service may be subject to a Returning Customer Direct Access Charge as set forth in the Company's Rate Schedule RCDAC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

6. The bill is subject to the Demand Side Management Adjustment charge as set forth in the Company's Rate Schedule DSMAC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

7. The bill is subject to the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of APS and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

CONTRACT PERIOD

Any applicable contract period will be set forth in APS' standard agreement for service.

TERMS AND CONDITIONS

Service under this rate schedule is subject to the Company's Schedule 1, Terms and Conditions for Standard Offer and Direct Access Services and the Company's Schedule 10, Terms and Conditions for Direct Access. These schedules have provisions that may affect the customer's bill. In addition, service may be subject to special terms and conditions as provided for in a customer contract or service agreement.

FROZEN

RATE SCHEDULE E-4
RESIDENTIAL SERVICE
MEDICAL CARE EQUIPMENT SUPPORT PROGRAM

AVAILABILITY

This rate schedule is available in all territory served by the Company at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the sites served.

APPLICATION

This rate schedule is applicable to all Standard Offer and Direct Access electric service billed under Residential Rate Schedules, where the customer has qualified for this rate as specified in the Company's Plan for Administration of the Medical Care Equipment Program pursuant to Arizona Corporation Commission Decision No. 59222. All provisions of the applicable Residential Rate Schedule will apply except as modified herein.

RATES

The customer's bill shall be in accordance with the applicable specified schedule with the following exceptions:

A.

For Bills with Usage of:	The Total Bill as calculated according to the applicable Residential Rate Schedule (before Taxes, Regulatory Assessments and Franchise Fees) Will be Discounted by:
0 – 800 kWh	40%
801 – 1400 kWh	26%
1401 – 2000 kWh	14%
2001 kWh and above	$26.00

B. Adjustment Schedule PSA-1 will not apply to customers served under this rate schedule.

AVAILABILITY

This rate schedule is available in all territory served by the Company at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the sites served.

APPLICATION

This rate schedule is applicable to all Standard Offer and Direct Access electric service, except as stated below, required for residential purposes in individual private dwellings and in individually metered apartments when such service is supplied at one site through one point of delivery and measured through one meter. For those dwellings and apartments where electric service has historically been measured through two meters, when one of the meters was installed pursuant to a water heating or space heating rate schedule no longer in effect, the electric service measured by such meters shall be combined for billing purposes.

Additionally, this rate schedule is applicable only to those customers being served on the Company's Rate Schedule E-10 prior to December 6, 1991.

This rate schedule is not applicable to breakdown, standby, supplemental or resale service.

TYPE OF SERVICE

The type of service provided under this schedule will be single phase, 60 Hertz, at a single standard voltage (120/240 or 120/208 as may be selected by customer subject to availability at the customer's site). Three phase service may be furnished under the Company's Schedule 3 (Conditions Governing Extensions of Electric Distribution Lines and Services), and is required for motors of an individual rated capacity of 7-1/2 HP or more.

RATES

The customer's bill shall be computed at the following rates, plus any adjustments incorporated in this schedule:

Bundled Standard Offer Service

Basic Service Charge: $ 0.253 per day

Energy Charge:

May – October Billing Cycles (Summer)	November – April Billing Cycles (Winter)
$0.06929 per kWh for the first 400 kWh, plus $0.09490 per kWh for the next 400 kWh, plus $0.09760 per kWh for all additional kWh	$0.07601 per kWh

Bundled Standard Offer Service consists of the following Unbundled Components:

Unbundled Components

Basic Service Charge: $ 0.063 per day

FROZEN

RATES (cont)

Unbundled Components (cont)

Revenue Cycle Service Charges:

Metering	$0.073	per day
Meter Reading	$0.055	per day
Billing	$0.062	per day
System Benefits Charge:	$0.00213	per kWh
Transmission Charge:	$0.00476	per kWh
Delivery Charge:	$0.02722	per kWh

Generation Charges:

May – October Billing Cycles (Summer)	November – April Billing Cycles (Winter)
$0.03518 per kWh for the first 400 kWh, plus $0.06079 per kWh for the next 400 kWh, plus $0.06349 per kWh for all additional kWh	$0.04190 per kWh

DIRECT ACCESS

The bill for Direct Access customers will consist of the Unbundled Components Basic Service Charge, the System Benefits Charge, and the Delivery Charge, plus any applicable adjustments incorporated in this schedule. Direct Access customers must acquire and pay for generation, transmission, and revenue cycle services from a competitive third party supplier. If any revenue cycle services are not available from a third party supplier and must be obtained from the Company, the Unbundled Components Revenue Cycle Service Charges will be applied to the customer's bill.

ADJUSTMENTS

1. The Environmental Portfolio Surcharge shall be applied to every retail electric service as set forth in the Company's Rate Schedule EPS-1.

2. The bill is subject to the Power Supply Adjustment factor as set forth in the Company's Rate Schedule PSA-1 pursuant to Arizona Corporation Commission Decision No. 67744.

3. The bill is subject to the Transmission Cost Adjustment factor as set forth in the Company's Rate Schedule TCA-1 pursuant to Arizona Corporation Commission Decision No. 67744.

4. The bill is subject to the Competition Rules Compliance Charge as set forth in the Company's Rate Schedule CRCC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

FROZEN

ADJUSTMENTS (cont)

5. Direct Access customers returning to Standard Offer service may be subject to a Returning Customer Direct Access Charge as set forth in the Company's Rate Schedule RCDAC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

6. The bill is subject to the Demand Side Management Adjustment charge as set forth in the Company's Rate Schedule DSMAC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

7. The bill is subject to the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of APS and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

CONTRACT PERIOD

Any applicable contract period will be set forth in APS' standard agreement for service.

TERMS AND CONDITIONS

Service under this rate schedule is subject to the Company's Schedule 1, Terms and Conditions for Standard Offer and Direct Access Services and the Company's Schedule 10, Terms and Conditions for Direct Access. These schedules have provisions that may affect the customer's bill. In addition, service may be subject to special terms and conditions as provided for in a customer contract or service agreement.

RATE SCHEDULE EC-1
RESIDENTIAL SERVICE WITH DEMAND CHARGE
DEMAND ADVANTAGE RATE

AVAILABILITY

This rate schedule is available in all territory served by the Company at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the sites served.

APPLICATION

This rate schedule is applicable to all Standard Offer and Direct Access electric service, except as stated below, required for residential purposes in individual private dwellings and in individually metered apartments when such service is supplied at one site through one point of delivery and measured through one meter.

Additionally, this rate schedule is applicable only to those customers being served on the Company's Rate Schedule EC-1 prior to December 6, 1991, except for those customers who have installed and operate either a solar water heater, installed by a registered installer, or an electric heat pump water heater.

This schedule is not applicable to breakdown, standby, supplemental or resale service.

TYPE OF SERVICE

The type of service provided under this schedule will be single phase, 60 Hertz, at a single standard voltage (120/240 or 120/208 as may be selected by customer subject to availability at the customer's site). Three phase service may be furnished under the Company's Schedule 3 (Conditions Governing Extensions of Electric Distribution Lines and Services), and is required for motors of an individual rated capacity of 7-1/2 HP or more.

RATES

The customer's bill shall be computed at the following rates, plus any adjustments incorporated in this schedule:

Bundled Standard Offer Service

Basic Service Charge: $ 0.329 per day

Demand Charge:

May – October Billing Cycles (Summer)	November – April Billing Cycles (Winter)
$10.00 per kW	$7.10 per kW

Energy Charge:

May – October Billing Cycles (Summer)	November – April Billing Cycles (Winter)
$ 0.03943 per kWh	$0.02978 per kWh

FROZEN

RATES (cont)

Bundled Standard Offer Service consists of the following Unbundled Components:

Unbundled Components

Basic Service Charge:	$ 0.049	per day
Revenue Cycle Service Charges:		
Metering	$ 0.163	per day
Meter Reading	$ 0.055	per day
Billing	$ 0.062	per day
System Benefits Charge:	$ 0.00213	per kWh
Transmission Charge:	$ 0.00476	per kWh

Delivery Charge:

May – October Billing Cycles (Summer)	November – April Billing Cycles (Winter)
$2.34 per kW, plus $0.01433 per kWh	$2.02 per kW, plus $0.01294 per kWh

Generation Charge:

May – October Billing Cycles (Summer)	November – April Billing Cycles (Winter)
$7.66 per kW, plus $0.01821 per kWh	$5.08 per kW, plus $0.00995 per kWh

DIRECT ACCESS

The bill for Direct Access customers will consist of the Unbundled Components Basic Service Charge, the System Benefits Charge, and the Delivery Charge, plus any applicable adjustments incorporated in this schedule. Direct Access customers must acquire and pay for generation, transmission, and revenue cycle services from a competitive third party supplier. If any revenue cycle services are not available from a third party supplier and must be obtained from the Company, the Unbundled Components Revenue Cycle Service Charges will be applied to the customer's bill.

DETERMINATION OF KW

For billing purposes, the kW used in this rate schedule shall be based on the average kW supplied during the 60-minute period of maximum use as determined from readings of the Company's meter.

FROZEN

ADJUSTMENTS

1. The Environmental Portfolio Surcharge shall be applied to every retail electric service as set forth in the Company's Rate Schedule EPS-1.

2. The bill is subject to the Power Supply Adjustment factor as set forth in the Company's Rate Schedule PSA-1 pursuant to Arizona Corporation Commission Decision No. 67744.

3. The bill is subject to the Transmission Cost Adjustment factor as set forth in the Company's Rate Schedule TCA-1 pursuant to Arizona Corporation Commission Decision No. 67744.

4. The bill is subject to the Competition Rules Compliance Charge as set forth in the Company's Rate Schedule CRCC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

5. Direct Access Customers returning to Standard Offer service may be subject to a Returning Customer Direct Access Charge as set forth in the Company's Rate Schedule RCDAC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

6. The bill is subject to the Demand Side Management Adjustment charge as set forth in the Company's Rate Schedule DSMAC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

7. The bill is subject to the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of APS and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

CONTRACT PERIOD

Any applicable contract period will be set forth in APS' standard agreement for service.

TERMS AND CONDITIONS

Service under this rate schedule is subject to the Company's Schedule 1, Terms and Conditions for Standard Offer and Direct Access Services and the Company's Schedule 10, Terms and Conditions for Direct Access. These schedules have provisions that may affect the customer's bill. In addition, service may be subject to special terms and conditions as provided for in a customer contract or service agreement.

PROOF

RATE SCHEDULE ECT-1R
RESIDENTIAL SERVICE
TIME-OF-USE WITH DEMAND CHARGE
COMBINED ADVANTAGE RATE

AVAILABILITY

This rate schedule is available in all territory served by the Company at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the sites served.

APPLICATION

This rate schedule is applicable to all Standard Offer and Direct Access electric service, except as stated below, required for residential purposes in individual private dwellings and in individually metered apartments when such service is supplied at one site through one point of delivery and measured through one meter.

Rate selection is subject to paragraphs 3.2 through 3.5 of the Company's Schedule 1, Terms and Conditions for Standard Offer and Direct Access Services, and this rate schedule will become effective only after the Company has installed the required timed kilowatt/kilowatthour meter.

This schedule is not applicable to breakdown, standby, supplemental or resale service.

TYPE OF SERVICE

The type of service provided under this schedule will be single phase, 60 Hertz, at a single standard voltage (120/240 or 120/208 as may be selected by customer subject to availability at the customer's site). Three phase service may be furnished under the Company's Schedule 3 (Conditions Governing Extensions of Electric Distribution Lines and Services), and is required for motors of an individual rated capacity of 7-1/2 HP or more.

RATES

The customer's bill shall be computed at the following rates, plus any adjustments incorporated in this schedule:

Bundled Standard Offer Service

Basic Service Charge: $ 0.493 per day

Demand Charge:

May – October Billing Cycles (Summer)	November – April Billing Cycles (Winter)
$11.81 per On-Peak kW	$8.11 per On-Peak kW

Energy Charge:

May – October Billing Cycles (Summer)	November – April Billing Cycles (Winter)
$ 0.04765 per kWh during On-Peak hours, plus $ 0.02672 per kWh during Off-Peak hours	$0.03641 per kWh during On-Peak hours, plus $0.02570 per kWh during Off-Peak hours

RATES (cont)

Bundled Standard Offer Service consists of the following Unbundled Components:

Unbundled Components

Basic Service Charge:	$ 0.208	per day
Revenue Cycle Service Charges:		
Metering	$ 0.168	per day
Meter Reading	$ 0.055	per day
Billing	$ 0.062	per day
System Benefits Charge:	$ 0.00213	per kWh
Transmission Charge:	$ 0.00476	per kWh

Delivery Charge:

May – October Billing Cycles (Summer)	November – April Billing Cycles (Winter)
$3.38 per On-Peak kW, plus $0.00963 per kWh	$1.85 per On-Peak kW, plus $0.01344 per kWh

Generation Charge:

May – October Billing Cycles (Summer)	November – April Billing Cycles (Winter)
$8.43 per On-Peak kW, plus $0.03113 per kWh during On-Peak hours, plus $0.01020 per kWh during Off-Peak hours	$6.26 per On-Peak kW, plus $0.01608 per kWh during On-Peak hours, plus $0.00537 per kWh during Off-Peak hours

DIRECT ACCESS

The bill for Direct Access customers will consist of the Unbundled Components Basic Service Charge, the System Benefits Charge, and the Delivery Charge, plus any applicable adjustments incorporated in this schedule. Direct Access customers must acquire and pay for generation, transmission, and revenue cycle services from a competitive third party supplier. If any revenue cycle services are not available from a third party supplier and must be obtained from the Company, the Unbundled Components Revenue Cycle Service Charges will be applied to the customer's bill.

TIME PERIODS

The standard Company On-Peak time period for residential rate schedules is 9 a.m. to 9 p.m. Monday through Friday. All hours not included in the On-Peak time period shall be Off-Peak hours.

Mountain Standard Time shall be used in the application of this rate schedule.

TIME PERIODS (cont)

OPTIONAL TIME PERIODS – PILOT PROGRAM

The customer may choose one of the following On-Peak time periods in lieu of the Company's standard On-Peak time period:

7 a.m. – 7 p.m. Monday through Friday
8 a.m. – 8 p.m. Monday through Friday

A maximum of 10,000 customers will be allowed to participate in this pilot program. The program will be applicable to both Rate Schedule ECT-1R and Rate Schedule ET-1. Customer participation will be subject to meter availability and work schedule constraints.

DETERMINATION OF KW

For billing purposes, the kW used in this rate schedule shall be based on the average kW supplied during the 60-minute period of maximum use during the customer's chosen On-Peak hours, as determined from readings of the Company's meter.

ADJUSTMENTS

1. The Environmental Portfolio Surcharge shall be applied to every retail electric service as set forth in the Company's Rate Schedule EPS-1.

2. The bill is subject to the Power Supply Adjustment factor as set forth in the Company's Rate Schedule PSA-1 pursuant to Arizona Corporation Commission Decision No. 67744.

3. The bill is subject to the Transmission Cost Adjustment factor as set forth in the Company's Rate Schedule TCA-1 pursuant to Arizona Corporation Commission Decision No. 67744.

4. The bill is subject to the Competition Rules Compliance Charge as set forth in the Company's Rate Schedule CRCC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

5. Direct Access Customers returning to Standard Offer service may be subject to a Returning Customer Direct Access Charge as set forth in the Company's Rate Schedule RCDAC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

6. The bill is subject to the Demand Side Management Adjustment charge as set forth in the Company's Rate Schedule DSMAC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

7. The bill is subject to the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of APS and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

CONTRACT PERIOD

Any applicable contract period will be set forth in APS' standard agreement for service.

TERMS AND CONDITIONS

Service under this rate schedule is subject to the Company's Schedule 1, Terms and Conditions for Standard Offer and Direct Access Services and the Company's Schedule 10, Terms and Conditions for Direct Access. These schedules have provisions that may affect the customer's bill. In addition, service may be subject to special terms and conditions as provided for in a customer contract or service agreement.

RATE SCHEDULE ET-1
RESIDENTIAL SERVICE TIME-OF-USE
TIME ADVANTAGE RATE

AVAILABILITY

This rate schedule is available in all territory served by the Company at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the sites served.

APPLICATION

This rate schedule is applicable to all Standard Offer and Direct Access electric service required for residential purposes in individual private dwellings and in individually metered apartments when such service is supplied at one site through one point of delivery and measured through one meter.

Rate selection is subject to paragraphs 3.2 through 3.5 of the Company's Schedule 1, Terms and Conditions for Standard Offer and Direct Access Services, and this rate schedule will become effective only after the Company has installed the required timed kilowatthour meter.

This schedule is not applicable to breakdown, standby, supplemental or resale service.

TYPE OF SERVICE

The type of service provided under this schedule will be single phase, 60 Hertz, at a single standard voltage (120/240 or 120/208 as may be selected by customer subject to availability at the customer's site). Three phase service may be furnished under the Company's Schedule 3 (Conditions Governing Extensions of Electric Distribution Lines and Services), and is required for motors of an individual rated capacity of 7-1/2 HP or more.

RATES

The customer's bill shall be computed at the following rates, plus any adjustments incorporated in this schedule:

Bundled Standard Offer Service

Basic Service Charge: $ 0.493 per day

Energy Charge:

May – October Billing Cycles (Summer)	November – April Billing Cycles (Winter)
$ 0.13310 per kWh during On-Peak hours, plus $ 0.04299 per kWh during Off-Peak hours	$0.10918 per kWh during On-Peak hours, plus $0.04167 per kWh during Off-Peak hours

Bundled Standard Offer Service consists of the following Unbundled Components:

Unbundled Components

Basic Service Charge: $ 0.211 per day

RATES (cont)

Unbundled Components (cont)

Revenue Cycle Service Charges:

Metering	$ 0.165	per day
Meter Reading	$ 0.055	per day
Billing	$ 0.062	per day
System Benefits Charge:	$ 0.00213	per kWh
Transmission Charge:	$ 0.00476	per kWh
Delivery Charge:	$ 0.02094	per kWh

Generation Charge:

May – October Billing Cycles (Summer)	November – April Billing Cycles (Winter)
$0.10527 per kWh during On-Peak hours, plus $0.01516 per kWh during Off-Peak hours	$0.08135 per kWh during On-Peak hours, plus $0.01384 per kWh during Off-Peak hours

DIRECT ACCESS

The bill for Direct Access customers will consist of the Unbundled Components Basic Service Charge, the System Benefits Charge, and the Delivery Charge, plus any applicable adjustments incorporated in this schedule. Direct Access customers must acquire and pay for generation, transmission, and revenue cycle services from a competitive third party supplier. If any revenue cycle services are not available from a third party supplier and must be obtained from the Company, the Unbundled Components Revenue Cycle Service Charges will be applied to the customer's bill.

TIME PERIODS

The standard Company On-Peak time period for residential rate schedules is 9 a.m. to 9 p.m. Monday through Friday. All hours not included in the On-Peak time period shall be Off-Peak hours.

Mountain Standard Time shall be used in the application of this rate schedule.

OPTIONAL TIME PERIODS – PILOT PROGRAM

The customer may choose one of the following On-Peak time periods in lieu of the Company's standard On-Peak time period:

7 a.m. – 7 p.m. Monday through Friday
8 a.m. – 8 p.m. Monday through Friday

TIME PERIODS (cont)

OPTIONAL TIME PERIODS – PILOT PROGRAM (cont)

A maximum of 10,000 customers will be allowed to participate in this pilot program. The program will be applicable to both Rate Schedule ECT-1R and Rate Schedule ET-1. Customer participation will be subject to meter availability and work schedule constraints.

ADJUSTMENTS

1. The Environmental Portfolio Surcharge shall be applied to every retail electric service as set forth in the Company's Rate Schedule EPS-1.

2. The bill is subject to the Power Supply Adjustment factor as set forth in the Company's Rate Schedule PSA-1 pursuant to Arizona Corporation Commission Decision No. 67744.

3. The bill is subject to the Transmission Cost Adjustment factor as set forth in the Company's Rate Schedule TCA-1 pursuant to Arizona Corporation Commission Decision No. 67744.

4. The bill is subject to the Competition Rules Compliance Charge as set forth in the Company's Rate Schedule CRCC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

5. Direct Access Customers returning to Standard Offer service may be subject to a Returning Customer Direct Access Charge as set forth in the Company's Rate Schedule RCDAC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

6. The bill is subject to the Demand Side Management Adjustment charge as set forth in the Company's Rate Schedule DSMAC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

7. The bill is subject to the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of APS and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

CONTRACT PERIOD

Any applicable contract period will be set forth in APS' standard agreement for service.

TERMS AND CONDITIONS

Service under this rate schedule is subject to the Company's Schedule 1, Terms and Conditions for Standard Offer and Direct Access Services and the Company's Schedule 10, Terms and Conditions for Direct Access. These schedules have provisions that may affect the customer's bill. In addition, service may be subject to special terms and conditions as provided for in a customer contract or service agreement.

RATE SCHEDULE E-21
GENERAL SERVICE
TIME OF USE LESS THAN 100 KW

AVAILABILITY

This rate schedule is available in all territory served by the Company at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the sites served. A maximum of sixty (60) customers with a demand of 0 to 40 kW, twenty-five (25) customers with a demand of 41 to 71 kW and fifteen (15) customers with a demand of 71 to 100 kW, for a total of one hundred (100) customers, may be served on this rate.

APPLICATION

This rate schedule is applicable to Standard Offer electric service customers whose monthly demand is 100 kW or less. In the event demand exceeds 100 kW for three (3) consecutive months, this rate is no longer applicable. Service must be supplied at one point of delivery and measured through one meter unless otherwise specified by individual customer contract. Direct Access customers are not eligible for service under this schedule.

Rate selection is subject to paragraphs 3.2 and 3.3 of the Company's Schedule 1, Terms and Conditions for Standard Offer and Direct Access Services, and this rate schedule will become effective only after the Company has installed the required timed kilowatt meter.

Additionally, this rate schedule is applicable only to those customers being served on the Company's Rate Schedule E-21 prior to July 1, 1996.

This schedule is not applicable to breakdown, standby, supplemental, residential or resale service.

TYPE OF SERVICE

The type of service provided under this schedule will be single or three phase, 60 Hertz, at one standard voltage as may be selected by customer subject to availability at the customer's site. Three phase service is furnished under the Company's Schedule 3 (Conditions Governing Extensions of Electric Distribution Lines and Services). Three phase service is not furnished for motors of an individual rated capacity of less than 7-1/2 HP, except for existing facilities or where total aggregate HP of all connected three phase motors exceeds 12 HP. Three phase service is required for motors of an individual rated capacity of more than 7-1/2 HP.

RATES

The bill shall be computed at the following rates or minimum rates, whichever is greater, plus any adjustments incorporated in this schedule:

Basic Service Charge: $ 0.925 per day

Demand Charge:

June – October Billing Cycles (Summer)	November – May Billing Cycles (Winter)
$2.010 per On-Peak kW	$1.810 per On-Peak kW

FROZEN

RATES (cont)

Demand Charge (cont):

In the event the Off-Peak kW is greater than twice the highest On-Peak kW established during the current month, the difference between such Off-Peak kW and twice the On-Peak kW shall be billed at 50% of the current month's On-Peak kW charge, in addition to the Demand Charge as stated above.

Energy Charge:

June – October Billing Cycles (Summer)	November – May Billing Cycles (Winter)
$0.12097 per kWh during On-Peak hours, plus $0.05843 per kWh during Off-Peak hours	$0.10638 per kWh during On-Peak hours, plus $0.05237 per kWh during Off-Peak hours

MINIMUM

The bill for service under this rate schedule will not be less than $0.685 per day plus $1.67 for each kW of either: (1) the highest kW established during the On-Peak or Off-Peak period during the twelve (12) months ending with the current month, or (2) the minimum kW specified in an agreement for service, whichever is the greater.

DETERMINATION OF KW

For billing purposes, the kW used in this rate schedule shall be based on the average kW supplied during the 15-minute period of maximum use during the On-Peak and Off-Peak periods during the month as determined from readings of the Company's meter.

TIME PERIODS

Time periods applicable to usage under this rate schedule are as follows:

On-Peak hours: 11:00 am – 9:00 pm Monday through Friday
Off-Peak hours: All remaining hours

Mountain Standard Time shall be used in the application of this rate schedule.

ADJUSTMENTS

1. The Environmental Portfolio Surcharge shall be applied to every retail electric service as set forth in the Company's Rate Schedule EPS-1.

2. The bill is subject to the Power Supply Adjustment factor as set forth in the Company's Rate Schedule PSA-1 pursuant to Arizona Corporation Commission Decision No. 67744.

3. The bill is subject to the Transmission Cost Adjustment factor as set forth in the Company's Rate Schedule TCA-1 pursuant to Arizona Corporation Commission Decision No. 67744.

4. The bill is subject to the Competition Rules Compliance Charge as set forth in the Company's Rate Schedule CRCC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

FROZEN

ADJUSTMENTS (cont)

5. Direct Access customers returning to Standard Offer service may be subject to a Returning Customer Direct Access Charge as set forth in the Company's Rate Schedule RCDAC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

6. The bill is subject to the Demand Side Management Adjustment charge as set forth in the Company's Rate Schedule DSMAC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

7. The bill is subject to the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of APS and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

CONTRACT PERIOD

The contract period for customers receiving service under this rate schedule will be one (1) year or longer, at the Company's option.

TERMS AND CONDITIONS

Service under this rate schedule is subject to the Company's Schedule 1, Terms and Conditions for Standard Offer and Direct Access Services, which contains provisions that may affect the customer's bill. In addition, service may be subject to special terms and conditions as provided for in a customer contract or service agreement.

FROZEN

RATE SCHEDULE E-22
SMALL GENERAL SERVICE
TIME OF USE

FROZEN

AVAILABILITY

This rate schedule is available in all territory served by the Company at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the sites served. A maximum of three hundred (300) customers, selected and approved by the Director of the Utilities Division of the Arizona Corporation Commission after consultation with all interested parties, may be served under this rate schedule.

APPLICATION

This rate schedule is applicable to Standard Offer electric service required when such service is supplied at one point of delivery and measured through one meter unless otherwise specified by individual customer contract. Direct Access customers are not eligible for service under this schedule.

Rate selection is subject to paragraphs 3.2 and 3.3 of the Company's Schedule 1, Terms and Conditions for Standard Offer and Direct Access Services, and this rate schedule will become effective only after the Company has installed the required timed kilowatt meter.

Additionally, this rate schedule is applicable only to those customers being served on the Company's Rate Schedule E-22 prior to April 1, 2005.

This schedule is not applicable to breakdown, standby, supplemental, residential or resale service, nor to service for which Rate Schedule E-34 or E-35 is applicable.

TYPE OF SERVICE

The type of service provided under this schedule will be single or three phase, 60 Hertz, at one standard voltage as may be selected by customer subject to availability at the customer's site. Three phase service is furnished under the Company's Schedule 3 (Conditions Governing Extensions of Electric Distribution Lines and Services). Three phase service is not furnished for motors of an individual rated capacity of less than 7-1/2 HP, except for existing facilities or where total aggregate HP of all connected three phase motors exceeds 12 HP. Three phase service is required for motors of an individual rated capacity of more than 7-1/2 HP.

RATES

The bill shall be computed at the following rates or minimum rates, whichever is greater, plus any adjustments incorporated in this schedule:

Basic Service Charge: $ 0.925 per day

Demand Charge:

June – October Billing Cycles (Summer)	November – May Billing Cycles (Winter)
$2.230 per On-Peak kW	$2.020 per On-Peak kW

In the event the Off-Peak kW is greater than twice the highest On-Peak kW established during the current month, the difference between such Off-Peak kW and twice the On-Peak kW shall be billed at 50% of the current month's On-Peak kW charge, in addition to the Demand Charge as stated above.

RATES (cont)

Energy Charge:

June – October Billing Cycles (Summer)	November – May Billing Cycles (Winter)
$0.12125 per kWh during On-Peak hours, plus $0.07475 per kWh during Off-Peak hours	$0.10285 per kWh during On-Peak hours, plus $0.06430 per kWh during Off-Peak hours

MINIMUM

The bill for service under this rate schedule will not be less than $0.685 per day plus $1.67 for each kW of either: (1) the highest kW established during the On-Peak or Off-Peak period during the twelve (12) months ending with the current month, or (2) the minimum kW specified in an agreement for service, whichever is the greater.

DETERMINATION OF KW

For billing purposes, the kW used in this rate schedule shall be based on the average kW supplied during the 15-minute period of maximum use during the On-Peak and Off-Peak periods during the month, as determined from readings of the Company's meter.

TIME PERIODS

Time periods applicable to usage under this rate schedule are as follows:

On-Peak hours: 11:00 am – 9:00 pm Monday through Friday
Off-Peak hours: All remaining hours

Mountain Standard Time shall be used in the application of this rate schedule.

ADJUSTMENTS

1. The Environmental Portfolio Surcharge shall be applied to every retail electric service as set forth in the Company's Rate Schedule EPS-1.

2. The bill is subject to the Power Supply Adjustment factor as set forth in the Company's Rate Schedule PSA-1 pursuant to Arizona Corporation Commission Decision No. 67744.

3. The bill is subject to the Transmission Cost Adjustment factor as set forth in the Company's Rate Schedule TCA-1 pursuant to Arizona Corporation Commission Decision No. 67744.

4. The bill is subject to the Competition Rules Compliance Charge as set forth in the Company's Rate Schedule CRCC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

5. Direct Access customers returning to Standard Offer service may be subject to a Returning Customer Direct Access Charge as set forth in the Company's Rate Schedule RCDAC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

FROZEN

ADJUSTMENTS (cont)

6. The bill is subject to the Demand Side Management Adjustment charge as set forth in the Company's Rate Schedule DSMAC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

7. The bill is subject to the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of APS and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

CONTRACT PERIOD

The contract period for customers receiving service under this rate schedule will be one (1) year or longer, at the Company's option.

TERMS AND CONDITIONS

Service under this rate schedule is subject to the Company's Schedule 1, Terms and Conditions for Standard Offer and Direct Access Services, which contains provisions that may affect the customer's bill. In addition, service may be subject to special terms and conditions as provided for in a customer contract or service agreement.

FROZEN

RATE SCHEDULE E-23
MEDIUM GENERAL SERVICE
TIME OF USE

AVAILABILITY

This rate schedule is available in all territory served by the Company at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the sites served. A maximum of one hundred and fifty (150) customers, selected and approved by the Director of the Utilities Division of the Arizona Corporation Commission after consultation with all interested parties, may be served under this rate schedule.

APPLICATION

This rate schedule is applicable to Standard Offer electric service required when such service is supplied at one point of delivery and measured through one meter unless otherwise specified by individual customer contract. Direct Access customers are not eligible for service under this schedule.

Rate selection is subject to paragraphs 3.2 and 3.3 of the Company's Schedule 1, Terms and Conditions for Standard Offer and Direct Access Services, and this rate schedule will become effective only after the Company has installed the required timed kilowatt meter.

Additionally, this rate schedule is applicable only to those customers being served on the Company's Rate Schedule E-23 prior to April 1, 2005.

This schedule is not applicable to breakdown, standby, supplemental, residential or resale service, nor to service for which Rate Schedule E-34 or E-35 is applicable.

TYPE OF SERVICE

The type of service provided under this schedule will be single or three phase, 60 Hertz, at one standard voltage as may be selected by customer subject to availability at the customer's site. Three phase service is furnished under the Company's Schedule 3 (Conditions Governing Extensions of Electric Distribution Lines and Services). Three phase service is not furnished for motors of an individual rated capacity of less than 7-1/2 HP, except for existing facilities or where total aggregate HP of all connected three phase motors exceeds 12 HP. Three phase service is required for motors of an individual rated capacity of more than 7-1/2 HP.

RATES

The bill shall be computed at the following rates or minimum rates, whichever is greater, plus any adjustments incorporated in this schedule:

Basic Service Charge: $ 1.988 per day

Demand Charge:

June – October Billing Cycles (Summer)	November – May Billing Cycles (Winter)
$6.410 per On-Peak kW	$5.820 per On-Peak kW

In the event the Off-Peak kW is greater than twice the highest On-Peak kW established during the current month, the difference between such Off-Peak kW and twice the On-Peak kW shall be billed at 50% of the current month's On-Peak kW charge, in addition to the Demand Charge as stated above.

FROZEN

RATES (cont)

Energy Charge:

June – October Billing Cycles (Summer)	November – May Billing Cycles (Winter)
$0.08163 per kWh during On-Peak hours, plus $0.05843 per kWh during Off-Peak hours	$0.07328 per kWh during On-Peak hours, plus $0.05237 per kWh during Off-Peak hours

MINIMUM

The bill for service under this rate schedule will not be less than $0.685 per day plus $1.67 for each kW of either: (1) the highest kW established during the On-Peak or Off-Peak period during the twelve (12) months ending with the current month, or (2) the minimum kW specified in an agreement for service, whichever is the greater.

DETERMINATION OF KW

For billing purposes, the kW used in this rate schedule shall be based on the average kW supplied during the 15-minute period of maximum use during the On-Peak and Off-Peak periods during the month, as determined from readings of the Company's meter.

TIME PERIODS

Time periods applicable to usage under this rate schedule are as follows:

On-Peak hours: 11:00 am – 9:00 pm Monday through Friday
Off-Peak hours: All remaining hours

Mountain Standard Time shall be used in the application of this rate schedule.

ADJUSTMENTS

1. The Environmental Portfolio Surcharge shall be applied to every retail electric service as set forth in the Company's Rate Schedule EPS-1.

2. The bill is subject to the Power Supply Adjustment factor as set forth in the Company's Rate Schedule PSA-1 pursuant to Arizona Corporation Commission Decision No. 67744.

3. The bill is subject to the Transmission Cost Adjustment factor as set forth in the Company's Rate Schedule TCA-1 pursuant to Arizona Corporation Commission Decision No. 67744.

4. The bill is subject to the Competition Rules Compliance Charge as set forth in the Company's Rate Schedule CRCC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

5. Direct Access customers returning to Standard Offer service may be subject to a Returning Customer Direct Access Charge as set forth in the Company's Rate Schedule RCDAC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

FROZEN

ADJUSTMENTS (cont)

6. The bill is subject to the Demand Side Management Adjustment charge as set forth in the Company's Rate Schedule DSMAC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

7. The bill is subject to the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of APS and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

CONTRACT PERIOD

The contract period for customers receiving service under this rate schedule will be one (1) year or longer, at the Company's option.

TERMS AND CONDITIONS

Service under this rate schedule is subject to the Company's Schedule 1, Terms and Conditions for Standard Offer and Direct Access Services, which contains provisions that may affect the customer's bill. In addition, service may be subject to special terms and conditions as provided for in a customer contract or service agreement.

FROZEN

AVAILABILITY

This rate schedule is available in all territory served by the Company at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the sites served. A maximum of fifty (50) customers, selected and approved by the Director of the Utilities Division of the Arizona Corporation Commission after consultation with all interested parties, may be served under this rate schedule.

APPLICATION

This rate schedule is applicable to Standard Offer electric service required when such service is supplied at one point of delivery and measured through one meter unless otherwise specified by individual customer contract. Direct Access customers are not eligible for service under this schedule.

Rate selection is subject to paragraphs 3.2 and 3.3 of the Company's Schedule 1, Terms and Conditions for Standard Offer and Direct Access Services, and this rate schedule will become effective only after the Company has installed the required timed kilowatt meter.

Additionally, this rate schedule is applicable only to those customers being served on the Company's Rate Schedule E-24 prior to April 1, 2005.

This schedule is not applicable to breakdown, standby, supplemental, residential or resale service, nor to service for which Rate Schedule E-34 or E-35 is applicable.

TYPE OF SERVICE

The type of service provided under this schedule will be single or three phase, 60 Hertz, at one standard voltage as may be selected by customer subject to availability at the customer's site. Three phase service is furnished under the Company's Schedule 3 (Conditions Governing Extensions of Electric Distribution Lines and Services). Three phase service is not furnished for motors of an individual rated capacity of less than 7-1/2 HP, except for existing facilities or where total aggregate HP of all connected three phase motors exceeds 12 HP. Three phase service is required for motors of an individual rated capacity of more than 7-1/2 HP.

RATES

The bill shall be computed at the following rates or minimum rates, whichever is greater, plus any adjustments incorporated in this schedule:

Basic Service Charge: $ 34.271 per day

Demand Charge:

June – October Billing Cycles (Summer)	November – May Billing Cycles (Winter)
$9.390 per On-Peak kW	$8.510 per On-Peak kW

In the event the Off-Peak kW is greater than twice the highest On-Peak kW established during the current month, the difference between such Off-Peak kW and twice the On-Peak kW shall be billed at 50% of the current month's On-Peak kW charge, in addition to the Demand Charge as stated above.

FROZEN

RATES (cont)

Energy Charge:

June – October Billing Cycles (Summer)	November – May Billing Cycles (Winter)
$0.05283 per kWh during On-Peak hours, plus $0.03797 per kWh during Off-Peak hours	$0.04723 per kWh during On-Peak hours, plus $0.03393 per kWh during Off-Peak hours

MINIMUM

The bill for service under this rate schedule will not be less than $0.685 per day plus $1.67 for each kW of either: (1) the highest kW established during the On-Peak or Off-Peak period during the twelve (12) months ending with the current month, or (2) the minimum kW specified in an agreement for service, whichever is the greater.

DETERMINATION OF KW

For billing purposes, the kW used in this rate schedule shall be based on the average kW supplied during the 15-minute period of maximum use during the On-Peak and Off-Peak periods during the month, as determined from readings of the Company's meter.

TIME PERIODS

Time periods applicable to usage under this rate schedule are as follows:

On-Peak hours: 11:00 am – 9:00 pm Monday through Friday
Off-Peak hours: All remaining hours

Mountain Standard Time shall be used in the application of this rate schedule.

ADJUSTMENTS

1. The Environmental Portfolio Surcharge shall be applied to every retail electric service as set forth in the Company's Rate Schedule EPS-1.

2. The bill is subject to the Power Supply Adjustment factor as set forth in the Company's Rate Schedule PSA-1 pursuant to Arizona Corporation Commission Decision No. 67744.

3. The bill is subject to the Transmission Cost Adjustment factor as set forth in the Company's Rate Schedule TCA-1 pursuant to Arizona Corporation Commission Decision No. 67744.

4. The bill is subject to the Competition Rules Compliance Charge as set forth in the Company's Rate Schedule CRCC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

5. Direct Access customers returning to Standard Offer service may be subject to a Returning Customer Direct Access Charge as set forth in the Company's Rate Schedule RCDAC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

FROZEN

ADJUSTMENTS (cont)

6. The bill is subject to the Demand Side Management Adjustment charge as set forth in the Company's Rate Schedule DSMAC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

7. The bill is subject to the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of APS and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

CONTRACT PERIOD

The contract period for customers receiving service under this rate schedule will be one (1) year or longer, at the Company's option.

TERMS AND CONDITIONS

Service under this rate schedule is subject to the Company's Schedule 1, Terms and Conditions for Standard Offer and Direct Access Services, which contains provisions that may affect the customer's bill. In addition, service may be subject to special terms and conditions as provided for in a customer contract or service agreement.

FROZEN

AVAILABILITY

This rate schedule is available in all territory served by the Company at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the sites served.

APPLICATION

This rate schedule is applicable to all Standard Offer and Direct Access electric service required where demand and energy requirements are constant, subject to the limitations set forth in the Special Provisions of this schedule. Billing quantities must be subject to accurate determination without the use of metering equipment, and service must be supplied at a single point of delivery.

This schedule is not applicable to breakdown, standby, supplemental, residential or resale service.

TYPE OF SERVICE

The type of service provided under this schedule will be single phase, 60 Hertz, at a single standard voltage (120/240 or 120/208 volts as may be selected by customer subject to availability at the customer's site). The cost of service extension shall include transformation equipment, if required.

RATES

The bill shall be computed at the following rates, plus any adjustments incorporated in this rate schedule:

Bundled Standard Offer Service

Basic Service Charge: $ 0.275 per day

Energy Charge:

May – October Billing Cycles (Summer)	November – April Billing Cycles (Winter)
$0.09684 per kWh	$0.08724 per kWh

Bundled Standard Offer Service consists of the following Unbundled Components:

Unbundled Components

Basic Service Charge: $ 0.215 per day

Revenue Cycle Service Charges:
Billing: $ 0.060 per day

System Benefits Charge: $ 0.00213 per kWh

Transmission Charge: $ 0.00476 per kWh

Delivery Charge: $ 0.03354 per kWh

RATES (cont)

Unbundled Components (cont)

Generation Charge:

May - October Billing Cycles (Summer)	November - April Billing Cycles (Winter)
$0.05641 per kWh	$0.04681 per kWh

DIRECT ACCESS

The bill for Direct Access customers will consist of the Unbundled Components Basic Service Charge, the System Benefits Charge, and the Delivery Charge, plus any applicable adjustments incorporated in this schedule. Direct Access customers must acquire and pay for generation, transmission and revenue cycle services from a competitive third party supplier. If any revenue cycle services are not available from a third party supplier and must be obtained from the Company, the Unbundled Components Revenue Cycle Service Charges will be applied to the customer's bill.

ADJUSTMENTS

1. The Environmental Portfolio Surcharge shall be applied to every retail electric service as set forth in the Company's Rate Schedule EPS-1.

2. The bill is subject to the Power Supply Adjustment factor as set forth in the Company's Rate Schedule PSA-1 pursuant to Arizona Corporation Commission Decision No. 67744.

3. The bill is subject to the Transmission Cost Adjustment factor as set forth in the Company's Rate Schedule TCA-1 pursuant to Arizona Corporation Commission Decision No. 67744.

4. The bill is subject to the Competition Rules Compliance Charge as set forth in the Company's Rate Schedule CRCC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

5. Direct Access customers returning to Standard Offer service may be subject to a Returning Customer Direct Access Charge as set forth in the Company's Rate Schedule RCDAC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

6. The bill is subject to the Demand Side Management Adjustment charge as set forth in the Company's Rate Schedule DSMAC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

7. The bill is subject to the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of APS and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

SPECIAL PROVISIONS

1. Electric services being served on the Company's Rate Schedule E-30 prior to April 1, 2005 will continue to be served under this rate schedule; however, services eligible for this rate schedule after that date must meet the demand and energy requirements set forth in the following Special Provisions.

2. This rate schedule is applicable only to loads where monthly demand (kW) and energy (kWh) requirements remain constant. Monthly demand and energy requirements may not exceed 1.5 kW or 1,095 kWh at 120 volts, or 2.9 kW or 2,117 kWh at 240 volts, for each delivery point. Determination of fixed monthly energy usage will be based on an average 730 hour month.

3. Prior written approval by an authorized Company representative is required before service is implemented under this rate schedule.

4. Prior written approval by an authorized Company representative is required for any change in loads. An unauthorized load change will automatically disqualify that customer from service under this rate schedule.

5. The Company shall have the right to inspect the customer's load facilities at any time to ensure compliance with all provisions of this rate schedule.

CONTRACT PERIOD

Any applicable contract period will be set forth in the Company's standard agreement for service.

TERMS AND CONDITIONS

Service under this rate schedule is subject to the Company's Schedule 1, Terms and Conditions for Standard Offer and Direct Access Services and the Company's Schedule 10, Terms and Conditions for Direct Access. These schedules have provisions that may affect the customer's bill. In addition, service may be subject to special terms and conditions as provided for in a customer contract or service agreement.

AVAILABILITY

This rate schedule is available in all territory served by the Company at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the sites served.

APPLICATION

This rate schedule is applicable to all Standard Offer and Direct Access electric service required when such service is supplied at one point of delivery and measured through one meter. Rate selection is subject to paragraphs 3.2 through 3.5 of the Company's Schedule 1, Terms and Conditions for Standard Offer and Direct Access Services.

This schedule is not applicable to breakdown, standby, supplemental, residential or resale service nor to service for which Rate Schedule E-34 is applicable.

TYPE OF SERVICE

The type of service provided under this schedule will be single or three phase, 60 Hertz, at one standard voltage as may be selected by customer subject to availability at the customer's site. Three phase service is furnished under the Company's Schedule 3 (Conditions Governing Extensions of Electric Distribution Lines and Services). Three phase service is not furnished for motors of an individual rated capacity of less than 7-1/2 HP, except for existing facilities or where total aggregate HP of all connected three phase motors exceeds 12 HP. Three phase service is required for motors of an individual rated capacity of more than 7-1/2 HP.

Service under this schedule is generally provided at secondary voltage, primary voltage when the customer owns the distribution transformer(s), or transmission voltage.

RATES

The bill shall be computed at the following rates or the minimum rates, whichever is greater, plus any adjustments incorporated in this rate schedule:

FOR MONTHLY MAXIMUM DEMANDS OF 20 kW OR LESS

Bundled Standard Offer Service

Basic Service Charge:

For service through Self-Contained Meters:	$ 0.575	per day, or
For service through Instrument-Rated Meters:	$ 1.134	per day, or
For service at Primary Voltage:	$ 2.926	per day, or
For service at Transmission Voltage:	$ 22.422	per day

RATES (cont)

FOR MONTHLY MAXIMUM DEMANDS OF 20 kW OR LESS (cont)

Bundled Standard Offer Service (cont)

Energy Charge:

May – October Billing Cycles (Summer)	November – April Billing Cycles (Winter)
For Secondary Service: $0.09892 per kWh for the first 5,000 kWh, plus $0.04711 per kWh for all additional kWh, or	For Seconday Service: $0.08892 per kWh for the first 5,000 kWh, plus $0.03711 per kWh for all additional kWh, or
For Primary Service: $0.09610 per kWh for the first 5,000 kWh, plus $0.04429 per kWh for all additional kWh	For Primary Service: $0.08610 per kWh for the first 5,000 kWh, plus $0.03429 per kWh for all additional kWh

Bundled Standard Offer Service consists of the following Unbundled Components:

Unbundled Components

Basic Service Charge:	$ 0.108	per day
Revenue Cycle Service Charges:		
Metering:		
Self-Contained Meters:	$ 0.345	per day, or
Instrument-Rated Meters:	$ 0.904	per day, or
Primary:	$ 2.696	per day, or
Transmission:	$ 22.192	per day
Meter Reading:	$ 0.058	per day
Billing:	$ 0.064	per day
System Benefits Charge:	$ 0.00213	per kWh
Transmission Charge:	$ 0.00476	per kWh

Delivery Charge:

May – October Billing Cycles (Summer)	November – April Billing Cycles (Winter)
For Secondary Service: $0.03309 per kWh for the first 5,000 kWh, plus $0.00859 per kWh for all additional kWh, or	For Seconday Service: $0.03302 per kWh for the first 5,000 kWh, plus $0.00852 per kWh for all additional kWh, or
For Primary Service: $0.03027 per kWh for the frist 5,000 kWh, plus $0.00577 per kWh for all additional kWh	For Primary Service: $0.03020 per kWh for the first 5,000 kWh, plus $0.00570 per kWh for all additional kWh

RATES (cont)

FOR MONTHLY MAXIMUM DEMANDS OF 20 kW OR LESS (cont)

Unbundled Components (cont)

Generation Charge:

May – October Billing Cycles (Summer)	November – April Billing Cycles (Winter)
$0.05894 per kWh for the first 5,000 kWh, plus $0.03163 per kWh for all additional kWh	$0.04901 per kWh for the first 5,000 kWh, plus $0.02170 per kWh for all additional kWh

FOR MONTHLY MAXIMUM DEMANDS GREATER THAN 20 kW

Bundled Standard Offer Service

Basic Service Charge:

For service through Self-Contained Meters:	$ 0.575	per day, or
For service through Instrument-Rated Meters:	$ 1.134	per day, or
For service at Primary Voltage:	$ 2.926	per day, or
For service at Transmission Voltage:	$ 22.422	per day

Demand Charge:

Secondary Service:	$ 7.722	per kW for the first 100 kW, plus
	$ 3.497	per kW for all additional kW, or
Primary Service:	$ 7.102	per kW for the first 100 kW, plus
	$ 2.877	per kW for all additional kW, or
Transmission Service:	$ 4.232	per kW for the first 100 kW, plus
	$ 0.007	per kW for all additional kW

Energy Charge:

May – October Billing Cycles (Summer)	November – April Billing Cycles (Winter)
$0.07938 per kWh for the first 200 kWh per kW, plus $0.04175 per kWh for all additional kWh	$0.06945 per kWh for the first 200 kWh per kW, plus $0.03182 per kWh for all additional kWh

RATES (cont)

FOR MONTHLY MAXIMUM DEMANDS GREATER THAN 20 kW (cont)

Bundled Standard Offer Service consists of the following Unbundled Components:

Unbundled Components

Basic Service Charge:	$ 0.108	per day
Revenue Cycle Service Charges:		
Metering:		
Self-Contained Meters:	$ 0.345	per day, or
Instrument-Rated Meters:	$ 0.904	per day, or
Primary:	$ 2.696	per day, or
Transmission:	$ 22.192	per day
Meter Reading:	$ 0.058	per day
Billing:	$ 0.064	per day
System Benefits Charge:	$ 0.00213	per kWh
Transmission Charge:	$ 0.00476	per kWh
Delivery Charge:		
Secondary Service:	$ 7.722	per kW for the first 100 kW, plus
	$ 3.497	per kW for all additional kW, plus
	$ 0.00010	per kWh, or
Primary Service:	$ 7.102	per kW for the first 100 kW, plus
	$ 2.877	per kW for all additional kW, plus
	$ 0.00010	per kWh, or
Transmission Service:	$ 4.232	per kW for the first 100 kW, plus
	$ 0.007	per kW for all additional kW, plus
	$ 0.00010	per kWh

Generation Charge:

May – October Billing Cycles (Summer)	November – April Billing Cycles (Winter)
$0.07239 per kWh for the first 200 kWh per kW, plus $0.03476 per kWh for all additional kWh	$0.06246 per kWh for the first 200 kWh per kW, plus $0.02483 per kWh for all additional kWh

RATES (cont)

DIRECT ACCESS

The bill for Direct Access customers under this rate schedule will consist of the applicable Unbundled Components Basic Service Charge, System Benefits Charge, and Delivery Charge, plus any applicable adjustments incorporated in this schedule. Direct Access customers must acquire and pay for generation, transmission, and revenue cycle services from a competitive third party supplier. If any revenue cycle services are not available from a third party supplier and must be obtained from the Company, the applicable Unbundled Components Revenue Cycle Service Charges will be applied to the customer's bill.

MINIMUM

For Standard Offer and Direct Access customers with Monthly Maximum Demands or contract minimum demands of 20 kW or less, the bill will not be less than the applicable Bundled Standard Offer Service Basic Service Charge.

The bill for Standard Offer and Direct Access customers with Monthly Maximum Demands or contract minimum demands greater than 20 kW will not be less than the applicable Bundled Standard Offer Service Basic Service charge plus $1.66 for each kW of either: (1) the highest kW established during the twelve (12) months ending with the current month; or (2) the minimum kW specified in an agreement for service, whichever is the greater.

DETERMINATION OF KW

For billing purposes, including determination of Monthly Maximum Demands, the kW used in this rate schedule shall be based on the average kW supplied during the 15-minute period of maximum use during the month as determined from readings of the Company's meter.

ADJUSTMENTS

1. The Environmental Portfolio Surcharge shall be applied to every retail electric service as set forth in the Company's Rate Schedule EPS-1.

2. The bill is subject to the Power Supply Adjustment factor as set forth in the Company's Rate Schedule PSA-1 pursuant to Arizona Corporation Commission Decision No. 67744.

3. The bill is subject to the Transmission Cost Adjustment factor as set forth in the Company's Rate Schedule TCA-1 pursuant to Arizona Corporation Commission Decision No. 67744.

4. The bill is subject to the Competition Rules Compliance Charge as set forth in the Company's Rate Schedule CRCC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

5. Direct Access customers returning to Standard Offer service may be subject to a Returning Customer Direct Access Charge as set forth in the Company's Rate Schedule RCDAC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

6. The bill is subject to the Demand Side Management Adjustment charge as set forth in the Company's Rate Schedule DSMAC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

7. The bill is subject to the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of APS and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

CONTRACT PERIOD

For customers with monthly maximum demands less than 2,000 kW, any applicable contract period will be set forth in the Company's standard agreement for service. For customers with monthly maximum demands of 2,000 kW or greater, and at the Company's option, the contract period will be three (3) years or longer where additional distribution construction is required to serve the customer or, if no additional distribution construction is required, the contract period will be one (1) year or longer.

TERMS AND CONDITIONS

Service under this rate schedule is subject to the Company's Schedule 1, Terms and Conditions for Standard Offer and Direct Access Services and the Company's Schedule 10, Terms and Conditions for Direct Access. These schedules have provisions that may affect the customer's bill. In addition, service may be subject to special terms and conditions as provided for in a customer contract or service agreement.

RATE SCHEDULE E-32R
GENERAL SERVICE
PARTIAL REQUIREMENTS

AVAILABILITY

This rate schedule is available in all territory served by the Company at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the sites served.

APPLICATION

This rate schedule is applicable to Standard Offer customers not taking all electric power requirements from the Company who continue to desire a permanent electric connection with the Company as a standby or supplemental power source. All provisions of the otherwise applicable general service rate schedule will apply except those specifically modified herein. Direct Access customers are not eligible for service under this schedule.

This rate schedule is not applicable to breakdown, residential, or resale service nor to service for which Rate Schedules E-34 or E-35 is applicable, or when the customer's other sources of power supply are being held solely for emergency use.

RATES

Customers served under this rate schedule shall be billed monthly in accordance with the otherwise applicable general service rate with the following exceptions:

A. For electric service provided under standard general service rate schedules, the kW used to calculate monthly charges, including any applicable Monthly Maximum Demands, shall be based on the greater of the following:

   1. The average kW supplied during the 15-minute period (or other period as specified by customer contract) of maximum use during the month, as determined from readings of the Company's meter.

   2. 80% of the average of the highest kW measured during each of the six (6) summer billing months (May-October) of the 12 months ending with the current month.

   3. The minimum kW specified in the agreement for service or individual customer contract.

B. For electric service provided under time-of-use general service rate schedules, the On-Peak kW used to calculate monthly charges, including any applicable Monthly Maximum Demands, shall be based on the greater of the following:

   1. The average kW supplied during the 15-minute period (or other period as specified by customer contract) of maximum use during the On-Peak hours of the month, as determined from readings of the Company's meter.

   2. 80% of the average of the highest kW measured during the On-Peak hours of each of the six (6) summer billing months (May-October) of the 12 months ending with the current month.

   3. The minimum kW specified in the agreement for service or individual customer contract.

Minimum bills shall be calculated in accordance with the otherwise applicable general service rate.

AVAILABILITY

This rate schedule is available in all territory served by the Company at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the sites served.

APPLICATION

This rate schedule is applicable to all Standard Offer and Direct Access electric service required when such service is supplied at one point of delivery and measured through one meter. Rate selection is subject to paragraphs 3.2 through 3.5 of the Company's Schedule 1, Terms and Conditions for Standard Offer and Direct Access Services, and this rate schedule will become effective only after the Company has installed the required timed kilowatt/kilowatthour meter.

This schedule is not applicable to breakdown, standby, supplemental, residential or resale service nor to service for which Rate Schedule E-35 is applicable.

TYPE OF SERVICE

The type of service provided under this schedule will be single or three phase, 60 Hertz, at one standard voltage as may be selected by customer subject to availability at the customer's site. Three phase service is furnished under the Company's Schedule 3 (Conditions Governing Extensions of Electric Distribution Lines and Services). Three phase service is not furnished for motors of an individual rated capacity of less than 7-1/2 HP, except for existing facilities or where total aggregate HP of all connected three phase motors exceeds 12 HP. Three phase service is required for motors of an individual rated capacity of more than 7-1/2 HP.

Service under this schedule is generally provided at secondary voltage; primary voltage when the customer owns the distribution transformer(s), or transmission voltage.

RATES

The bill shall be computed at the following rates or the minimum rates, whichever is greater, plus any adjustments incorporated in this rate schedule:

FOR MONTHLY MAXIMUM DEMANDS OF 20 kW OR LESS

Bundled Standard Offer Service

Basic Service Charge:

For service through Self-Contained Meters	$ 0.575	per day, or
For service through Instrument-Rated Meters:	$ 1.134	per day, or
For service at Primary Voltage:	$ 2.926	per day, or
For service at Transmission Voltage:	$ 22.422	per day

RATES (cont)

FOR MONTHLY MAXIMUM DEMANDS OF 20 kW OR LESS (cont)

Bundled Standard Offer Service (cont)

Energy Charge:

May – October Billing Cycles (Summer)	November – April Billing Cycles (Winter)
For Secondary Service: $0.11172 per kWh for the first 5,000 On-Peak kWh, plus $0.05991 per kWh for all additional On-Peak kWh, plus $0.09172 per kWh for the first 5,000 Off-Peak kWh, plus $0.03991 per kWh for all additional Off-Peak kWh, or	For Secondary Service: $0.10172 per kWh for the first 5,000 On-Peak kWh, plus $0.04991 per kWh for all additional On-Peak kWh, plus $0.08172 per kWh for the first 5,000 Off-Peak kWh, plus $0.02991 per kWh for all additional Off-Peak kWh, or
For Primary Service: $0.10890 per kWh for the first 5,000 On-Peak kWh, plus $0.05709 per kWh for all additional On-Peak kWh, plus $0.08890 per kWh for the first 5,000 Off-Peak kWh, plus $0.03709 per kWh for all additional Off-Peak kWh	For Primary Service: $0.09890 per kWh for the first 5,000 On-Peak kWh, plus $0.04709 per kWh for all additional On-Peak kWh, plus $0.07890 per kWh for the first 5,000 Off-Peak kWh, plus $0.02709 per kWh for all additional Off-Peak kWh

Bundled Standard Offer Service consists of the following Unbundled Components:

Unbundled Components

Basic Service Charge:	$ 0.108	per day
Revenue Cycle Service Charges:		
Metering:		
Self-Contained Meters:	$ 0.345	per day, or
Instrument-Rated Meters:	$ 0.904	per day, or
Primary:	$ 2.696	per day, or
Transmission:	$ 22.192	per day
Meter Reading:	$ 0.058	per day
Billing:	$ 0.064	per day
System Benefits Charge:	$ 0.00213	per kWh
Transmission Charge:	$ 0.00476	per kWh

RATES (cont)

FOR MONTHLY MAXIMUM DEMANDS OF 20 kW OR LESS (cont)

Unbundled Components (cont)

Delivery Charge:

May – October Billing Cycles (Summer)	November – April Billing Cycles (Winter)
For Secondary Service: $0.03309 per kWh for the first 5,000 kWh, plus $0.00859 per kWh for all additional kWh, or	For Secondary Service: $0.03302 per kWh for the first 5,000 kWh, plus $0.00852 per kWh for all additional kWh, or
For Primary Service: $0.03027 per kWh for the first 5,000 kWh, plus $0.00577 per kWh for all additional kWh	For Primary Service: $0.03020 per kWh for the first 5,000 kWh, plus $0.00570 per kWh for all additional kWh

Generation Charge:

May – October Billing Cycles (Summer)	November – April Billing Cycles (Winter)
$0.07174 per kWh for the first 5,000 On-Peak kWh, plus $0.04443 per kWh for all additional On-Peak kWh, plus $0.05174 per kWh for the first 5,000 Off-Peak kWh, plus $0.02443 per kWh for all additional Off-Peak kWh	$0.06181 per kWh for the first 5,000 On-Peak kWh, plus $0.03450 per kWh for all additional On-Peak kWh, plus $0.04181 per kWh for the first 5,000 Off-Peak kWh, plus $0.01450 per kWh for all additional Off-Peak kWh

FOR MONTHLY MAXIMUM DEMANDS GREATER THAN 20 kW

Bundled Standard Offer Service

Basic Service Charge:

For service through Self-Contained Meters:	$ 0.575	per day, or
For service through Instrument-Rated Meters:	$ 1.134	per day, or
For service at Primary Voltage:	$ 2.926	per day, or
For service at Transmission Voltage:	$ 22.422	per day

Demand Charge:

Secondary Service:	$ 15.112	per kW for the first 100 On-Peak kW, plus
	$ 10.887	per kW for all additional On-Peak kW, or
Primary Service:	$ 14.492	per kW for the first 100 On-Peak kW, plus
	$ 10.267	per kW for all additional On-Peak kW, or
Transmission Service:	$ 11.622	per kW for the first 100 On-Peak kW, plus
	$ 7.397	per kW for all additional On-Peak kW

RATES (cont)

FOR MONTHLY MAXIMUM DEMANDS GREATER THAN 20 kW (cont)

Bundled Standard Offer Service (cont)

In addition to the above Demand Charge, if applicable, the following Residual Demand Off-Peak kW Charges will be applied to all measured Off-Peak kW greater than the measured On-Peak kW for the billing month:

Residual Off-Peak Demand Charge:

Secondary Service:	$ 7.972	per Residual kW (applies only when On-Peak kW is less than 100 kW, in which case the charge is applied to the first 100 kW of Residual kW up to the difference of 100 kW less the On-Peak kW), plus
	$ 3.747	per Residual kW for all additional Residual kW, or
Primary Service:	$ 7.352	per Residual kW (applies only when On-Peak kW is less than 100 kW, in which case the charge is applied to the first 100 kW of Residual kW up to the difference of 100 kW less the On-Peak kW), plus
	$ 3.127	per Residual kW for all additional Residual kW, or
Transmission Service:	$ 4.482	per Residual kW (applies only when On-Peak kW is less than 100 kW, in which case the charge is applied to the first 100 kW of Residual kW up to the difference of 100 kW less the On-Peak kW), plus
	$ 0.257	per Residual kW for all additional Residual kW

Energy Charge:

May – October Billing Cycles (Summer)	November – April Billing Cycles (Winter)
$0.04815 per kWh during On-Peak hours, plus $0.03815 during Off-Peak hours	$0.03822 per kWh during On-Peak hours, plus $0.02822 during Off-Peak hours

Bundled Standard Offer Service consists of the following Unbundled Components:

Unbundled Components:

Basic Service Charge:	$ 0.108	per day
Revenue Cycle Service Charges:		
Metering:		
Self-Contained Meters:	$ 0.345	per day, or
Instrument-Rated Meters:	$ 0.904	per day, or
Primary:	$ 2.696	per day, or
Transmission:	$ 22.192	per day

RATES (cont)

FOR MONTHLY MAXIMUM DEMANDS GREATER THAN 20 kW (cont)

Unbundled Components (cont)

Revenue Cycle Service Charges (cont):

Meter Reading:	$ 0.058	per day
Billing:	$ 0.064	per day
System Benefits Charge:	$ 0.00213	per kWh
Transmission Charge:	$ 0.00476	per kWh

Delivery Charge:

Secondary Service:	$ 7.722	per kW for the first 100 On-Peak kW, plus
	$ 3.497	per kW for all additional On-Peak kW, plus
	$ 0.00010	per kWh, or
Primary Service:	$ 7.102	per kW for the first 100 On-Peak kW, plus
	$ 2.877	per kW for all additional On-Peak kW, plus
	$ 0.00010	per kWh, or
Transmission Service:	$ 4.232	per kW for the first 100 On-Peak kW, plus
	$ 0.007	per kW for all additional On-Peak kW, plus
	$ 0.00010	per kWh

In addition to the above Delivery Charge, if applicable, the following Residual Delivery Off-Peak kW Charges will be applied to all measured Off-Peak kW greater than the measured On-Peak kW for the billing month:

Residual Off-Peak Delivery Charge:

Secondary Service:	$ 7.722	per Residual kW (applies only when On-Peak kW is less than 100 kW, in which case the charge is applied to the first 100 kW of Residual kW up to the difference of 100 kW less the On-Peak kW), plus
	$ 3.497	per Residual kW for all additional Residual kW, or
Primary Service:	$ 7.102	per Residual kW (applies only when On-Peak kW is less than 100 kW, in which case the charge is applied to the first 100 kW of Residual kW up to the difference of 100 kW less the On-Peak kW), plus
	$ 2.877	per Residual kW for all additional Residual kW, or

RATES (cont)

FOR MONTHLY MAXIMUM DEMANDS GREATER THAN 20 kW (cont)

Unbundled Components (cont)

Residual Off-Peak Delivery Charge (cont):

Transmission Service:	$ 4.232	per Residual kW (applies only when On-Peak kW is less than 100 kW, in which case the charge is applied to the first 100 kW of Residual kW up to the difference of 100 kW less the On-Peak kW), plus
	$ 0.007	per Residual kW for all additional Residual kW

Generation Charge:

May – October Billing Cycles (Summer)	November – April Billing Cycles (Winter)
$7.390 per On-Peak kW, plus $0.04116 per kWh during On-Peak hours, plus $0.03116 per kWh during Off-Peak hours	$7.390 per On-Peak kW, plus $0.03123 per kWh during On-Peak hours, plus $0.02123 per kWh during Off-Peak hours

In addition to the above Generation Charge, if applicable, a Residual Generation Off-Peak kW charge of $0.250 per kW will be applied to all summer and winter measured Off-Peak kW greater than the measured On-Peak kW for the billing month.

DIRECT ACCESS

The bill for Direct Access customers under this rate schedule will consist of the applicable Unbundled Components Basic Service Charge, System Benefits Charge, and Delivery Charge, plus any applicable adjustments incorporated in this schedule. Direct Access customers must acquire and pay for generation, transmission, and revenue cycle services from a competitive third party supplier. If any revenue cycle services are not available from a third party supplier and must be obtained from the Company, the applicable Unbundled Components Revenue Cycle Service Charges will be applied to the customer's bill.

MINIMUM

For Standard Offer and Direct Access customers with Monthly Maximum Demands or contract minimum demands of 20 kW or less, the bill will not be less than the applicable Bundled Standard Offer Service Basic Service Charge.

The bill for Standard Offer and Direct Access customers with Monthly Maximum Demands or contract minimum demands greater than 20 kW will not be less than the applicable Bundled Standard Offer Service Basic Service Charge plus $1.66 for each of either: (1) the highest On-Peak kW established during the twelve (12) months ending with the current month; or (2) the minimum kW specified in an agreement for service, whichever is the greater.

DETERMINATION OF KW

For billing purposes, the kW used in this rate schedule shall be based on the average kW supplied during the 15-minute period of maximum use during the On-Peak and Off-Peak periods during the billing period, as determined from readings of the Company's meter.

In addition, Monthly Maximum Demands will be based on the highest average kW supplied during the 15-minute period during either the On-Peak or Off-Peak hours of the billing period, as determined from readings of the Company's meter.

TIME PERIODS

Time periods applicable to usage under this rate schedule are as follows:

On-Peak hours:	11:00 am – 9:00 pm Monday through Friday
Off-Peak hours:	All remaining hours

Mountain Standard Time shall be used in the application of this rate schedule.

ADJUSTMENTS

1. The Environmental Portfolio Surcharge shall be applied to every retail electric service as set forth in the Company's Rate Schedule EPS-1.

2. The bill is subject to the Power Supply Adjustment factor as set forth in the Company's Rate Schedule PSA-1 pursuant to Arizona Corporation Commission Decision No. 67744.

3. The bill is subject to the Transmission Cost Adjustment factor as set forth in the Company's Rate Schedule TCA-1 pursuant to Arizona Corporation Commission Decision No. 67744.

4. The bill is subject to the Competition Rules Compliance Charge as set forth in the Company's Rate Schedule CRCC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

5. Direct Access customers returning to Standard Offer service may be subject to a Returning Customer Direct Access Charge as set forth in the Company's Rate Schedule RCDAC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

6. The bill is subject to the Demand Side Management Adjustment Charge as set forth in the Company's Rate Schedule DSMAC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

7. The bill is subject to the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of APS and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

CONTRACT PERIOD

For customers with monthly maximum demands less than 2,000 kW, any applicable contract period will be set forth in the Company's standard agreement for service. For customers with monthly maximum demands of 2,000 kW or greater, and at the Company's option, the contract period will be three (3) years or longer where additional distribution construction is required to serve the customer or, if no additional distribution construction is required, the contract period will be one (1) year or longer.

TERMS AND CONDITIONS

Service under this rate schedule is subject to the Company's Schedule 1, Terms and Conditions for Standard Offer and Direct Access Services and the Company's Schedule 10, Terms and Conditions for Direct Access. These schedules have provisions that may affect the customer's bill. In addition, service may be subject to special terms and conditions as provided for in a customer contract or service agreement.

AVAILABILITY

This rate schedule is available in all territory served by the Company at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the sites served.

APPLICATION

This rate schedule is applicable to all Standard Offer and Direct Access customers whose monthly maximum demand registers 3,000 kW or more for three (3) consecutive months in any continuous twelve (12) month period ending with the current month. Service must be supplied at one point of delivery and measured through one meter unless otherwise specified by an individual customer contract.

This schedule is not applicable to breakdown, standby, supplemental, residential or resale service.

TYPE OF SERVICE

The type of service provided under this schedule will be three phase, 60 Hertz, at the Company's standard voltages that are available within the vicinity of the customer site.

Service under this schedule is generally provided at secondary voltage, primary voltage when the customer owns the distribution transformer(s), or transmission voltage.

RATES

The bill shall be computed at the following rates or the minimum rates, whichever is greater, plus any adjustments incorporated in this rate schedule:

Bundled Standard Offer Service

Basic Service Charge:

For service through Self-Contained Meters	$ 0.575	per day, or
For service through Instrument-Rated Meters:	$ 1.134	per day, or
For service at Primary Voltage:	$ 2.926	per day, or
For service at Transmission Voltage:	$ 22.422	per day

Demand Charge:

Secondary Service:	$ 12.343	per kW, or
Primary Service:	$ 11.683	per kW, or
Transmission Service:	$ 8.043	per kW

The Demand Charge for military base customers taking primary service and served directly from a Company substation shall be reduced to $8.943 per kW.

Energy Charge:	$ 0.03183	per kWh

RATES (cont)

Bundled Standard Offer Service consists of the following Unbundled Components:

Unbundled Components:

Basic Service Charge:	$ 0.108	per day
Revenue Cycle Service Charges:		
Metering:		
Self-Contained Meters:	$ 0.345	per day, or
Instrument-Rated Meters:	$ 0.904	per day, or
Primary:	$ 2.696	per day, or
Transmission:	$ 22.192	per day
Meter Reading:	$ 0.058	per day
Billing:	$ 0.064	per day
System Benefits Charge:	$ 0.00213	per kWh
Transmission Charge:	$ 0.00476	per kWh
Delivery Charge:		
Secondary Service:	$ 4.603	per kW
Primary Service:	$ 3.943	per kW
Transmission Service:	$ 0.303	per kW

The Delivery Charge for military base customers taking primary service and served directly from a Company substation shall be reduced to $1.203 per kW.

Generation Charge:	$ 7.740	per kW, plus
	$ 0.02494	per kWh

Direct Access

The bill for Direct Access customers will consist of the applicable Unbundled Components Basic Service Charge, the System Benefits Charge, and the Delivery Charge, plus any applicable adjustments incorporated in this schedule. Direct Access customers must acquire and pay for generation, transmission, and revenue cycle services from a competitive third party supplier. If any revenue cycle services are not available from a third party supplier and must be obtained from the Company, the applicable Unbundled Components Revenue Cycle Service Charges will be applied to the customer's bill.

MINIMUM

The bill for service under this rate schedule shall not be less than the applicable Bundled Standard Offer Service Basic Service Charge plus the applicable Bundled Standard Offer Service Demand Charge for each kW as determined below.

DETERMINATION OF KW

For billing purposes, the kW used in this rate schedule shall be the greater of the following:

1. The average kW supplied during the 15-minute period (or other period as specified by an individual customer contract) of maximum use during the month, as determined from readings of the Company's meter.

2. 80% of the highest kW measured during the six (6) summer billing months (May-October) of the twelve (12) months ending with the current month.

3. The minimum kW specified in the agreement for service or individual contract.

ADJUSTMENTS

1. The Environmental Portfolio Surcharge shall be applied to every retail electric service as set forth in the Company's Rate Schedule EPS-1.

2. The bill is subject to the Power Supply Adjustment factor as set forth in the Company's Rate Schedule PSA-1 pursuant to Arizona Corporation Commission Decision No. 67744.

3. The bill is subject to the Transmission Cost Adjustment factor as set forth in the Company's Rate Schedule TCA-1 pursuant to Arizona Corporation Commission Decision No. 67744.

4. The bill is subject to the Competition Rules Compliance Charge as set forth in the Company's Rate Schedule CRCC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

5. Direct Access customers returning to Standard Offer service may be subject to a Returning Customer Direct Access Charge as set forth in the Company's Rate Schedule RCDAC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

6. The bill is subject to the Demand Side Management Adjustment charge as set forth in the Company's Rate Schedule DSMAC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

7. The bill is subject to the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of APS and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

CONTRACT PERIOD

The contract period for customers served under this rate schedule will be three (3) years, at the Company's option. If the Company determines that the customer service location is such that unusual or substantial distribution construction is required to serve the site, the Company may require a contract of ten (10) years or longer with a standard seven (7) year termination provision.

TERMS AND CONDITIONS

Service under this rate schedule is subject to the Company's Schedule 1, Terms and Conditions for Standard Offer and Direct Access Services and the Company's Schedule 10, Terms and Conditions for Direct Access. These schedules have provisions that may affect the customer's bill. In addition, service may be subject to special terms and conditions as provided for in a customer contract or service agreement.

AVAILABILITY

This rate schedule is available in all territory served by the Company at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the sites served.

APPLICATION

This rate schedule is applicable to all Standard Offer and Direct Access customers whose monthly maximum demand registers 3,000 kW or more for three (3) consecutive months in any continuous twelve (12) month period ending with the current month. Service must be supplied at one point of delivery and measured through one meter unless otherwise specified by an individual customer contract.

This schedule is not applicable to breakdown, standby, supplemental, residential or resale service.

TYPE OF SERVICE

The type of service provided under this schedule will be three phase, 60 Hertz, at the Company's standard voltages that are available within the vicinity of the customer site.

Service under this schedule is generally provided at secondary voltage, primary voltage when the customer owns the distribution transformer(s), or transmission voltage.

RATES

The bill shall be computed at the following rates or the minimum rates, whichever is greater, plus any adjustments incorporated in this rate schedule:

Bundled Standard Offer Service

Basic Service Charge:

For service through Self-Contained Meters	$ 0.575	per day, or
For service through Instrument-Rated Meters:	$ 1.134	per day, or
For service at Primary Voltage:	$ 2.926	per day, or
For service at Transmission Voltage:	$ 22.422	per day

Demand Charge:

Secondary Service:	$ 12.869	per On-Peak kW, or
Primary Service:	$ 12.209	per On-Peak kW, or
Transmission Service:	$ 8.569	per On-Peak kW

In addition to the above charges, if applicable, an Excess Demand Off-Peak kW charge of $6.388 per kW for Secondary Service, $5.728 per kW for Primary Service, or $2.088 per kW for Transmission Service will be applied to all measured Off-Peak kW that are greater than twice the measured On-Peak kW for the billing month.

The Demand Charge for military base customers taking primary service and served directly from a Company substation shall be reduced to $9.469 per kW.

RATES (cont)

Energy Charge:	$ 0.03529	per kWh during On-Peak hours, plus
	$ 0.02792	per kWh during Off-Peak hours

Bundled Standard Offer Service consists of the following Unbundled Components:

Unbundled Components

Basic Service Charge:	$ 0.108	per day
Revenue Cycle Service Charges:		
Metering:		
Self-Contained Meters:	$ 0.345	per day, or
Instrument-Rated Meters:	$ 0.904	per day, or
Primary:	$ 2.696	per day, or
Transmission:	$ 22.192	per day
Meter Reading:	$ 0.058	per day
Billing:	$ 0.064	per day
System Benefits Charge:	$ 0.00213	per kWh
Transmission Charge:	$ 0.00476	per kWh
Delivery Charge:		
Secondary Service:	$ 4.603	per On-Peak kW,or
Primary Service:	$ 3.943	per On-Peak kW, or
Transmission Service:	$ 0.303	per On-Peak kW

In addition to the above Delivery charge, if applicable, an Excess Delivery Off-Peak kW charge of $4.603 per kW for Secondary Service, $3.943 per kW for Primary Service, or $0.303 per kW for Transmission Service will be applied to all measured Off-Peak kW that are greater than twice the measured On-Peak kW for the billing month.

In addition, the Delivery Charge for military base customers taking primary service and served directly from a Company substation shall be reduced to $1.203 per kW.

Generation Charge:	$ 8.266	per On-Peak kW, plus
	$ 0.02840	per kWh during On-Peak hours, plus
	$ 0.02103	per kWh during Off-Peak hours

In addition to the above Generation charge, if applicable, an Excess Generation Off-Peak kW charge of $1.785 per kW will be applied to all measured Off-Peak kW that are greater than twice the measured On-Peak kW for the billing month.

RATES (cont)

Direct Access

The bill for Direct Access customers will consist of the applicable Unbundled Components Basic Service Charge, the System Benefits Charge, and the Delivery Charge, plus any applicable adjustments incorporated in this schedule. Direct Access customers must acquire and pay for generation, transmission, and revenue cycle services from a competitive third party supplier. If any revenue cycle services are not available from a third party supplier and must be obtained from the Company, the applicable Unbundled Components Revenue Cycle Service Charges will be applied to the customer's bill.

MINIMUM

The bill for service under this rate schedule shall not be less than the applicable Bundled Standard Offer Service Basic Service Charge plus the applicable Bundled Standard Offer Service Demand Charge for the minimum kW specified in the agreement for service or individual customer contract.

DETERMINATION OF KW

For billing purposes, the On-Peak kW used in this rate schedule shall be the greater of the following:

1. The average On-Peak kW supplied during the 15-minute period (or other period as specified by an individual customer contract) of maximum use during the On-Peak hours of the month, as determined from readings of the Company's meter.

2. 80% of the highest On-Peak kW measured during the six (6) summer billing months (May-October) of the twelve (12) months ending with the current month.

The Off-Peak kW used in this rate schedule shall be the average kW supplied during the 15-minute period (or other period as specified by individual customer contract) of maximum use during the Off-Peak hours of the month as determined from readings of the Company's meter.

TIME PERIODS

Time periods applicable to usage under this rate schedule are as follows:

On-Peak hours:	11:00 am – 9:00 pm Monday through Friday
Off-Peak hours:	All remaining hours

Mountain Standard Time shall be used in the application of this rate schedule.

ADJUSTMENTS

1. The Environmental Portfolio Surcharge shall be applied to every retail electric service as set forth in the Company's Rate Schedule EPS-1.

2. The bill is subject to the Power Supply Adjustment factor as set forth in the Company's Rate Schedule PSA-1 pursuant to Arizona Corporation Commission Decision No. 67744.

ADJUSTMENTS (cont)

3. The bill is subject to the Transmission Cost Adjustment factor as set forth in the Company's Rate Schedule TCA-1 pursuant to Arizona Corporation Commission Decision No. 67744.

4. The bill is subject to the Competition Rules Compliance Charge as set forth in the Company's Rate Schedule CRCC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

5. Direct Access customers returning to Standard Offer service may be subject to a Returning Customer Direct Access Charge as set forth in the Company's Rate Schedule RCDAC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

6. The bill is subject to the Demand Side Management Adjustment charge as set forth in the Company's Rate Schedule DSMAC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

7. The bill is subject to the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of APS and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

CONTRACT PERIOD

The contract period for customers served under this rate schedule will be three (3) years, at the Company's option. If the Company determines that the customer service location is such that unusual or substantial distribution construction is required to serve the site, the Company may require a contract of ten (10) years or longer with a standard seven (7) year termination provision.

TERMS AND CONDITIONS

Service under this rate schedule is subject to the Company's Schedule 1, Terms and Conditions for Standard Offer and Direct Access Services and the Company's Schedule 10, Terms and Conditions for Direct Access. These schedules have provisions that may affect the customer's bill. In addition, service may be subject to special terms and conditions as provided for in a customer contract or service agreement.

RATE SCHEDULE E-53
GENERAL SERVICE
ATHLETIC STADIUMS AND SPORTS FIELDS

AVAILABILITY

This rate schedule is available in all territory served by the Company at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the sites served.

APPLICATION

This rate schedule is applicable to Standard Offer electric service for outdoor athletic stadiums and sports fields operated by schools, churches or municipalities where such service is supplied at one point of delivery and measured through one meter. All provisions of the applicable general service rate schedule will apply except those specifically modified herein. Direct Access customers are not eligible for service under this schedule.

This rate schedule is not applicable to breakdown, standby, supplemental, residential or resale service.

RATES

Customers being served under this rate schedule will be billed in accordance with the otherwise applicable general service rate with the following exceptions:

1. KW for a minimum bill will be based on the average kW measured during the 15-minute period of maximum use during the current billing month.

2. In those months in which service is not used, no bills will be rendered.

AVAILABILITY

This rate schedule is available in all territory served by the Company at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the sites served.

APPLICATION

This rate schedule is applicable to Standard Offer or Direct Access electric service billed under general service rate schedules (except as limited below) where the customer's requirements are distinctly of a recurring seasonal nature, and where the customer enters into an agreement for service with the Company for a sufficient period of time and guarantees payments of a sufficient amount (in no event less than $603.49 in any 12 consecutive months) to justify the Company's expenses for installing service facilities and leaving them in place from season to season.

The application of this rate schedule is subject to the following limitations:

1. This schedule is applicable only to electric service otherwise eligible for Rate Schedule E-32.

2. Customers whose highest measured monthly kW for the calendar year occurs in the billing months of June, July or August are not eligible for this rate schedule.

RATES

Customers being served under this rate schedule will be billed in accordance with Rate Schedule E-32 with the following exception:

The minimum bill shall be the minimum specified in the otherwise applicable rate schedule, but not more than an amount sufficient to make the total charges for the 12 months ending with the current month equal to twelve times the minimum specified in the rate schedule as calculated on the highest kW established during the 12 months ending with the current month, or the minimum kW specified in an agreement for service, whichever is greater, but in no event less than $603.49.

RATE SCHEDULE E-20
CLASSIFIED SERVICE
TIME OF USE FOR RELIGIOUS HOUSES OF WORSHIP

AVAILABILITY

This rate schedule is available in all territory served by the Company at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the sites served.

APPLICATION

This rate schedule is applicable to Standard Offer electric service for non-taxable religious houses of worship whose main purpose is worship and who have an established and continuing membership. Only the meter that measures service to the building in which the sanctuary or principal place of worship is located is eligible for this schedule. Customers must apply to the Company in order to determine eligibility for service under this schedule, and the Company may request a copy of the Internal Revenue Service letter in which the customer's non-taxable status as a religious organization is determined. In addition, customers agree to provide the Company a copy of any Internal Revenue Service letter which changes or supersedes that tax status determination.

Rate selection is subject to paragraphs 3.2 and 3.3 of the Company's Schedule 1, Terms and Conditions for Standard Offer and Direct Access Services, and this rate schedule will become effective only after the Company has installed the required timed kilowatt meter.

Additionally, this rate schedule is applicable only to those customers being served on the Company's Rate Schedule E-20 prior to April 1, 2005.

This schedule is not applicable to breakdown, standby, supplemental, residential or resale service nor to service for which Rate Schedules E-34 or E-35 is applicable. Direct Access customers are not eligible for this rate schedule.

TYPE OF SERVICE

The type of service provided under this schedule will be single or three phase, 60 Hertz, at one standard voltage as may be selected by customer subject to availability at the customer's site. Three phase service is furnished under the Company's Schedule 3 (Conditions Governing Extensions of Electric Distribution Lines and Services). Three phase service is not furnished for motors of an individual rated capacity of less than 7-1/2 HP, except for existing facilities or where total aggregate HP of all connected three phase motors exceeds 12 HP. Three phase service is required for motors of an individual rated capacity of more than 7-1/2 HP.

RATES

The bill shall be computed at the following rates or the minimum rates, whichever is greater, plus any adjustments incorporated in this schedule:

Basic Service Charge: $ 0.941 per day

Demand Charge:

May – October Billing Cycles (Summer)	November – April Billing Cycles (Winter)
$2.046 per On-Peak kW	$1.845 per On-Peak kW

In the event the Off-Peak kW is greater than twice the highest On-Peak kW established during the current month, the difference between such Off-Peak kW and twice the On-Peak kW shall be billed at 50% of the current month's On-Peak kW charge, in addition to the Demand Charge as stated above.

FROZEN

RATES (cont)

Energy Charge:

May – October Billing Cycles (Summer)	November – April Billing Cycles (Winter)
$0.12305 per kWh during On-Peak hours, plus $0.05943 per kWh during Off-Peak hours	$0.10820 per kWh during On-Peak hours, plus $0.05327 per kWh during Off-Peak hours

MINIMUM

The bill for service under this rate schedule will not be less than $0.685 per day plus $1.67 for each kW of either: (1) the highest kW established during the twelve (12) months ending with the current month, or (2) the minimum kW specified in the agreement for service, whichever is the greater.

DETERMINATION OF KW

For billing purposes, the kW used in this rate schedule shall be based on the average kW supplied during the 15-minute period of maximum use during the On-Peak and Off-Peak periods during the month, as determined from readings of the Company's meter.

TIME PERIODS

Time periods applicable to usage under this rate schedule are as follows:

On-Peak hours: 11:00 am – 9:00 pm Monday through Friday
Off-Peak hours: All remaining hours

Mountain Standard Time shall be used in the application of this rate schedule.

ADJUSTMENTS

1. The Environmental Portfolio Surcharge shall be applied to every retail electric service as set forth in the Company's Rate Schedule EPS-1.

2. The bill is subject to the Power Supply Adjustment factor as set forth in the Company's Rate Schedule PSA-1 pursuant to Arizona Corporation Commission Decision No. 67744.

3. The bill is subject to the Transmission Cost Adjustment factor as set forth in the Company's Rate Schedule TCA-1 pursuant to Arizona Corporation Commission Decision No. 67744.

4. The bill is subject to the Competition Rules Compliance Charge as set forth in the Company's Rate Schedule CRCC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

5. Direct Access customers returning to Standard Offer service may be subject to a Returning Customer Direct Access Charge as set forth in the Company's Rate Schedule RCDAC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

FROZEN

ADJUSTMENTS (cont)

6. The bill is subject to the Demand Side Management Adjustment charge as set forth in the Company's Rate Schedule DSMAC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

7. The bill is subject to the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of APS and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

CONTRACT PERIOD

The contract period for all customers receiving service under this rate schedule will be one (1) year at the Company's option.

TERMS AND CONDITIONS

Service under this rate schedule is subject to the Company's Schedule 1, Terms and Conditions for Standard Offer and Direct Access Services, which contains provisions that may affect the customer's bill. In addition, service may be subject to special terms and conditions as provided for in a customer contract or service agreement.

FROZEN

AVAILABILITY

This rate schedule is available in all territory served by the Company at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the premises served.

APPLICATION

This rate schedule is applicable to Standard Offer electric service for start-up and/or auxiliary load requirements for generation plants with a Power Supply capacity requirement of greater than 3 MW. Service must be supplied at one point of delivery and measured through one meter unless otherwise specified by individual customer contract. This rate schedule may be used in conjunction with other applicable Company rate schedules; however, any service under this schedule is not eligible for Direct Access.

TYPE OF SERVICE

The type of service provided under this rate schedule shall be three phase, 60 Hertz, at one standard voltage available within the vicinity of the customer's site.

RATES

The bill shall be the sum of the amounts included under A., B. and C. below, including any applicable adjustments:

A. Basic Service

Basic Service Charge: $ 6,100.00 per month

B. Metering Service

The monthly metering charge shall be 1.29% of the total metering cost specified in the Electric Supply Agreement between the Company and the customer. This percentage will be reduced to 0.35% when the customer provides all necessary metering equipment and is responsible for its replacement. The customer shall also be responsible for all applicable costs associated with communications facilities used to compile metered usage information.

C. Power Supply Service

The charge for Power Supply Service shall be the sum of 1. and 2. below:

1. T & D Capacity Rate:

$ 4.58	per kW of Contract Power Supply Capacity for service provided at secondary distribution voltage levels (less than 12.5 kV), or
$ 4.42	per kW of Contract Power Supply Capacity for service provided at primary distribution voltage levels (12.5 kV to below 69 kV), or
$ 1.43	per kW of Contract Power Supply Capacity for service provided at transmission voltage levels (69 kV or higher)

RATES (cont)

C. Power Supply Service (cont)

2. Power Supply/Energy/Ancillary Service Charge: Market price plus $0.0005 for each kWh used

CONTRACT PERIOD

Any applicable contract periods will be set forth in an Electric Supply Agreement between the customer and the Company.

CONNECTION COSTS

The customer will pay all applicable connection costs and system improvement costs not otherwise covered in this schedule as a non-refundable contribution in aid of construction, including any associated tax liability.

POWER SUPPLY CAPACITY

Power Supply Capacity kW shall be defined as the greater of:

(a) The amount of capacity (kW) reserved by the customer in the Electric Supply Agreement; or

(b) The highest 15 minute measured kW supplied by the Company, by voltage level, to accommodate the start-up of the customer's generation unit(s) plus any necessary auxiliary load (including generation auxiliary load and/or any other load requirements at the plant site that would otherwise be provided by the customer when the generation unit(s) are running).

If more than one generation unit is present at a single site, the Electric Supply Agreement may, at the Company's option, allow the customer to start one unit at a time. In this instance, Power Supply Capacity kW shall be defined as the greater of:

(a) The amount of capacity (kW) reserved by the customer in the Electric Supply Agreement; or

(b) The highest 15 minute measured kW supplied by the Company, by voltage level, to accommodate the start-up of one and only one customer generation unit at any given time plus any necessary auxiliary load (including any or all generation auxiliary load and/or any other load requirements at the entire plant site that would otherwise be provided by the customer when any or all generation unit(s) are running).

If, during any one billing period, the highest 15 minute measured kW supplied by the Company (by voltage level) exceeds the amount of Power Supply Capacity specified in the Electric Supply Agreement, the Power Supply Capacity reservation (by voltage level) shall be permanently increased to equal the higher measured kW. If the Company incurs additional connection costs to provide this added capacity, the customer is responsible for payment of these costs as specified herein.

DETERMINATION OF MARKET PRICE

Market price charges shall represent the Company's total cost, as expressed on a per kWh basis, for system incremental power (as determined by the Company or its Scheduling Coordinator) at the time Station Use power is supplied to the customer. The cost for both the generation and purchased power components of the Market Price shall be determined by real time operators on an hourly basis at the time of the operator's power supply source decision(s).

System Incremental Cost shall be computed as the weighted average price of the marginal dispatchable generation resources and/or third party purchases made by the Company's real time operators to serve the specific customer.

METERING

The Company will normally install a supply meter at the point of delivery to the customer and a generator meter(s) at the point(s) of output from each of the customer's generators. However, the customer can elect to supply this metering as long as it conforms to Company specifications. All meters will record integrated demand and energy on the same 15-minute interval basis as specified by the Company.

ADJUSTMENTS

1. The Environmental Portfolio Surcharge shall be applied to every retail electric service as set forth in the Company's Rate Schedule EPS-1.

2. The bill is subject to the Transmission Cost Adjustment factor as set forth in the Company's Rate Schedule TCA-1 pursuant to Arizona Corporation Commission Decision No. 67744.

3. The bill is subject to the Competition Rules Compliance Charge as set forth in the Company's Rate Schedule CRCC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

4. Direct Access customers returning to Standard Offer service may be subject to a Returning Customer Direct Access Charge as set forth in the Company's Rate Schedule RCDAC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

5. The bill is subject to the Demand Side Management Adjustment charge as set forth in the Company's Rate Schedule DSMAC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

6. The bill is subject to the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of APS and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

Service under this schedule is not subject to the Company's Rate Schedule PSA-1.

INTERCONNECTION REQUIREMENTS

The customer must meet all interconnection requirements as determined by the Company. The customer is responsible for all costs associated with interconnection of the customer's generation facility to the Company's system.

TERMS AND CONDITIONS

Service under this rate schedule is subject to the Company's Schedule 1, Terms and Conditions for Standard Offer and Direct Access Services, which contains provisions that may affect the customer's bill. In addition, service may be subject to special terms and conditions as provided for in a customer contract or service agreement.

RATE SCHEDULE E-38
CLASSIFIED SERVICE
AGRICULTURAL IRRIGATION SERVICE

FROZEN

AVAILABILITY

This rate schedule is available in Maricopa and Pinal Counties, in Yuma and its environs, in Yavapai County south of the south boundary of T9N and west of the west boundary of R2E of the G&SRB&M, and in La Paz County except for those areas where the Company's total supply of power is purchased, at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the sites served.

APPLICATION

This rate schedule is applicable to Standard Offer electric service required for irrigation pumping when such service is supplied at one point of delivery and measured through one meter. Direct Access customers are not eligible for service under this schedule.

This schedule is not applicable to pumping of water for sale or distribution for non-agricutural purposes. The term "agricultural" is restricted to irrigation for the purpose of growing commercial crops, and it is not intended to include the watering of lawns, parks, golf courses or other similar uses of water. This schedule is not applicable to breakdown, standby, supplemental, residential or resale service.

This schedule is applicable only to those customers being served on the Company's Rate Schedule E-38 prior to December 6, 1991.

TYPE OF SERVICE

The type of service provided under this schedule will be three phase, 60 Hertz, at one standard voltage (12,500, 2400, 480, or 240 volts as may be selected by customer subject to availability at the customer's site). Measurement of service is at secondary voltage.

RATES

The bill shall be computed at the following rates or minimum rates, whichever is greater, plus any adjustments incorporated in this schedule:

Basic Service Charge:	$ 0.493	per day
Demand Charge:	$ 0.430	per kW

Energy Charge:

May – October Billing Cycles (Summer)	November – April Billing Cycles (Winter)
$0.06846 per kWh for the first 275 kWh per kW, plus $0.05634 per kWh for all additional kWh	$0.05634 per kWh

In addition, the following discount will be applied when the customer owns all transformers and structures:

Transformer Discount: On the first 275 kWh per kW only:
$ (0.00298) per kWh for the first 55,000 kWh, plus
$ (0.00098) per kWh for all additional kWh

RATES (cont)

OPTIONAL TIME-OF-WEEK PROVISION

AVAILABILITY

The Time-Of-Week option is available to all customers eligible for Rate Schedule E-38. The customer must enter into an Electric Supply Agreement with the Company stating the customer's assigned Control Period. The type of equipment required to provide and measure time-of-week service is non-standard; therefore availability is limited and the Company cannot guarantee installation of the equipment within any specific time.

CONTROL PERIOD

The Control Period is the thirteen (13) hour period from 9 a.m. to 10 p.m. for one day during the week (Monday through Friday). The specific day of the Control Period will be mutually agreed upon by the Company and the customer and will be set forth in the Electric Supply Agreement.

RATE

The bill for customers on the Time-Of-Week option will be adjusted in the following manner:

When measured kWh during the specified Control Period is:	The following will be applied to the bill (before any adjustments, taxes or assessments)
1. 2 kWh per kW or less	($0.00659) per kWh for all kWh
2. Greater than 2 kWh per kW but less than or equal to 8 kWh per kW	No adjustment
3. Greater than 8 kWh per kW	$0.00330 per kWh for all kWh

FROZEN

MINIMUM

The bill for service under this rate schedule will not be less than $0.493 per day; however, in no event shall the total charges for the 12 months ending with the current month be less than $513.00.

DETERMINATION OF KW

For billing purposes, the kW used in this rate schedule shall be based on the average kW supplied during the 15-minute period of maximum use during the month, as determined from readings of the Company's meter, or at the Company's option, by test.

ADJUSTMENTS

1. The Environmental Portfolio Surcharge shall be applied to every retail electric service as set forth in the Company's Rate Schedule EPS-1.

2. The bill is subject to the Power Supply Adjustment factor as set forth in the Company's Rate Schedule PSA-1 pursuant to Arizona Corporation Commission Decision No. 67744.

ADJUSTMENTS (cont)

3. The bill is subject to the Transmission Cost Adjustment factor as set forth in the Company's Rate Schedule TCA-1 pursuant to Arizona Corporation Commission Decision No. 67744.

4. The bill is subject to the Competition Rules Compliance Charge as set forth in the Company's Rate Schedule CRCC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

5. Direct Access customers returning to Standard Offer service may be subject to a Returning Customer Direct Access Charge as set forth in the Company's Rate Schedule RCDAC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

6. The bill is subject to the Demand Side Management Adjustment charge as set forth in the Company's Rate Schedule DSMAC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

7. The bill is subject to the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of APS and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

CONTRACT PERIOD

The contract period for customers receiving service under this rate schedule will be one (1) year or longer. At the Company's option, the contract period will be three (3) years or longer where additional distribution construction is required to serve the customer.

TERMS AND CONDITIONS

Service under this rate schedule is subject to the Company's Schedule 1, Terms and Conditions for Standard Offer and Direct Access Services,which contains provisions that may affect the customer's bill. In addition, service may be subject to special terms and conditions as provided for in a customer contract or service agreement.

FROZEN

RATE SCHEDULE E-38-8T
CLASSIFIED SERVICE
AGRICULTURAL IRRIGATION TIME-OF-USE SERVICE

FROZEN

AVAILABILITY

This rate schedule is available in Maricopa and Pinal Counties, in Yuma and its environs, in Yavapai County south of the south boundary of T9N and west of the west boundary of R2E of the G&SRB&M, and in La Paz County except for those areas where the Company's total supply of power is purchased, at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the sites served. A maximum of fifty (50) customers, selected at the Company's option, may be served under this rate schedule.

APPLICATION

This rate schedule is applicable to Standard Offer electric service required for irrigation pumping when such service is supplied at one point of delivery and measured through one meter. Direct Access customers are not eligible for service under this schedule.

This schedule is not applicable to pumping of water for sale or distribution for non-agricutural purposes for delivery points initially served by the Company after November 1, 1983. The term "agricultural" is restricted to irrigation for the purpose of growing commercial crops, and it is not intended to include the watering of lawns, parks, golf courses or other similar uses of water. This schedule is not applicable to breakdown, standby, supplemental, residential or resale service.

This schedule is applicable only to those customers being served on the Company's Rate Schedule E-38-8T prior to December 6, 1991.

TYPE OF SERVICE

The type of service provided under this schedule will be three phase, 60 Hertz, at one standard voltage (12,500, 2400, 480, or 240 volts as may be selected by customer subject to availability at the customer's site). Measurement of service is at secondary voltage.

RATES

The bill shall be computed at the following rates or minimum rates, whichever is greater, plus any adjustments incorporated in this schedule:

Basic Service Charge:	$ 0.493	per day
Demand Charge:	$ 8.68	per On-Peak kW; plus
	$ 0.43	per Off-Peak kW
Energy Charge:	$ 0.06846	per kWh during On-Peak hours, plus
	$ 0.04491	per kWh during Off-Peak hours

In addition, the following discount will be applied when the customer owns all transformers and structures:

Transformer Discount	$ (0.00098)	per kWh for all additional kWh

MINIMUM

The bill for service under this rate schedule will not be less than $0.493 per day; however, in no event shall the total charges for the 12 months ending with the current month be less than $513.00.

DETERMINATION OF KW

For billing purposes, the kW used in this rate schedule shall be based on the average kW supplied during the 15-minute period of maximum use during the On-Peak and Off-Peak periods of the month, as determined from readings of the Company's meter, or at the Company's option, by test.

TIME PERIODS

For the purpose of this rate schedule, the On-Peak time period is a consecutive eight (8) hour period between 9 a.m. and 10 p.m. each and every day. The specific On-Peak period will be mutually agreed upon by the Company and the customer and will be set forth in an Electric Supply Agreement. All hours not included in the specified On-Peak period are designated as Off-Peak hours. Mountain Standard Time shall be used in the application of this rate schedule. The total time for the On-Peak period is subject to a plus or minus 15-minute variation.

ADJUSTMENTS

1. The Environmental Portfolio Surcharge shall be applied to every retail electric service as set forth in the Company's Rate Schedule EPS-1.

2. The bill is subject to the Power Supply Adjustment factor as set forth in the Company's Rate Schedule PSA-1 pursuant to Arizona Corporation Commission Decision No. 67744.

3. The bill is subject to the Transmission Cost Adjustment factor as set forth in the Company's Rate Schedule TCA-1 pursuant to Arizona Corporation Commission Decision No. 67744.

4. The bill is subject to the Competition Rules Compliance Charge as set forth in the Company's Rate Schedule CRCC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

5. Direct Access customers returning to Standard Offer service may be subject to a Returning Customer Direct Access Charge as set forth in the Company's Rate Schedule RCDAC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

6. The bill is subject to the Demand Side Management Adjustment charge as set forth in the Company's Rate Schedule DSMAC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

7. The bill is subject to the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of APS and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

CONTRACT PERIOD

The contract period for customers receiving service under this rate schedule will be one (1) year or longer. At the Company's option, the contract period will be three (3) years or longer where additional distribution construction is required to serve the customer.

TERMS AND CONDITIONS

Service under this rate schedule is subject to the Company's Schedule 1, Terms and Conditions for Standard Offer and Direct Access Services, which contains provisions that may affect the customer's bill. In addition, service may be subject to special terms and conditions as provided for in a customer contract or service agreement.

FROZEN

RATE SCHEDULE E-40
CLASSIFIED SERVICE
AGRICULTURAL WIND MACHINE SERVICE

AVAILABILITY

This rate schedule is available in all territory served by the Company at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the premises served.

APPLICATION

This rate schedule is applicable to all Standard Offer electric service required for the operation of wind machine for frost control during the months of November thru March only when such service is supplied at one point of delivery and measured through one meter. Direct Access customers are not eligible for this rate schedule.

This schedule is not applicable to temporary, breakdown, standby, supplementary, or resale service.

TYPE OF SERVICE

The type of service provided under this schedule will be three phase, 60 Hertz, at one standard voltage (120/240, 120/480, or 7,200/12,000 volts as may be selected by customer subject to availability at the site).

RATES

Basic Service Charge:	$0.035	per HorsePower per day
Energy Charge:	$ 0.06569	per kWh for all kWh

HorsePower will be equivalent to the wind machine name plate rating unless Company tests indicate the motor is overloaded by more than 15%.

ADJUSTMENTS

1. The Environmental Portfolio Surcharge shall be applied to every retail electric service as set forth in the Company's Rate Schedule EPS-1.

2. The bill is subject to the Power Supply Adjustment factor as set forth in the Company's Rate Schedule PSA-1 pursuant to Arizona Corporation Commission Decision No. 67744.

3. The bill is subject to the Transmission Cost Adjustment factor as set forth in the Company's Rate Schedule TCA-1 pursuant to Arizona Corporation Commission Decision No. 67744.

4. The bill is subject to the Competition Rules Compliance Charge as set forth in the Company's Rate Schedule CRCC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

5. Direct Access customers returning to Standard Offer service may be subject to a Returning Customer Direct Access Charge as set forth in the Company's Rate Schedule RCDAC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

6. The bill is subject to the Demand Side Management Adjustment charge as set forth in the Company's Rate Schedule DSMAC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

ADJUSTMENTS (cont)

7. The bill is subject to the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of APS and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

SPECIAL PROVISIONS

1. For billing under this rate schedule, the customer may choose between one of the following options:

   a) Monthly billing;
   b) Semiannual billing for three (3) months in advance and three (3) months actual use; or
   c) Annual billing for six (6) months in advance and six (6) months actual use.

   After initial selection of payment by the customer no change may be made during the term of the service agreement.

2. Thermostatically controlled wind machines with automatic reclosing switches must be equipped at the customer's expense with suitable time-delay devices to permit the required adjustment of the time of reclosure after interruption of service.

   A time-delay device is a relay or other type of equipment that can be preset to delay with various time intervals the reclosing of the automatic switches in order to stagger the reconnection of the load on the utility's system. This device must be constructed so as to effectively permit a variable overall time interval of not less than five minutes with adjustable time increments of not greater than ten seconds. The particular setting to be utilized for each separate installation is to be determined by the Company from time to time in accordance with its operating requirements.

CONTRACT PERIOD

The initial customer contract period shall be five (5) years. The contract period for any renewals shall be three (3) years.

TERMS AND CONDITIONS

Service under this rate schedule is subject to the Company's Schedule 1, Terms and Conditions for Standard Offer and Direct Access Services, which contains provisions that may affect the customer's bill. In addition, service may be subject to special terms and conditions as provided for in a customer contract or service agreement.

AVAILABILITY

This rate schedule is available in all territory served by the Company at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the sites served.

APPLICATION

This rate schedule is applicable to outdoor lighting which operates only from dusk to dawn and where service can be supplied from the existing secondary facilities of the Company. Dusk is defined as the time between sunset and full night when a photocontrol senses the lack of sufficient sunlight and turns on the lights. Dawn is defined as the time between full night and sunrise when a photocontrol senses sufficient sunlight to turn off lights.

RATES

The customer's bill shall be computed at the following rates for each type of standard facility and/or service utilized to provide outdoor lighting, plus any adjustments incorporated in this schedule:

I. FIXTURES (Includes Mounting Arm, if Applicable)

				RATES	
	Lumen	Watts	kWh	Company Owned	Customer Owned
A. Acorn	9,500 HPS	100	41	$20.27	$5.00
	16,000 HPS	150	69	22.45	6.71
B. Architectural	9,500 HPS	100	41	13.79	6.17
	16,000 HPS	150	69	16.03	8.28
	30,000 HPS	250	99	18.93	10.53
	50,000 HPS	400	153	23.24	15.16
	14,000 MH	175	72	19.07	10.22
	21,000 MH	250	101	21.58	12.53
	36,000 MH	400	159	25.87	17.07
	8,000 LPS	55	30	19.83	7.80
	13,500 LPS	90	50	23.30	8.82
	22,500 LPS	135	72	26.55	11.17
	33,000 LPS	180	90	30.59	12.99
C. Cobra/Roadway	5,800 HPS	70	29	8.03	5.27
	9,500 HPS	100	41	9.37	6.17
	16,000 HPS	150	69	11.62	8.28
	30,000 HPS	250	99	13.91	10.53
	50,000 HPS	400	153	18.70	14.60
	14,000 MH	175	72	10.96	7.97
	21,000 MH	250	101	12.76	9.78
	36,000 MH	400	159	16.67	13.32
	8,000 FL	100	38	13.03	3.58

RATES (cont)

I. FIXTURES (Includes Mounting Arm, if Applicable) (cont)

					RATES	
		Lumen	Watts	kWh	Company Owned	Customer Owned
D. Decorative Transit		9,500 HPS	100	41	$27.63	$5.00
		30,000 HPS	250	99	31.57	8.54
E. Flood		30,000 HPS	250	99	17.60	10.94
		50,000 HPS	400	153	21.72	15.16
		21,000 MH	250	101	15.94	9.78
		36,000 MH	400	159	19.35	13.32
F. Post Top	Colonial Gray	8,000 FL	100	38	14.01	3.58
		9,500 HPS	100	41	9.65	6.17
	Colonial Black	9,500 HPS	100	41	11.03	6.41
	Decorative Transit	9,500 HPS	100	41	24.24	5.00
G. FROZEN		4,000 INC	295	103	12.91	4.59
		7,000 MV	175	73	12.56	5.09
		20,000 MV	400	150	17.43	11.51
		Brackets over 8 ft. and up to 16 ft. in length			1.26	--

FROZEN

NOTES:
1. Company Owned fixtures are those fixtures that the Company installs, owns, operates, and maintains.
2. Customer Owned fixtures are those fixtures where the customer installs and maintains the lighting fixtures, and the Company approves the installation, operates the fixtures, and replaces Company standard lamps only.
3. Listed kWhs reflect the assigned monthly energy usage for each type of fixture and are used to determine any applicable transmission, system benefit, distribution, energy and adjustment charges.
4. HPS = High Pressure Sodium
5. MH = Metal Halide
6. LPS = Low Pressure Sodium
7. FL = Fluorescent
8. INC = Incandescent. Incandescent lighting charges are applicable and available only to those customers being served and those installations in service on April 21, 1983.
9. MV = Mercury Vapor. Mercury Vapor lighting charges are applicable and available only to those customers being served and those installation in service on June 1, 1987 in accordance with A.R.S. §49-1104(A).

RATES (cont)

II. POLES

			Height	RATES Company Owned
A. Anchor Base Mounted (Flush)	Round Steel	1 Simplex Adapter	12 ft.	$ 8.68
			22 ft.	9.80
			25 ft	10.63
			30 ft	12.25
			32 ft	12.88
	Round Steel	2 Simplex Adapters	12 ft.	9.27
			22 ft.	10.69
			25 ft.	11.16
			30 ft.	13.01
			32 ft.	13.90
	Square Steel	5"	13 ft.	9.99
			15 ft.	8.90
			23 ft.	10.60
			25 ft.	11.68
			28 ft.	12.50
			32 ft.	13.47
	Concrete		12 ft.	30.26
	Fiberglass		12 ft.	25.59
	Decorative Transit Pedestrian	4"	16 ft.	24.94
	Decorative Transit	6"	30 ft.	48.39
B. Anchor Base Mounted (Pedestal)	Round Steel	1 Simplex Adapter	12 ft.	8.34
			22 ft.	9.46
			25 ft.	10.28
			30 ft.	11.91
			32 ft.	12.53
	Round Steel	2 Simplex Adapters	12 ft.	8.93
			22 ft.	10.00
			25 ft.	10.82
			30 ft.	12.67
			32 ft.	13.55
		3 Bolt Arm	32 ft.	15.61
	Square Steel	5"	13 ft.	9.65
			15 ft.	9.88
			23 ft.	10.26
			25 ft.	11.34
			28 ft.	12.64
			32 ft.	13.13

RATES (cont)

II. POLES (cont)

			Height	RATES Company Owned
C. Direct Bury	Round Steel		19 ft.	12.77
			30 ft.	12.07
			38 ft.	14.77
		Self Support	40 ft.	17.51
		Stepped	49 ft.	47.44
	Square Steel	4"	34 ft.	13.34
		5"	20 ft.	12.15
			30 ft.	13.20
			38 ft.	14.34
	Steel Distribution Pole (for lighting only)		35 ft.	17.02
D. Post Top	Decorative Transit Anchor Base		16 ft.	25.48
	Gray Steel/Fiberglass		23 ft.	10.18
	Black Steel		23 ft.	11.20
E. FROZEN	Wood Poles		30 ft.	5.86
			35 ft.	7.38
			40 ft.	9.34

FROZEN

NOTES:
1. All distribution lines required to serve dusk to dawn facilities are owned by the Company.
2. Monthly rates for all new Company owned poles include up to 100 feet of overhead secondary wire, or up to 100 feet of underground secondary line if customer provides earthwork and conduit (excluding the overhead to underground transition). Any additional wire required (over and above the first 100 feet provided) to install fixtures is subject to the additional monthly wire charges specified in Section IV.1 below.
3. When adding lighting fixtures to an existing Company owned pole, any and all additional distribution wire required is subject to the additional monthly wire charges specified in Section IV.1 below.
4. Any and all distribution wire required to serve lighting facilities placed on a customer owned pole, whether new or existing, is subject to the additional monthly wire charges specified in Section IV.1 below.

III. ANCHOR BASE

		Height	RATES Company Owned
A. Flush		4 ft.	$7.27
		6 ft.	8.67
B. Pedestal		8 ft.	9.94
	For 32' Round Steel Pole only	4 ft. 6"	6.89

IV. RATES FOR OPTIONAL OR ADDITIONAL EQUIPMENT

	RATES
	Company Owned
1. Each 100 feet of overhead secondary wire, or each 100 feet of underground secondary wire if customer provides earthwork and conduit.	2.57
2. Additional maintenance charge for HPS lamp and luminaire that is not accessible by bucket truck.	2.05
3. Additional maintenance charge for MH lamp and luminaire that is not accessible by bucket truck.	4.43

ADJUSTMENTS

1. The Environmental Portfolio Surcharge shall be applied to every retail electric service as set forth in the Company's Rate Schedule EPS-1.

2. The bill is subject to the Power Supply Adjustment factor as set forth in the Company's Rate Schedule PSA-1 pursuant to Arizona Corporation Commission Decision No. 67744.

3. The bill is subject to the Transmission Cost Adjustment factor as set forth in the Company's Rate Schedule TCA-1 pursuant to Arizona Corporation Commission Decision No. 67744.

4. The bill is subject to the Competition Rules Compliance Charge as set forth in the Company's Rate Schedule CRCC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

5. Direct Access customers returning to Standard Offer service may be subject to a Returning Customer Direct Access Charge as set forth in the Company's Rate Schedule RCDAC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

6. The bill is subject to the Demand Side Managment Adjustment Charge as set forth in the Company's Rate Schedule DSMAC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

7. The bill is subject to the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of APS and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

SPECIAL PROVISIONS

1. The 4,000 and 7,000 lumen lamps use an open glass diffuser. All units are controlled by a photoelectric switch.

2. The customer is not authorized to make connections to the lighting circuits or to make attachments.

3. Should a customer request relocation of a dusk-to-dawn lighting installation, the costs of such relocation shall be paid by the customer.

SPECIAL PROVISIONS (cont)

4. The Company cannot guarantee that all dusk to dawn facilities will always operate as intended. Therefore, the customer will be responsible for notifying the Company when the dusk to dawn facilities are not operating as intended. The Company will use reasonable efforts to complete normal maintenance (replacement of lamps, photocontrols or fixtures) within ten (10) working days from notification by customer; however, if the maintenance requires cable replacement or repairs, the Company shall use reasonable efforts to complete said repairs within twenty (20) working days.

5. The customer's bill will not be reduced due to lamp, photocontrol or cable repair or replacement outages.

6. The customer may cancel a lighting service agreement by payment of the bill including the applicable tax adjustment, multiplied by the number of remaining months of the initial agreement, or the calculated installation and removal costs for the extension, whichever is lower.

NON-STANDARD FACILITIES – CUSTOMER OWNED

When the customer requests any non-standard dusk-to-dawn lighting facilities (non-standard being defined as any equipment not listed in the Company's Transmission and Distribution Construction Standards book), the customer will own, operate and maintain all components to the system excluding the distribution facilities installed by the Company to serve the lighting system. Bills rendered for non-standard facilities will be computed at the following rates, plus any adjustments incorporated in this schedule:

A.	Service Charge	$2.46	per installed lamp
B.	Energy Charge	$0.04656	per kWh

If, at the Company's discretion, the customer chooses to have the Company maintain the entire non-standard facility, the Company may require the customer to enter into a separate maintenance agreement which may be subject to additional charges mutually agreed upon by the Company and the customer.

CONTRACT PERIOD

All Dusk-to-Dawn lighting installations will require a written agreement for service for a minimum of three (3) years, or longer at Company's option.

TERMS AND CONDITIONS

Service under this rate schedule is subject to the Company's Schedule 1, Terms and Conditions for Standard Offer and Direct Access Services and the Company's Schedule 10, Terms and Conditions for Direct Access. These schedules have provisions that may affect the customer's bill. In addition, service may be subject to special terms and conditions as provided for in a customer contract or service agreement.

FROZEN

AVAILABILITY

This rate schedule is available in all territory served by the Company at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the sites served.

APPLICATION

This rate schedule is applicable only to qualified cogeneration and small power production facilities greater than 100 kW that meet qualifying status as defined under 18 CFR, Chapter 1, Part 292, Subpart B of the Federal Energy Regulatory Commission regulations and pursuant to Arizona Corporation Commission Decision No. 52345. The facility's generator(s) and load must be located at the same site.

Applicable only to those customers being served on the Company's Rate Schedule E-51 prior to July 1, 1996.

TYPE OF SERVICE

The type of service provided under this schedule will be single or three phase, 60 Hertz, at one standard voltage as may be selected by the customer subject to availability at the customer's site.

RATES

The bill shall be the sum of the amounts computed under A., B., C., and D. below, including any applicable adjustments:

A. Basic Service

Cogeneration Basic Service Charge: $ 0.276 per day

Generation Meter Charge: $ 0.828 per day per meter

B. Supplemental Service

Supplemental service will be provided in accordance with the rate levels contained in General Service Rate Schedule E-32 or E-34, whichever is applicable based upon Customer's maximum Supplemental demand.

C. Standby Service

Monthly Reservation Charge: $ 2.08 per kW of Contract Standby Capacity

The Monthly Reservation Charge will be adjusted in accordance with the Determination of Monthly Reservation Charge paragraph below.

Standby Energy Charge:

May – October Billing Cycles (Summer)	November – April Billing Cycles (Winter)
$0.04602 per kWh during On-Peak hours, plus $0.02142 per kWh during Off-Peak hours	$0.03271 per kWh during On-Peak hours, plus $0.02142 per kWh during Off-Peak hours

RATES(cont)

D. Maintenance Service

Maintenance Energy: $0.02142 per kWh

DETERMINATION OF MONTHLY RESERVATION CHARGE

For initial service, the Monthly Reservation Charge shall be: the product of [$20.78/kW multiplied by a Forced Outage Rate (FOR) of 10%] multiplied by the customer's applicable Contract Standby Capacity. At the end of the first 6 summer billing months, the initial FOR of 10% will be replaced by the actual FOR experienced by the cogeneration system during on-peak summer hours. The customer's summer on-peak FOR will then be reevaluated annually each November for the preceding 12-month period to be used in the calculation of the customer's Reservation Charge for the current and succeeding 11 months.

DETERMINATION OF SUPPLEMENTAL SERVICE

Supplemental service shall be defined as demand and energy contracted by the customer to augment the power and energy generated by the customer's generation facility.

Supplemental demand shall be equal to the maximum 15 minute integrated kW demand as calculated for every 15-minute interval as the demand of the Supply meter plus the demand of the Generator meter(s) less the Contract Standby Capacity of the customer's cogenerator(s).

Supplemental energy shall be equal to all energy supplied to the customer as determined from readings of the Supply meter, less any energy determined to be either Standby or Maintenance energy as defined in this Schedule.

DETERMINATION OF STANDBY ENERGY

Standby Energy shall be defined to be electric energy supplied by Company to replace power ordinarily generated by the customer's generation facility during unscheduled full and partial outages of said facility.

When the sum of the energy measured on both the Supply and Generator(s) Meters is greater than the maximum energy output of the generator(s) at Contract Standby Capacity, the Standby Energy shall be equal to the summation of the differences between the maximum energy output of the generator(s) at Contract Standby Capacity and the energy measured on the Generator Meter(s) for every 15-minute interval of the month, except when maintenance power is being utilized or those intervals where energy measured on the Supply Meter is zero. When the sum of the energy measured on both the Supply and Generator(s) Meters is less than the maximum energy output of the generator(s) at Contract Standby Capacity, then the Standby energy shall be that energy measured on the Supply Meter.

All Standby Energy exceeding 250 kWh/kW of Contract Standby Capacity in a billing period will be billed at the otherwise applicable rate for Supplemental Service.

FROZEN

DETERMINATION OF MAINTENANCE ENERGY

Maintenance energy shall be defined as energy supplied to the customer up to a maximum of the Contract Standby Capacity times the hours in the Scheduled Maintenance period for that energy used only during the Scheduled Maintenance period. Maintenance periods shall not exceed 30 days per cogeneration unit during any consecutive 12-month period and must be scheduled during the winter billing months. The customer shall supply the Company with a Maintenance Schedule for a 12-month period at least 60 days prior to the beginning of that period, which shall be subject to Company approval. Energy used in excess of a 30-day period or unauthorized maintenance energy shall be billed on either the Standby or Supplemental Rate as specified in this Schedule.

METERING

The Company will install a Supply Meter at its point of delivery to the customer and a Generator Meter(s) at the point(s) of output from each of the customer's generators. All meters will record integrated demand and energy on the same 15-minute interval basis as specified by the Company.

DEFINITIONS

1. Contract Standby Capacity - the measured kW output of each cogeneration unit at time of start-up test, which will be re-evaluated annually each November and specified in the customer's Agreement for Service, however, not to exceed the customer's actual total load.

2. Forced Outage Rate - the ratio of the standby energy used during the customer's summer on-peak hours to the product of the Contract Standby Capacity multiplied by the customer's total summer on-peak hours.

3. Generator Meter - the time-of-use meter used to measure in 15-minute intervals the total power and energy output of each of the customer's cogeneration units.

4. Supply Meter - the time-of-use meter used to measure in 15-minute intervals the total power and energy supplied by the Company to the customer.

5. Time Periods - On-Peak Period: 11 a.m. - 9 p.m. Monday through Friday
   Off-Peak Period: All Other Hours

   Mountain Standard Time shall be used in the application of this rate schedule.

ADJUSTMENTS

1. The Environmental Portfolio Surcharge shall be applied to every retail electric service as set forth in the Company's Rate Schedule EPS-1.

2. The bill is subject to the Power Supply Adjustment factor as set forth in the Company's Rate Schedule PSA-1 pursuant to Arizona Corporation Commission Decision No. 67744.

3. The bill is subject to the Transmission Cost Adjustment factor as set forth in the Company's Rate Schedule TCA-1 pursuant to Arizona Corporation Commission Decision No. 67744.

4. The bill is subject to the Competition Rules Compliance Charge as set forth in the Company's Rate Schedule CRCC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

FROZEN

ADJUSTMENTS (cont)

5. Direct Access customers returning to Standard Offer service may be subject to a Returning Customer Direct Access Charge as set forth in the Company's Rate Schedule RCDAC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

6. The bill is subject to the Demand Side Management Adjustment charge as set forth in the Company's Rate Schedule DSMAC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

7. The bill is subject to the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of APS and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

TERMINATION PROVISION

Should the customer cease to operate his cogeneration unit(s) for 60 consecutive days during periods other than planned scheduled maintenance periods, the Company reserves the option to terminate the Agreement for service under this rate schedule with the customer.

CONTRACT PERIOD

Any applicable contract period will be set forth in the Company's standard Agreement for Service.

TERMS AND CONDITIONS

Service under this rate schedule is subject to the Company's Schedule 1, Terms and Conditions for Standard Offer and Direct Access Services and the Company's Schedule 10, Terms and Conditions for Direct Access. These schedules have provisions that may affect the customer's bill. In addition, service may be subject to special terms and conditions as provided for in a customer contract or service agreement.

FROZEN

AVAILABILITY

This rate schedule is available in all territory served by Company at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the premises served and when all applicable provisions described herein have been met.

APPLICATION

This rate schedule is applicable to any non-residential Standard Offer customer requiring Partial Requirements services, Supplemental Power, Standby Power or Maintenance Energy with an aggregate Partial Requirements service load of less than 3,000 kW. The customer may elect to take any of the Partial Requirements services offered hereunder (Supplemental Power, Standby Power, or Maintenance Power) independently of one another or in combination with one another as required.

Each customer shall be allowed to designate the specific periods and hours within a month for which utilization of Standby Service is required (see Designated Standby Service Hours).

Direct Access customers are not eligible for service under this rate schedule.

TYPE OF SERVICE

The type of service provided under this schedule will be single or three phase, 60 Hertz, at one standard voltage as may be selected by the customer subject to availability at the customer's site.

RATES

The bill shall be the sum of the amounts computed under A., B., C., and D. below, including any applicable adjustments:

A. Basic Service

Cogeneration Basic Service Charge:	$ 3.510	per day
Generation Meter Charge:	$ 0.561	per day per meter

B. Supplemental Service

Supplemental service will be provided in accordance with the rate levels contained in General Service Rate Schedule E-32 excluding the monthly Basic Service Charge.

C. Standby Service

The monthly charge for Standby Service shall be the sum of the amounts computed in accordance with sections 1 and 2 below:

RATES (cont)

C. Standby Service (cont)

1. Monthly Reservation Charge of either a, b or c:

   a) $5.01 per kW of Contract Standby Capacity for Standby Service customers with alternate supply resources demonstrating an aggregate Capacity Factor of 90% or greater during the billing month.

   b) $6.59 per kW of contract Standby Capacity for Standby Service customers with alternate supply resources demonstrating an aggregate Capacity Factor between 80% - 89.9% during the billing month.

   c) Standby Service customers whose alternate supply resource(s) achieved an aggregate capacity factor of less than 80% during a billing month shall be assessed the same charge as set forth in Section VIII of this rate schedule.

2. Standby Energy Charge:

June – October Billing Cycles (Summer)	November – May Billing Cycles (Winter)
$0.02961 per kWh during On-Peak hours, plus $0.01574 per kWh during Off-Peak hours	$0.02537 per kWh during On-Peak hours, plus $0.01006 per kWh during Off-Peak hours

The charges for Standby Service contained in Section C herein reflect the Company's costs to serve Standby Service loads. For applications where the charges for Standby Service stated herein are not competitive with customer installed standby resource alternatives, the Company may negotiate alternate Monthly Reservation Charges from those contained in this rate schedule; however, the maximum discount allowed shall not be greater than fifty percent (50%) of the Reservation Charges stated herein; however, such discount shall not result in a reservation charge lower than the Company's long run capacity costs associated with this service. No changes to the Standby Energy Charge rate component shall be allowed.

To be eligible for negotiated Monthly Reservation Charges different than those contained herein, the customer must demonstrate to the Company's satisfaction and provide conclusive documentation (e.g., engineering studies, analysis, etc.) that the customer's on-site self-generation resource(s) would be a lower cost option over the life of the equipment than had the customer subscribed to Standby Service from the Company. Notwithstanding the potential competitiveness of the customer's self generation standby facilities, the Company in its sole opinion, shall have the option of not offering any discounts to the otherwise applicable Reservation Charge.

D. Maintenance Service

Maintenance Energy:	$0.02537	per kWh during On-Peak hours, plus
	$0.01006	per kWh during Off-Peak hours

RATES (cont)

E. Energy Rates

The energy rates in Sections C and D above are based on the Company's estimated marginal costs and will be updated annually to reflect changes in the Company's fuel costs.

DETERMINATION OF SUPPLEMENTAL SERVICE

Supplemental service shall be defined as demand and energy contracted by the customer to augment the power and energy generated by the customer's generation facility.

Supplemental demand shall be the highest 15-minute interval during the billing month which shall equal the (a) 15-minute integrated kW demand calculated for every 15-minute interval as recorded on the Supply Meter, plus (b) the simultaneous 15 minute integrated kW demand as recorded on the Generator Meter(s), less (c) the aggregate Contract Standby Capacity of all the customer's generating units; however, the result shall never be less than zero (0) for purposes of determining Supplemental Demand. If Company authorized scheduled maintenance was being performed on any of the customer's generators at the time of the highest 15 minute interval during the billing month, the amount of demand recorded on the Supply Meter shall be reduced by the applicable Maintenance Power Level (as determined in Section VII hereof) of the generator unit(s) undergoing authorized scheduled maintenance for purposes of calculating supplemental demand used for billing.

The customer's maximum Supplemental Service kW requirements shall not exceed that established in the Electric Supply Agreement.

Supplemental energy shall be equal to all energy supplied to the customer as determined from readings of the Supply Meter, less any energy determined to be either Standby or Maintenance energy as defined in this Schedule.

DETERMINATION OF STANDBY ENERGY

Standby Energy shall be defined to be electric energy supplied by Company to replace power ordinarily generated by the customer's generation facility during unscheduled full and partial outages of said facility.

When the sum of the energy measured on both the Supply and Generator(s) Meters during simultaneous periods is greater than the maximum energy output of the generator(s) at Contract Standby Capacity, the Standby Energy shall be equal to the summation of the differences between the maximum energy output of the generator(s) at Contract Standby Capacity and the energy measured on the Generator Meter(s) for every 15-minute interval of the month, except when maintenance power is being utilized or those intervals where energy measured on the Supply Meter is zero. When the sum of the energy measured on both the Supply and Generator(s) Meter is equal to or less than the maximum energy output of the generator(s) at Contract Standby Capacity, then the Standby energy shall be that energy measured on the Supply Meter.

DETERMINATION OF MAINTENANCE ENERGY

Maintenance energy shall be defined as energy supplied to the customer to replace energy normally supplied by the customer's generator(s) during an authorized Scheduled Maintenance period.

Maintenance periods shall not exceed 30 days per cogeneration unit during any consecutive 12-month period and must be scheduled during the non-Summer billing months. The customer shall provide the Company with its planned maintenance schedule 12 months in advance of any planned maintenance in order for the Company to coordinate the customer's scheduled maintenance with that of the Company. Upon review, the Company shall either approve customer's planned maintenance schedule or notify customer of alternate acceptable periods. The customer, in turn, shall notify the Company of an acceptable alternate maintenance period(s), and shall also confirm with the Company its intention to perform its planned maintenance 45 days prior to the actual commencement date of the planned maintenance period.

Any energy used in excess of a 30-day period or unauthorized maintenance energy shall be billed on either the Standby or Supplemental Rate as specified in this Schedule.

Maintenance energy, during a Company authorized period of scheduled maintenance to a customer's generation unit(s), shall be determined as follows:

> Maintenance Power Level = (Contract Standby Capacity) X (Generating Unit(s) Capacity Factor for the most recent 12 months)

The maintenance power level as determined by the above formula shall not exceed any actual 15 minute interval of integrated kW demand as recorded on the supply meter.

If the customer has less than 12 months of billing history on Standby Service, use the capacity factor demonstrated to date; however, not less than one full month.

> Maintenance Energy = (Maintenance Power Level) X (hours of maintenance authorized by Company during billing month)

CAPACITY FACTOR STANDARDS

The customer's generating unit(s) must maintain a Capacity Factor of no less than 75% over a continuous rolling 18 month period to remain eligible to receive Standby Service under this rate schedule. The calculation of the Capacity Factor is designed so that the customer shall not be subject to this Capacity Factor Standard provision for any purpose other than substandard operational performance of the customer's generating unit(s) recognizing that the customer's load profile may not require the full output capability of such generation unit(s). If the Capacity Factor falls below 75%, in lieu of the otherwise applicable Reservation Charge for Standby Service, the customer shall be assessed a monthly Reservation Charge the greater of:

1. $18.79 per kW/month X 2/3 X Contract Standby Capacity; or

2. $18.79 per kW/month X Maximum Standby Capacity
   (If customer's system is directly interconnected with the Company's bulk transmission system, the applicable Reservation Charge shall be $14.39 per kW per month.)

CAPACITY FACTOR STANDARDS (cont)

Maximum Standby Capacity is intended to represent the maximum 15-minute interval of Standby Power provided to the customer by the Company during the billing month. Maximum Standby Capacity shall equal the highest 15-minute interval during the billing month of the following calculation:

$$MSC = \Sigma CSC - Maint.$$

Where:

MSC = Maximum 15-minute interval during the billing month of Standby Power (kW) being supplied by the Company.

ΣCSC = The aggregate Contract Standby Capacity of all the customer's self-generation units.

Maint = The simultaneous 15-minute interval of any Maintenance Power (kW) being supplied to the customer by the Company.

METERING

The Company will install a Supply Meter at its point of delivery to the customer and a Generator Meter(s) at the point(s) of output from each of the customer's generators. All meters will record integrated demand and energy on the same 15-minute interval basis as specified by the Company.

DEFINITIONS

1. Contract Standby Capacity - for each specific customer generating unit for which the Company is providing Standby Service, Contract Standby Capacity shall be the greater of: a) the measured kW output of each customer self-generation unit at time of start-up test, or b) the highest 15 minute measured kW output of each generating unit, however, not to exceed Customer's actual total load.

2. Generator Meter - the time-of-use meter used to measure in 15-minute intervals the total power and energy output of each cogeneration unit.

3. Designated Standby Service Hours - Customers requiring Standby Service for less than the total hours in a billing month shall be allowed to designate those periods and hours of a month when Standby Service is required. These Designated Standby Service Hours shall represent those hours within a billing month during which the customer is authorized to utilize Standby Service. Use during any period or hours other than Designated Standby Service Hours shall represent an Unauthorized Use of Standby Service subject to certain special provisions for determining the appropriate Capacity Factor value during billing periods when unauthorized Standby Service was utilized. Such hours shall be specified in whole hour intervals beginning on an hour for each designated day of the week. Designated Standby Service Hours shall never total less than 280 hours a billing month.

DEFINITIONS (cont)

4. Capacity Factor - for purposes of this rate schedule, capacity factor shall mean the capacity factor of the customer's generating unit(s) and shall not reflect any period of time during a billing month that Company authorized Maintenance Power was being utilized. The Capacity factor shall be calculated in accordance with the following formula:

$$\text{Capacity Factor} = \frac{\text{Actual customer generated kWh's during the billing month}}{A}$$

For purposes of use in this rate schedule, the value of the capacity factor calculation shall never exceed 100%.

Where:

A = The lesser of:

a) [(Contract Standby Capacity) X (MH)]; or
b) CTL

MH = The number of Designated Standby Service Hours in the billing month, exclusive of any hours during the billing month that customer's unit(s) were non-operational during Company authorized scheduled maintenance, for which the customer has contracted for Standby Service (but not less than 280 hours per billing month).

In the event the customer utilizes Standby Service in any period other than during Designated Standby Service Hours, MH shall be represented as the actual number of hours in the billing month (exclusive of any hours during which the customer was receiving Company authorized scheduled Maintenance Energy).

Furthermore, in the event there are more than two (2) instances in any 12 month rolling period of Unauthorized Use of Standby Service, MH shall be represented as the actual number of hours in the billing month (exclusive of any hours during which the customer was receiving Company authorized scheduled Maintenance Energy) for the month during which the third breach of service occurred, and for the next three months thereafter. At the end of any three month breach period, a new twelve (12) month rolling period shall commence for determining the number of instances of Unauthorized Use.

CTL = The customer's maximum total load during the billing month during the Designated Standby Service Hours for which the customer has contracted for Standby Service (but not less than 280 hours per month).

CTL shall represent the customer's maximum total load during the hours in the billing month for which use of Standby Service has been authorized as set forth in the definition of Designated Standby Service Hours. CTL shall be calculated by first adding the maximum simultaneous 15-minute kW peak periods as recorded on the Supply Meter and Generator Meter(s) during authorized periods of Standby Service the sum of which is then multiplied by MH.

DEFINITIONS (cont)

4. Capacity Factor (cont)

In the event the customer utilizes Standby Service during any period of a billing month other than those authorized, CTL shall represent the customer's maximum total (peak demand) load during the billing month calculated as the sum of the maximum simultaneous 15-minute kW peak period during the billing period recorded on the Supply Meter and the Generator Meter(s) during all hours of the billing month. CTL shall be similarly calculated for any other months during which the provision for breach of service explained in the definition of MH above is being assessed.

CTL shall only be used for calculating Capacity Factor in those months where the customer's maximum kW load is less than total Contract Standby Capacity.

5. Supply Meter - the time-of-use meter used to measure in 15-minute intervals the total power and energy supplied by Company to Customer.

6. Time Periods -

On-Peak Period:	9 a.m. - 9 p.m. Monday through Friday
Off-Peak Period:	All Other Hours

Mountain Standard Time shall be used in the application of this rate schedule. In addition, to prevent radical changes in the system loads the beginning and ending hours for individual customers may be varied by up to one hour (total hours in each time period to remain unchanged) and because of potential differences of the timing devices, there may be a variation of up to 15 minutes in timing for the pricing periods.

CHANGE IN DESIGNATED STANDBY SERVICE HOURS

Customers shall be allowed no more than one (1) change in their Designated Standby Service Hours during any eighteen (18) month time period. In no event shall the total of Designated Standby Service Hours during a month fall below 280 hours.

ADJUSTMENTS

1. The Environmental Portfolio Surcharge shall be applied to every retail electric service as set forth in the Company's Rate Schedule EPS-1.

2. The bill is subject to the Power Supply Adjustment factor as set forth in the Company's Rate Schedule PSA-1 pursuant to Arizona Corporation Commission Decision No. 67744.

3. The bill is subject to the Transmission Cost Adjustment factor as set forth in the Company's Rate Schedule TCA-1 pursuant to Arizona Corporation Commission Decision No. 67744.

4. The bill is subject to the Competition Rules Compliance Charge as set forth in the Company's Rate Schedule CRCC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

5. Direct Access customers returning to Standard Offer service may be subject to a Returning Customer Direct Access Charge as set forth in the Company's Rate Schedule RCDAC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

ADJUSTMENTS (cont)

6. The bill is subject to the Demand Side Management Adjustment charge as set forth in the Company's Rate Schedule DSMAC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

7. The bill is subject to the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of APS and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

TERMINATION PROVISION

Should the customer cease to operate his cogeneration unit(s) for 60 consecutive days during periods other than planned scheduled maintenance periods, the Company reserves the option to terminate the Agreement for service under this rate schedule with the customer.

CONTRACT PERIOD

Any applicable contract period will be set forth in the Electric Supply Agreement between the Company and the customer.

TERMS AND CONDITIONS

Service under this rate schedule is subject to the Company's Schedule 1, Terms and Conditions for Standard Offer and Direct Access Services, which contains provisions that may affect the customer's bill. In addition, service may be subject to special terms and conditions as provided for in a customer contract or service agreement.

The customer must enter into an Agreement for the Interconnection and The Sale of Power with the Company and an Electric Supply Agreement which shall establish all pertinent details related to interconnection and other required service standards. The customer will not have the option to sell power and energy to the Company under this tariff. Should the customer desire to do so, the customer would be required to enter into a new Service Agreement which would set forth the applicable purchase rate in addition terms and conditions for interconnection and for the sale of power to the Company.

The customer will be required to contract for adequate standby power to cover the total output of all the customer's generators unless adequate facilities have been installed, to the satisfaction of APS, that isolate portions of the customer's load from APS' system so that APS will in no event be providing standby service in excess of Contracted Standby Capacity.

PARTIAL REQUIREMENTS SERVICE 3,000 kW OR GREATER

AVAILABILITY

This rate schedule is available in all territory served by Company at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the premises served and when all applicable provisions described herein have been met.

APPLICATION

This rate schedule is applicable to any non-residential Standard Offer customer requiring Partial Requirements services, Supplemental Power, Standby Power or Maintenance Energy with an aggregate Partial Requirements service load of no less than 3,000 kW. Customer may elect to take any of the Partial Requirements services offered hereunder (Supplemental Power, Standby Power and Maintenance Power) independently of one another or in combination with one another as required.

Customers having Standby Service requirements not exceeding 2,999 kW shall be allowed to designate specific periods and hours within a month for which utilization of Standby Service is required (see Designated Standby Service Hours).

Direct Access customers are not eligible for service under this schedule.

TYPE OF SERVICE

The type of service provided under this schedule will be single or three phase, 60 Hertz, at one standard voltage as may be selected by Customer subject to availability at Customer's premise.

RATES

The bill shall be the sum of the amounts computed under A., B., C., and D. below, including any applicable adjustments:

A. Basic Service

Cogeneration Basic Service Charge:

For applications no greater than 15,000 kW:	$ 54.950	per day, or
For applications greater than 15,000 kW:	$ 54.950	per day, plus an adder for recovery of non-standard metering costs and related O&M expenses as set forth in an Agreement for Service
Generation Meter Charge:	$ 2.055	per day per meter

B. Supplemental Service

Supplemental service will be provided in accordance with the rate levels contained in General Service Rate Schedule E-32, excluding the monthly Basic Service Charge (or Rate Schedule E-34 if Supplemental Power requirements are 3,000 kW or more).

RATES (cont)

C. Standby Service

The monthly charge for Standby Service shall be the sum of the amounts computed in accordance with sections 1, 2 and 3 below:

1. For customers taking service at voltage levels of less than 69 kV, a Monthly Reservation Charge of either a, b, c or d:

   a) $ 4.21 per kW of Contract Standby Capacity for Standby Service customers with alternate supply resources demonstrating an aggregate Capacity Factor of 95% or greater during the billing month.

   b) $ 5.14 per kW of Contract Standby Capacity for Standby Service customers with alternate supply resources demonstrating an aggregate Capacity Factor between 90% - 94.9% during the billing month.

   c) $ 6.77 per kW of Contract Standby Capacity for Standby Service customers with alternate supply resources demonstrating an aggregate Capacity Factor between 80% - 89.9% during the billing month.

   d) Standby Service customers whose alternate supply resource(s) achieved an aggregate capacity factor of less than 80% during a billing month shall be assessed the same charge as set forth in Section VIII.A of this rate schedule.

2. For customers who take service at voltage levels of 69 kV or greater, a Monthly Reservation Charge of either a, b, c or d:

   a) $ 1.45 per kW of Contract Standby Capacity for Standby Service customers with alternate supply resources demonstrating an aggregate Capacity Factor of 95% or greater during the billing month.

   b) $ 2.30 per kW of Contract Standby Capacity for Standby Service customers with alternate supply resources demonstrating an aggregate Capacity Factor between 90% - 94.9% during the billing month.

   c) $ 4.11 per kW of Contract Standby Capacity for Standby Service customers with alternate supply resources demonstrating an aggregate Capacity Factor between 80% - 89.9% during the billing month.

   d) Standby Service customers whose alternate supply resource(s) achieved an aggregate capacity factor of less than 80% during a billing month shall be assessed the same charge as set forth in Section VIII.B of this rate schedule.

RATES (cont)

C. Standby Service (cont)

3. Standby Energy Charge:

June – October Billing Cycles (Summer)	November – May Billing Cycles (Winter)
$0.03040 per kWh during On-Peak hours, plus $0.01616 per kWh during Off-Peak hours	$0.02605 per kWh during On-Peak hours, plus $0.01033 per kWh during Off-Peak hours

The charges for Standby Service contained in Section C herein reflect the Company's costs to serve Standby Service loads. For applications where the charges for Standby Service stated herein are not competitive with customer installed standby resource alternatives, the Company may negotiate alternate Monthly Reservation Charges from those contained in this rate schedule; however, the maximum discount allowed shall not be greater than fifty percent (50%) of the Reservation Charges stated herein; however, such discount shall not result in a reservation charge lower than the Company's long run capacity costs associated with this service. No changes to the Standby Energy Charge rate component shall be allowed.

To be eligible for negotiated Monthly Reservation Charges different than those contained herein, the customer must demonstrate to the Company's satisfaction and provide conclusive documentation (e.g., engineering studies, analysis, etc.) that the customer's on-site self-generation resource(s) would be a lower cost option over the life of the equipment than had the customer subscribed to Standby Service from the Company. Notwithstanding the potential competitiveness of the customer's self generation standby facilities, the Company in its sole opinion, shall have the option of not offering any discounts to the otherwise applicable Reservation Charge.

D. Maintenance Service

Maintenance Energy:	$0.02605	per kWh during On-Peak hours, plus
	$0.01033	per kWh during Off-Peak hours

E. Energy Rates

The energy rates in Sections C and D above are based on the Company's estimated marginal costs and will be updated annually to reflect changes in the Company's fuel costs.

DETERMINATION OF SUPPLEMENTAL SERVICE

Supplemental service shall be defined as demand and energy contracted by the customer to augment the power and energy generated by the customer's generation facility.

DETERMINATION OF SUPPLEMENTAL SERVICE (cont)

Supplemental demand shall be the highest 15-minute interval during the billing month which shall equal (a) the 15-minute integrated kW demand calculated for every 15-minute interval as recorded on the Supply Meter, plus (b) the simultaneous 15 minute integrated kW demand as recorded on the Generator Meter(s), less (c) the aggregate Contract Standby Capacity of all the customer's generating units; however, the result shall never be less than zero (0) for purposes of determining Supplemental Demand. If Company authorized scheduled maintenance was being performed on any of the customer's generators at the time of the highest 15 minute interval during the billing month, the amount of demand recorded on the Supply Meter shall be reduced by the applicable Maintenance Power Level (as determined in Section VII hereof) of the generator unit(s) undergoing authorized scheduled maintenance for purposes of calculating supplemental demand used for billing.

The customer's maximum Supplemental Service kW requirements shall not exceed that established in the Electric Supply Agreement.

Supplemental energy shall be equal to all energy supplied to the customer as determined from readings of the Supply Meter, less any energy determined to be either Standby or Maintenance energy as defined in this Schedule.

DETERMINATION OF STANDBY ENERGY

Standby Energy shall be defined to be electric energy supplied by the Company to replace power ordinarily generated by the customer's generation facility during unscheduled full and partial outages of said facility.

When the sum of the energy measured on both the Supply and Generator(s) Meters during simultaneous periods is greater than the maximum energy output of the generator(s) at Contract Standby Capacity, the Standby Energy shall be equal to the summation of the differences between the maximum energy output of the generator(s) at Contract Standby Capacity and the energy measured on the Generator Meter(s) for every 15-minute interval of the month, except when maintenance power is being utilized or those intervals where energy measured on the Supply Meter is zero. When the sum of the energy measured on both the Supply and Generator(s) Meter is equal to or less than the maximum energy output of the generator(s) at Contract Standby Capacity, then the Standby energy shall be that energy measured on the Supply Meter.

DETERMINATION OF MAINTENANCE ENERGY

Maintenance energy shall be defined as energy supplied to the customer to replace energy normally supplied by the customer's generator(s) during an authorized Scheduled Maintenance period.

Maintenance periods shall not exceed 30 days per cogeneration unit during any consecutive 12-month period and must be scheduled during the non-Summer billing months. The customer shall provide the Company with its planned maintenance schedule 12 months in advance of any planned maintenance in order for the Company to coordinate customer's scheduled maintenance with that of the Company. Upon review, the Company shall either approve customer's planned maintenance schedule or notify customer of alternate acceptable periods. The customer, in turn, shall notify the Company of an acceptable alternate maintenance period(s), and shall also confirm with the Company its intention to perform its planned maintenance 45 days prior to the actual commencement date of the planned maintenance period.

Any energy used in excess of a 30-day period or unauthorized maintenance energy shall be billed on either the Standby or Supplemental Rate as specified in this Schedule.

DETERMINATION OF MAINTENANCE ENERGY (cont)

Maintenance energy, during a Company authorized period of scheduled maintenance to a customer's generation unit(s), shall be determined as follows:

Maintenance Power Level = (Contract Standby Capacity) X (Generating Unit(s) Capacity Factor for the most recent 12 months)

The maintenance power level as determined by the above formula shall not exceed any actual 15 minute interval of integrated kW demand as recorded on the supply meter.

If the customer has less than 12 months of billing history on Standby Service, use the capacity factor demonstrated to date; however, not less than one full month.

Maintenance Energy = (Maintenance Power Level) X (hours of maintenance authorized by Company during billing month)

CAPACITY FACTOR STANDARDS

The customer's generating unit(s) must maintain a Capacity Factor of no less than 75% over a continuous rolling 18 month period to remain eligible to receive Standby Service under this rate schedule. The calculation of the Capacity Factor is designed so that the customer shall not be subject to this Capacity Factor Standard provision for any purpose other than substandard operational performance of the customer's generating unit(s) recognizing that the customer's load profile may not require the full output capability of such generation unit(s). If the Capacity Factor falls below 75%, in lieu of the otherwise applicable Reservation Charge for Standby Service, the customer shall be assessed a monthly Reservation Charge the greater of:

A. For customers taking service at voltage levels of less than 69 kV:

1. $ 21.28 per kW/month X 2/3 X Contract Standby Capacity; or

2. $ 21.28 per kW/month X Maximum Standby Capacity
(If customer's system is directly interconnected with the Company's bulk transmission system, the applicable Reservation Charge shall be $ 18.05 per kW per month.)

B. For customers who take service at voltage levels of 69 kV or greater:

1. $ 18.94 per kW/month X 2/3 X Contract Standby Capacity; or

2. $ 18.94 per kW/month X Maximum Standby Capacity
(If customer's system is directly interconnected with the Company's bulk transmission system, the applicable Reservation Charge shall be $ 18.11 per kW per month.)

CAPACITY FACTOR STANDARDS (cont)

Maximum Standby Capacity is the maximum 15-minute interval of Standby Power provided to the customer by the Company during the billing month. Maximum Standby Capacity shall equal the highest 15-minute interval during the billing month of the following calculation:

$$MSC = \Sigma CSC - Maint.$$

Where:

MSC = Maximum 15-minute interval during the billing month of Standby Power (kW) being supplied by Company.

ΣCSC = The aggregate Contract Standby Capacity of all the customer's self-generation units.

Maint = The simultaneous 15-minute interval of any Maintenance Power (kW) being supplied to the customer by the Company.

METERING

The Company will install a Supply Meter at its point of delivery to the customer and a Generator Meter(s) at the point(s) of output from each of the customer's generators. All meters will record integrated demand and energy on the same 15-minute interval basis as specified by the Company.

DEFINITIONS

1. Contract Standby Capacity - for each specific customer generating unit for which the Company is providing Standby Service, Contract Standby Capacity shall be the greater of: a) the measured kW output of each customer self-generation unit at time of start-up test, or b) the highest 15 minute measured kW output of each generating unit, however, not to exceed the customer's actual total load.

2. Generator Meter - the time-of-use meter used to measure in 15-minute intervals the total power and energy output of each cogeneration unit.

3. Designated Standby Service Hours - Customers requiring Standby Service for less than the total hours in a billing month shall be allowed to designate those periods and hours of a month when Standby Service is required. These Designated Standby Service Hours shall represent those hours within a billing month during which the customer is authorized to utilize Standby Service. Use during any period or hours other than Designated Standby Service Hours shall represent an Unauthorized Use of Standby Service subject to certain special provisions for determining the appropriate Capacity Factor value during billing periods when unauthorized Standby Service was utilized. Such hours shall be specified in whole hour intervals beginning on an hour for each designated day of the week. Designated Standby Service Hours shall never total less than 365 hours a billing month. This provision is applicable only to those customers whose Standby Service requirements are less than 3,000 kW.

DEFINITIONS (cont)

4. Capacity Factor - for purposes of this rate schedule, capacity factor shall mean the capacity factor of the customer's generating unit(s) and shall not reflect any period of time during a billing month that Company authorized Maintenance Power was being utilized. The Capacity factor shall be calculated in accordance with the following formula:

$$\text{Capacity Factor} = \frac{\text{Actual customer generated kWh's during the billing month}}{A}$$

For purposes of use in this rate schedule, the value of the capacity factor calculation shall never exceed 100%.

Where:

A = The lesser of: a) [(Contract Standby Capacity) X (MH)]; or
b) CTL

For customers having Standby Service Requirements of 3,000 kW or greater:

MH = Hours in the billing month exclusive of any hours during the billing month that the customer's unit(s) were non-operational during Company authorized scheduled maintenance.

CTL = The customer's maximum total load during the billing month as determined by the total energy generated on customer's generating unit as recorded on the Generator Meter plus all energy provided by Company during the billing month (exclusive of maintenance energy) as recorded on the Supply Meter.

For customers having Standby Service Requirements of less than 3,000 kW:

MH = The number of Designated Standby Service Hours in the billing month, exclusive of any hours during the billing month that customer's unit(s) were non-operational during Company authorized scheduled maintenance, for which the customer has contracted for Standby Service (but not less than 365 hours per billing month).

In the event the customer utilizes Standby Service in any period other than during Designated Standby Service Hours, MH shall be represented as the actual number of hours in the billing month (exclusive of any hours during which the customer was receiving Company authorized scheduled Maintenance Energy).

Furthermore, in the event there are more than two (2) instances in any 12 month rolling period of Unauthorized Use of Standby Service, MH shall be represented as the actual number of hours in the billing month (exclusive of any hours during which the customer was receiving Company authorized scheduled Maintenance Energy) for the month during which the third breach of service occurred, and for the next three months thereafter. At the end of any three month period, a new twelve (12) month rolling period shall commence for determining the number of instances of Unauthorized Use.

DEFINITIONS (cont)

4. Capacity Factor (cont)

CTL = Customer's maximum total load during the billing month during the Designated Standby Service Hours for which the customer has contracted for Standby Service (but not less than 365 hours per month).as determined by the total of energy generated on the customer's generating unit as recorded on the Generator Meter plus all energy provided by the Company during the billing month (exclusive of maintenance energy) as recorded on the Supply Meter.

CTL shall represent the customer's maximum total load during the hours in the billing month for which use of Standby Service has been authorized as set forth in the definition of Designated Standby Service Hours. CTL shall be calculated by first adding the maximum simultaneous 15-minute kW peak periods as recorded on the Supply Meter and Generator Meter(s) during authorized periods of Standby Service the sum of which is then multiplied by MH.

In the event the customer utilizes Standby Service during any period of a billing month other than those authorized, CTL shall represent the customer's maximum total load (peak demand) during the billing month calculated as the sum of the maximum simultaneous 15-minute kW peak period during the billing period recorded on the Supply Meter and the Generator Meter(s) during all hours of the billing month. CTL shall be similarly calculated for any other months during which the provision for breach of service explained in the definition of MH above is being assessed.

CTL shall only be used for calculating Capacity Factor in those months where the customer's maximum kW load is less than total Contract Standby Capacity.

5. Supply Meter - the time-of-use meter used to measure in 15-minute intervals the total power and energy supplied by Company to Customer.

6. Time Periods - On-Peak Period: 9 a.m. - 9 p.m. Monday through Friday
Off-Peak Period: All Other Hours

Mountain Standard Time shall be used in the application of this rate schedule. In addition, to prevent radical changes in the system loads the beginning and ending hours for individual customers may be varied by up to one hour (total hours in each time period to remain unchanged) and because of potential differences of the timing devices, there may be a variation of up to 15 minutes in timing for the pricing periods.

7. Unauthorized Use - any period or hour of the month that the customer utilized Standby Service other than Designated Standby Service Hours.

CHANGE IN DESIGNATED STANDBY SERVICE HOURS

Customers for which Designated Standby Service Hours are applicable shall be allowed no more than one (1) change in their Designated Standby Service Hours during any eighteen (18) month time period. In no event shall the total of Designated Standby Service Hours during a month fall below 365 hours.

ADJUSTMENTS

1. The Environmental Portfolio Surcharge shall be applied to every retail electric service as set forth in the Company's Rate Schedule EPS-1.

2. The bill is subject to the Power Supply Adjustment factor as set forth in the Company's Rate Schedule PSA-1 pursuant to Arizona Corporation Commission Decision No. 67744.

3. The bill is subject to the Transmission Cost Adjustment factor as set forth in the Company's Rate Schedule TCA-1 pursuant to Arizona Corporation Commission Decision No. 67744.

4. The bill is subject to the Competition Rules Compliance Charge as set forth in the Company's Rate Schedule CRCC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

5. Direct Access customers returning to Standard Offer service may be subject to a Returning Customer Direct Access Charge as set forth in the Company's Rate Schedule RCDAC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

6. The bill is subject to the Demand Side Management Adjustment charge as set forth in the Company's Rate Schedule DSMAC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

7. The bill is subject to the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of APS and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

TERMINATION PROVISION

Should the customer cease to operate his cogeneration unit(s) for 60 consecutive days during periods other than planned scheduled maintenance periods, the Company reserves the option to terminate the Agreement for service under this rate schedule with the customer.

CONTRACT PERIOD

Any applicable contract period will be set forth in the Electric Supply Agreement between the Company and the customer.

TERMS AND CONDITIONS

Service under this rate schedule is subject to the Company's Schedule 1, Terms and Conditions for Standard Offer and Direct Access Services, which contains provisions that may affect the customer's bill. In addition, service may be subject to special terms and conditions as provided for in a customer contract or service agreement.

The customer must enter into an Agreement for the Interconnection and The Sale of Power with Company and an Electric Supply Agreement which shall establish all pertinent details related to interconnection and other required service standards. The customer will not have the option to sell power and energy to the Company under this tariff. Should the customer desire to do so, the customer would be required to enter into a new Service Agreement which would set forth the applicable purchase rate in addition terms and conditions for interconnection and for the sale of power to the Company.

TERMS AND CONDITIONS (cont)

The customer will be required to contract for adequate standby power to cover the total output of all the customer's generators unless adequate facilities have been installed, to the satisfaction of APS, that isolate portions of the customer's load from APS' system so that APS will in no event be providing standby service in excess of Contracted Standby Capacity.

AVAILABILITY

This rate schedule is available in those portions of cities, towns and unincorporated communities in which Company does a general retail electric business and where Company has installed a multiple or series street lighting system of adequate capacity for the service to be rendered.

APPLICATION

This rate schedule is applicable to service for lighting public streets, alleys, thoroughfares, public parks and playgrounds from dusk to dawn by use of Company's facilities where such service for the entire area is contracted for from the Company by the city, town, other governmental agencies, or a responsible individual for unincorporated communities. Dusk is defined as the time between sunset and full night when a photocontrol senses the lack of sufficient sunlight and turns on the lights. Dawn is defined as the time between full night and sunrise when a photocontrol senses sufficient sunlight to turn off lights.

RATES

The bill shall be computed at the following rates for each type of standard facility and/or service utilized to provide street lighting, plus any adjustments incorporated in this schedule:

I. FIXTURES (Includes Mounting Arm, if Applicable)

				RATES	
	Lumen	Watts	kWh	Investment by Company	Investment by Others
A. Acorn	9,500 HPS	100	41	$19.86	$6.76
	16,000 HPS	150	69	22.04	8.55
B. Architectural	9,500 HPS	100	41	11.28	5.38
	16,000 HPS	150	69	13.18	7.20
	30,000 HPS	250	99	15.64	9.25
	50,000 HPS	400	153	19.29	13.30
	14,000 MH	175	72	15.79	8.65
	21,000 MH	250	101	17.92	10.67
	36,000 MH	400	159	22.41	14.67
	8,000 LPS	55	30	16.40	7.20
	13,500 LPS	90	50	19.34	8.69
	22,500 LPS	135	72	22.09	10.60
	33,000 LPS	180	90	26.58	12.49
C. Cobra/Roadway	5,800 HPS	70	29	6.41	3.79
	9,500 HPS	100	41	7.54	4.64
	16,000 HPS	150	69	9.45	6.47
	30,000 HPS	250	99	11.39	8.41
	50,000 HPS	400	153	15.45	12.01

I. FIXTURES (Includes Mounting Arm, if Applicable) (cont):

					RATES	
		Lumen	Watts	kWh	Investment by Company	Investment By Others
C. Cobra/Roadway (cont.)		14,000 MH	175	72	$10.98	$7.49
		21,000 MH	250	101	12.84	9.31
		36,000 MH	400	159	16.90	12.94
		8,000 FL	100	38	12.62	3.70
D. Decorative Transit		9,500 HPS	100	41	27.22	8.15
		30,000 HPS	250	99	31.16	11.76
E. Flood		30,000 HPS	250	99	15.12	9.40
		50,000 HPS	400	153	18.75	13.04
		21,000 MH	250	101	16.14	9.93
		36,000 MH	400	159	19.68	13.47
F. Post Top	Colonial Gray	8,000 FL	100	38	13.60	3.84
		9,500 HPS	100	41	7.78	4.88
	Colonial Black	9,500 HPS	100	41	8.96	5.05
	Decorative Transit	9,500 HPS	100	41	23.83	7.51
G. FROZEN		4,000 INC	295	103	7.18	7.49
		~~7,000 MV~~	~~175~~	~~73~~	~~9.30~~	5.33
		~~11,000 MV~~	~~250~~	~~96~~	~~11.65~~	7.10
		~~20,000 MV~~	~~400~~	~~150~~	~~18.29~~	10.36

FROZEN

NOTES:

1. Investment by Company. These rates are applicable where the Company provides the initial investment to purchase and install all facilities necessary for street lighting service. The Company will own, operate, and maintain the street lighting system.
2. Investment by Others. These rates are applicable in those instances where the requesting entity or individual purchases and installs the street lighting facilities at their own expense and in accordance with Company specifications. These rates will also apply in the instance where the customer provides a non-refundable advance to the Company to cover the Company's cost of purchasing and installing the street lighting system. The Company retains ownership of the street lighting system and provides operation and maintenance for all facilities.
3. Listed kWhs reflect the assigned monthly energy usage for each type of fixture and are used to determine any applicable transmission, system benefit, distribution, energy and adjustment charges.
4. HPS = High Pressure Sodium
5. MH = Metal Halide
6. LPS = Low Pressure Sodium
7. FL = Fluorescent
8. INC = Incandescent. Incandescent lighting charges are applicable and available only to those customers being served and those installations in service on November 1, 1986.
9. MV = Mercury Vapor. Mercury Vapor lighting charges are applicable and available only to those customers being served and those installation in service on November 1, 1986 in accordance with A.R.S. §49-1104(A).

II. POLES

				RATES	
			Height	Investment by Company	Investment By Others
A. Anchor Base Mounted (Flush)	Round Steel	1 Simplex Adapter	12 ft.	$8.93	$1.23
			22 ft.	10.05	1.38
			25 ft.	10.88	1.50
			30 ft.	12.50	1.72
			32 ft.	13.13	1.74
		2 Simplex Adapters	12 ft.	9.52	1.31
			22 ft.	10.94	1.51
			25 ft.	11.41	1.57
			30 ft.	13.26	1.83
			32 ft.	14.15	1.95
	Square Steel	5"	13 ft.	10.24	1.41
			15 ft.	9.15	1.26
			23 ft.	10.85	1.49
			25 ft.	11.93	1.64
			28 ft.	13.24	1.82
			32 ft.	13.17	1.81
	Concrete		12 ft.	30.51	4.20
	Fiberglass		12 ft.	25.84	3.56
	Decorative Transit Pedestrian	4"	16 ft.	25.19	3.47
	Decorative Transit	6"	30 ft.	48.64	6.70
B. Anchor Base Mounted (Pedestal)	Round Steel	1 Simplex Adapter	12 ft.	8.59	1.18
			22 ft.	9.71	1.34
			25 ft.	10.53	1.45
			30 ft.	12.16	1.68
			32 ft.	12.78	1.76
		2 Simplex Adapters	12 ft.	9.18	1.26
			22 ft.	10.25	1.41
			25 ft.	11.07	1.52
			30 ft.	12.92	1.78
			32 ft.	13.80	1.90
		3 Bolt Arm	32 ft.	15.86	2.18
	Square Steel	5"	13 ft.	9.90	1.36
			15 ft.	10.13	1.39
			23 ft.	10.51	1.45
			25 ft.	11.59	1.60
			28 ft.	12.89	1.78
			32 ft.	13.38	1.84

II POLES (cont)

				RATES	
			Height	Investment by Company	Investment By Others
C. Direct Bury	Round Steel		19 ft.	13.52	1.86
			30 ft.	10.55	1.95
			38 ft.	12.88	2.00
		Self Support	40 ft.	15.86	2.51
		Stepped	49 ft.	47.69	6.57
	Square Steel	4"	34 ft.	11.65	2.02
		5"	20 ft.	11.06	1.83
			30 ft.	11.52	1.90
			38 ft.	12.51	2.17
	Steel Distribution Pole (for lighting only)		35 ft.	17.27	2.28
D. Post Top	Decorative Transit Anchor Base		16 ft.	25.73	3.54
	Gray Steel/Fiberglass		23 ft.	8.92	1.47
	Black Steel		23 ft.	9.84	1.62
E. Existing distribution pole suitable for streetlight use				1.09	

F. FROZEN	~~Wood Poles~~		~~30 ft.~~	~~6.56~~	1.14
			~~35 ft.~~	~~6.56~~	1.09

FROZEN

NOTE: The monthly rate for all new poles includes up to 300 feet of overhead secondary wire, or up to 300 feet of underground secondary wire if the customer provides earthwork and conduit (excluding the underground to overhead transition).

III. ANCHOR BASE

			RATES	
		Height	Investment by Company	Investment By Others
A. Flush		4 ft.	$7.27	$1.00
		6 ft.	8.67	1.50
B. Pedestal		8 ft.	9.94	1.73
	For 32' Round Steel Pole only	4 ft. 6"	6.89	1.20

IV. CHARGES FOR OPTIONAL OR ADDITIONAL EQUIPMENT

	RATES
	Company Owned
Underground Circuit Charges:	
~~a. Per foot of cable, installed under paving~~	0.11532
~~b. Per foot of cable, not installed under paving~~	0.04101

FROZEN

ADJUSTMENTS

1. The Environmental Portfolio Surcharge shall be applied to every retail electric service as set forth in the Company's Rate Schedule EPS-1.

2. The bill is subject to the Power Supply Adjustment factor as set forth in the Company's Rate Schedule PSA-1 pursuant to Arizona Corporation Commission Decision No. 67744.

3. The bill is subject to the Transmission Cost Adjustment factor as set forth in the Company's Rate Schedule TCA-1 pursuant to Arizona Corporation Commission Decision No. 67744.

4. The bill is subject to the Competition Rules Compliance Charge as set forth in the Company's Rate Schedule CRCC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

5. Direct Access customers returning to Standard Offer service may be subject to a Returning Customer Direct Access Charge as set forth in the Company's Rate Schedule RCDAC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

6. The bill is subject to the Demand Side Management Adjustment charge as set forth in the Company's Rate Schedule DSMAC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

7. The bill is subject to the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of APS and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

SPECIAL PROVISIONS

1. Street lighting facilities installed under this rate schedule are of the type currently being furnished by Company as standard at the time service is initially requested. Standard facilities are those listed in the Company's Transmission and Distribution Construction Standards book.

2. The Company cannot guarantee that streetlighting facilities will always operate as intended. Therefore, the customer will be responsible for notifying the Company when the streetlighting facilities are not operating as intended. The Company will use reasonable efforts to complete normal maintenance (replacement of lamps, photocontrols or fixtures) within ten (10) working days from notification by customer; however, if the maintenance requires cable replacement or repairs, the Company shall use reasonable efforts to complete said repairs within twenty (20) working days.

3. The customer's bill will not be reduced due to lamp, photocontrol or cable repair or replacement outages.

NON-STANDARD FACILITIES

Non-standard facilities (non-standard being defined as any facility not listed in the Company's Transmission and Distribution Construction Standards book) do not qualify for this rate schedule. At the Company's discretion, such facilities may be served under another of the Company's rate schedules.

EXTENSION OF STREET LIGHTING SYSTEM

The Company will extend its standard street lighting system up to a distance of 300 feet for each additional lighting installation without cost at the request of the customer. When the extension is underground the customer will provide earthwork as specified in Section 6.1.2 of the Company's Schedule 3, Conditions Governing Extensions of Electric Distribution Lines and Services; or, at the customer's request, the Company will provide such earthwork for a contribution in aid of construction equal to the cost of such earthwork. Any additional extension required (over and above the first 300 feet) will be provided by Company for a contribution in aid of construction equal to the cost of the additional extension.

Extensions to isolated areas requiring a substantial extension of the electric distribution system, as opposed to an extension of the street lighting system, will require a special study to determine the terms and conditions under which the Company will undertake such an extension.

TERMS AND CONDITIONS

Service under this rate schedule is subject to the Company's Schedule 1, Terms and Conditions for Standard Offer and Direct Access Services and the Company's Schedule 10, Terms and Conditions for Direct Access. These schedules have provisions that may affect the customer's bill. In addition, service may be subject to special terms and conditions as provided for in a customer contract or service agreement.

RATE SCHEDULE E-59
CLASSIFIED SERVICE
GOVERNMENT OWNED STREET LIGHTING SYSTEMS

AVAILABILITY

This rate schedule is available in those portions of cities, towns and unincorporated communities in which the Company does a general retail electric business and where the customer has installed or purchased a multiple or series street lighting system and the Company has distribution facilities of adequate capacity for the service to be rendered.

APPLICATION

This rate schedule is applicable to Standard Offer electric service for lighting public streets, alleys, thoroughfares, public parks and playgrounds from dusk to dawn by use of the customer's facilities where such service for the whole area is contracted for from the Company pursuant to the terms set forth herein by the city, town, other governmental entities, or a responsible individual for unincorporated communities. Dusk is defined as the time between sunset and full night when a photocontrol senses the lack of sufficient sunlight and turns on the lights. Dawn is defined as the time between full night and sunrise when a photocontrol senses sufficient sunlight to turn off lights.

The customer will own, operate, and maintain the street lighting system including lamps and glass replacements but excluding distribution facilities installed by the Company to serve the lighting system.

RATES

The bill shall be computed at the following rates plus any adjustments incorporated in this schedule:

Service Charge:	$2.46	per installed lamp
Energy Charge:	$0.04656	per kWh

ADJUSTMENTS

1. The Environmental Portfolio Surcharge shall be applied to every retail electric service as set forth in the Company's Rate Schedule EPS-1.

2. The bill is subject to the Power Supply Adjustment factor as set forth in the Company's Rate Schedule PSA-1 pursuant to Arizona Corporation Commission Decision No. 67744.

3. The bill is subject to the Transmission Cost Adjustment factor as set forth in the Company's Rate Schedule TCA-1 pursuant to Arizona Corporation Commission Decision No. 67744.

4. The bill is subject to the Competition Rules Compliance Charge as set forth in the Company's Rate Schedule CRCC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

5. Direct Access customers returning to Standard Offer service may be subject to a Returning Customer Direct Access Charge as set forth in the Company's Rate Schedule RCDAC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

6. The bill is subject to the Demand Side Management Adjustment charge as set forth in the Company's Rate Schedule DSMAC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

ADJUSTMENTS (cont)

7. The bill is subject to the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of APS and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

SPECIAL PROVISIONS

1. Billed energy is based upon the summation of the contracted energy rating of installed facilities specified in the streetlighting contract.

2. The customer's bill will not be reduced due to lamp, photocontrol or cable repair or replacement outages.

3. Presently installed units which do not conform to the types specified in Rate Schedule E-58 will be billed in accordance with the type which is most nearly like such units.

EXTENSION OF COMPANY DISTRIBUTION SYSTEM

The Company will extend its standard street lighting system up to a distance of 300 feet for each additional lighting installation without cost at the request of the customer. When the extension is underground the customer will provide earthwork as specified in Section 6.1.2 of the Company's Schedule 3, Conditions Governing Extensions of Electric Distribution Lines and Services; or, at the customer's request, the Company will provide such earthwork for a contribution in aid of construction equal to the cost of such earthwork. Any additional extension required (over and above the first 300 feet) will be provided by Company for a contribution in aid of construction equal to the cost of the additional extension.

Extensions to isolated areas requiring a substantial extension of the electric distribution system, as opposed to an extension of the street lighting system, will require a special study to determine the terms and conditions under which the Company will undertake such an extension.

CONTRACT PERIOD

The contract period for service under this rate schedule shall be a fixed period of not less than 1 year and not more than 20 years, as agreed to by the customer and as specified in the streetlighting contract.

TERMS AND CONDITIONS

Service under this rate schedule is subject to the Company's Schedule 1, Terms and Conditions for Standard Offer and Direct Access Services and the Company's Schedule 10, Terms and Conditions for Direct Access. These schedules have provisions that may affect the customer's bill. In addition, service may be subject to special terms and conditions as provided for in a customer contract or service agreement.

RATE SCHEDULE E-66
CLASSIFIED SERVICE – SHARE THE LIGHT
LITCHFIELD PARK STREET LIGHTING

FROZEN

AVAILABILITY

This rate schedule is available only in the Town of Litchfield Park.

APPLICATION

This rate schedule is applicable to electric service billed under Rate Schedule E-58. All provisions of Rate Schedule E-58 will apply except as specifically modified herein.

Service under this rate schedule is limited to those street lights installed prior to April 8, 1980. The Company is not obligated to install new light fixtures, poles or distribution circuits, but will continue to maintain and operate those installed prior to April 8, 1980 only while maintenance and replacement materials are available from Company stock or until this rate schedule is cancelled, whichever comes first; provided, however, under no circumstances shall poles be relocated. Interfering poles shall only be removed. The Company is authorized to collect from the sponsoring entity, any and all unpaid bills for street lighting service.

THE STREET LIGHTING SYSTEM

The Company has installed at its own expense, a street lighting system as prescribed by Litchfield Park Properties, a subsidiary of Goodyear Tire & Rubber Company.

The Company agrees to submit all requests for increases or decreases in number or size of lamps, change in location, or like matters, for each subdivision, to Litchfield Park Properties for approval before any action is taken by the Company.

RATES

Customers to be assessed for street lighting shall include all customers of Arizona Public Service Company located within the following subdivisions or geographic areas:

1. Geographic Area Number 1 described as:

   E 1/2 of the SE 1/4 of the NE 1/4, Section 21, T 2 N, R 1 W, the E 1/2 of the SE 1/4, Section 21, T 2 N, R 1 W; the SW 1/4, Section 22, T 2 N, R 1 W; the N 1/2 of the NW 1/4, Section 27, T 2 N, R 1 W and the N 1/2 of the NE 1/4, Section 28, T2 N, R 1 W, except area within Litchfield Park Subdivision #10, all in Township 2 north, Range 1 West.

2. Litchfield Park Subdivision #10.

3. Litchfield Park Subdivision #12.

Each of the above subdivisions or geographic areas is, for rate purposes, to be considered as a separate Street Lighting Area.

The following method is to be used to compute the individual residential and commercial street lighting monthly charge, for each subdivision or geographic area.

RATES (cont)

The monthly charge for street lighting for each subdivision or geographic area with street lighting is to be divided by a figure equal to the total number of residential customers for the month, plus six times the total number of commercial and industrial customers. The assessment is to be adjusted to the nearest cent. Each subdivision or geographic area residential customer is to be assessed the amount of the individual assessment as determined by the above method. Each subdivision or geographic area commercial or industrial customer is to be assessed six times the amount of the individual assessment as determined by the above method. The above assessment will be added to the customer's monthly bill for service.

One meter in each business house is to be counted as a commercial or industrial customer and one meter in each residence as a residential customer, regardless of the number of meters installed on the customer's premises to serve any such commercial, industrial or residential customer.

TERMS AND CONDITIONS

Service under this rate schedule is subject to the Company's Schedule 1, Terms and Conditions for Standard Offer and Direct Access Services and the Company's Schedule 10, Terms and Conditions for Direct Access. These schedules have provisions that may affect the customer's bill. In addition, service may be subject to special terms and conditions as provided for in a customer contract or service agreement.

FROZEN

RATE SCHEDULE E-67
CLASSIFIED SERVICE
MUNICIPAL LIGHTING SERVICE – CITY OF PHOENIX

AVAILABILITY

This rate schedule is available within the City of Phoenix at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the sites served.

APPLICATION

This rate schedule is applicable to Standard Offer electric service furnished for the lighting of alleys, buildings, and other public places owned or maintained by the City. Streetlighting service is not eligible for this schedule. Service to traffic signals is limited to those installations being served as of January 31, 1985, under the Agreement of April 4, 1930, as modified, between Central Arizona Light and Power Company and the City of Phoenix, and no new or reconnected traffic signal installations may be served after that time. Service must be supplied at one site through one point of delivery and measured through one meter. Direct Access service is not available under this rate schedule.

This schedule is not applicable to breakdown, standby, supplemental, or resale service.

TYPE OF SERVICE

The type of service provided under this schedule will be single or three phase, 60 Hertz, at one standard voltage (as may be selected by customer, subject to availability at the customer's site).

RATES

The bill shall be computed at the following rate plus any adjustments incorporated in this schedule:

Energy Charge:	$ 0.03654	per kWh

ADJUSTMENTS

1. The Environmental Portfolio Surcharge shall be applied to every retail electric service as set forth in the Company's Rate Schedule EPS-1.

2. The bill is subject to the Power Supply Adjustment factor as set forth in the Company's Rate Schedule PSA-1 pursuant to Arizona Corporation Commission Decision No. 67744.

3. The bill is subject to the Transmission Cost Adjustment factor as set forth in the Company's Rate Schedule TCA-1 pursuant to Arizona Corporation Commission Decision No. 67744.

4. The bill is subject to the Competition Rules Compliance Charge as set forth in the Company's Rate Schedule CRCC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

5. Direct Access customers returning to Standard Offer service may be subject to a Returning Customer Direct Access Charge as set forth in the Company's Rate Schedule RCDAC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

6. The bill is subject to the Demand Side Management Adjustment charge as set forth in the Company's Rate Schedule DSMAC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

ADJUSTMENTS (cont)

7. The bill is subject to the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of APS and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

TERMS AND CONDITIONS

Service under this rate schedule is subject to the Company's Schedule 1, Terms and Conditions for Standard Offer and Direct Access Services, which contains provisions that may affect the customer's bill. In addition, service may be subject to special terms and conditions as provided for in a customer contract or service agreement.

RATE SCHEDULE E-114
CLASSIFIED SERVICE – SHARE THE LIGHT
LOWER MIAMI AND CLAYPOOL STREET LIGHTING

FROZEN

AVAILABILITY

This rate schedule is available only in the area now known as Claypool and Lower Miami near Miami.

APPLICATION

This rate schedule is applicable to electric service billed under Rate Schedule E-58. All provisions of Rate Schedule E-58 will apply except as specifically modified herein.

Service under this rate schedule is limited to those street lights installed prior to April 8, 1980. The Company is not obligated to install new light fixtures, poles or distribution circuits, but will continue to maintain and operate those installed prior to April 8, 1980 only while maintenance and replacement materials are available from Company stock or until this rate schedule is cancelled, whichever comes first, provided, however, under no circumstances shall poles be relocated. Interfering poles shall only be removed. The Company is authorized to collect from the sponsoring entity any and all unpaid bills for street lighting service.

THE STREET LIGHTING SYSTEM

The Company has installed, at its own expense, a street lighting system as prescribed by the Tri-City Fire Department.

The Company agrees to submit all requests for increases or decreases in number or size of lamps, change in location, or like matters regarding Claypool and Lower Miami street lights to the Tri-City Fire Department for approval before any action is taken by the Company.

BILLING

Customers to be assessed for street lighting shall include all customers of Arizona Public Service Company located within the area now known as Claypool and Lower Miami comprising the following area: The NW 1/4 of Section 29; the NE 1/4, SW 1/4 of Section 29; the North half of NE 1/4, Section 29; the SE 1/4, SW 1/4, Section 20; the South half of SE 1/4, Section 20, the SW 1/4, SW 1/4 of Section 21; the East half of SW 1/4 of Section 21; the NW 1/4, NW 1/4, Section 28; all of Township 1 North, Range 15 East, of the G & SRB & M.

The monthly charge for street lighting is to be divided by a figure equal to the total number of residential customers for the month, plus three times the total number of commercial and industrial customers. The assessment is to be adjusted to the nearest cent. Each Claypool and Lower Miami residential customer is to be assessed the amount of the individual assessment as determined by the above method. Each Claypool and Lower Miami commercial and industrial customer is to be assessed three times the amount of individual assessment as determined by the above method. The above assessment will be added to the customer's monthly bill for service.

Only one meter in each business house is to be counted as a commercial or industrial customer and one meter in each residence as a residential customer, regardless of the number of meters installed on the customer's premises to serve any such commercial, industrial or residential customer.

TERMS AND CONDITIONS

Service under this rate schedule is subject to the Company's Schedule 1, Terms and Conditions for Standard Offer and Direct Access Services and the Company's Schedule 10, Terms and Conditions for Direct Access. These schedules have provisions that may affect the customer's bill. In addition, service may be subject to special terms and conditions as provided for in a customer contract or service agreement.

RATE SCHEDULE E-116
CLASSIFIED SERVICE – SHARE THE LIGHT
CENTRAL HEIGHTS AND COUNTRY CLUB MANOR
STREET LIGHTING

FROZEN

AVAILABILITY

This rate schedule is available only in the area now known as Central Heights and Country Club Manor near Miami.

APPLICATION

This rate schedule is applicable to electric service billed under Rate Schedule E-58. All provisions of Rate Schedule E-58 will apply except as specifically modified herein.

Service under this rate schedule is limited to those streetlights installed prior to April 8, 1980. The Company is not obligated to install new light fixtures, poles or distribution circuits, but will continue to maintain and operate those installed prior to April 8, 1980 only while maintenance and replacement materials are available from Company stock or until this rate schedule is cancelled, whichever comes first, provided, however, under no circumstances shall poles be relocated. Interfering poles shall only be removed. The Company is authorized to collect from the sponsoring entity, any and all unpaid bills for street lighting service.

THE STREET LIGHTING SYSTEM

The Company has installed, at its own expense, a street lighting system as prescribed by the Central Heights Fire Department.

The Company agrees to submit all requests for increases or decreases in number or size of lamps, change in location, or like matters regarding Central Heights street lights to the Central Heights Fire Department for approval before any action is taken by the Company.

BILLING

Customers to be assessed for street lighting shall include all customers of Arizona Public Service Company located within the area now know as Central Heights, consisting of the SE 1/4 of Section 22, S 1/2 of NE 1/4 of Section 22 and the E 1/2 of SW 1/4 of Section 22, Township 1, Range 15 E., G & SRB & M and within the area now known as County Club Manor, consisting of the entire S 1/2 of the NW 1/4 of Section 22, Township 1 N, Range 15 E., G & SRB & M.

The monthly charge for street lighting is to be divided by a figure equal to the total number of residential, commercial and industrial customers. The assessment is to be adjusted to the nearest cent. Each Central Heights and Country Club Manor residential, commercial and industrial customer will be assessed a like amount as determined by the above described method. The above assessment will be added to the customer's monthly bill for service.

Only one meter in each residence or business house is to be counted as a residential, commercial or industrial customer regardless of the number of meters installed on the customer's premises to serve any such residential, commercial or industrial customer.

TERMS AND CONDITIONS

Service under this rate schedule is subject to the Company's Schedule 1, Terms and Conditions for Standard Offer and Direct Access Services and the Company's Schedule 10, Terms and Conditions for Direct Access. These schedules have provisions that may affect the customer's bill. In addition, service may be subject to special terms and conditions as provided for in a customer contract or service agreement.

RATE SCHEDULE E-145
CLASSIFIED SERVICE – SHARE THE LIGHT
AJO HEIGHTS STREET LIGHTING

FROZEN

AVAILABILITY

This rate schedule is available in the area now known as Ajo Heights near Ajo.

APPLICATION

This rate schedule is applicable to electric service billed under Rate Schedule E-58. All provisions of Rate Schedule E-58 will apply except as specifically modified herein.

Service under this rate schedule is limited to those streetlights installed prior to April 8, 1980. The Company is not obligated to install new light fixtures, poles or distribution circuits, but will continue to maintain and operate those installed prior to April 8, 1980 only while maintenance and replacement materials are available from Company stock or until this rate schedule is cancelled, whichever comes first, provided, however, under no circumstances shall poles be relocated. Interfering poles shall only be removed. The Company is authorized to collect from the sponsoring entity, any and all unpaid bills for street lighting service.

THE STREET LIGHTING SYSTEM

The Company has installed, at its own expense, a street lighting system as prescribed by the Ajo Heights Chamber of Commerce.

The Company agrees to submit all requests for increases or decreases in number or size of lamps, change in location, or like matters regarding Ajo Heights street lights to the Ajo Heights Chamber of Commerce for approval before any action is taken by the Company.

BILLING

For purposes of assessment, each Ajo Heights commercial or industrial customer is to be considered equivalent to six Ajo Heights residential customers. Ajo Heights customers to be assessed for street lighting shall include all residential, commercial, or industrial customers of the Company located within the following area:

The area known as Ajo Heights consisting of Section 10; the NW Quarter, the NE Quarter, and the SW Quarter of Section 15; the NW Quarter of the SE Quarter of Section 15; the West 450 feet of the SW Quarter of the SE Quarter of Section 15; the NW Quarter of Section 22; and the NW Quarter of the NW Quarter of Section 14; all located in T 12 S, R 6 W of the G & SRB & M.

The monthly charge for street lighting is to be divided by a figure equal to the total number of residential customers for the month, plus six times the number of commercial customers. This assessment is to be adjusted to the nearest cent. Each Ajo Heights residential customer is to be assessed the amount of the individual assessment as determined by the above method. Each Ajo Heights commercial customer is to be assessed six times the amount of the individual assessment as determined by the above method. The above assessment will be added to the customer's bill for service.

Only one meter in each business house is to be counted as a commercial customer and one meter in each residence as a residential customer, regardless of the number of meters installed on the customer's premises to serve any such commercial or residential customer.

TERMS AND CONDITIONS

Service under this rate schedule is subject to the Company's Schedule 1, Terms and Conditions for Standard Offer and Direct Access Services and the Company's Schedule 10, Terms and Conditions for Direct Access. These schedules have provisions that may affect the customer's bill. In addition, service may be subject to special terms and conditions as provided for in a customer contract or service agreement.

AVAILABILITY

This rate schedule is available in all territory served by the Company at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the sites served.

APPLICATION

This rate schedule is applicable to Standard Offer electric service required for irrigation pumping or for water utilities for pumping potable water to serve the citizens of a city, town, or unincorporated community. Service must be supplied at one point of delivery and measured through one meter. Direct Access customers are not eligible for service under this schedule.

Rate selection is subject to paragraphs 3.2 and 3.3 of the Company's Schedule 1, Terms and Conditions for Standard Offer and Direct Access Services.

This schedule is not applicable to breakdown, standby, supplemental, residential or resale service.

TYPE OF SERVICE

The type of service provided under this schedule will be single or three phase, 60 Hertz, at one standard voltage as may be selected by customer subject to availability at the customer's site.

RATES

The bill shall be computed at the following rates or minimum rates, whichever is greater, plus any adjustments incorporated in this schedule:

Basic Service Charge:	$ 0.493	per day
Demand Charge:	$ 1.66	per kW
Energy Charge:	$ 0.09726	per kWh for the first 240 kWh, plus
	$ 0.06612	per kWh for the next 275 kWh per kW, plus
	$ 0.05429	per kWh for all additional kWh

OPTIONAL TIME-OF-WEEK PROVISION

AVAILABILITY

The Time-Of-Week option is available to all customers eligible for Rate Schedule E-221. The customer must enter into an Electric Supply Agreement with the Company stating the customer's assigned Control Period. The type of equipment required to provide and measure time-of-week service is non-standard; therefore availability is limited and the Company cannot guarantee installation of the equipment within any specific time.

CONTROL PERIOD

The Control Period is the thirteen (13) hour period from 9 a.m. to 10 p.m. for one day during the week (Monday through Friday). The specific day of the Control Period will be mutually agreed upon by the Company and the customer and will be set forth in the Electric Supply Agreement.

RATES (cont)

OPTIONAL TIME-OF-WEEK PROVISIONS (cont)

RATE

The bill for customers on the Time-Of-Week option will be adjusted in the following manner:

When measured kWh during the specified Control Period is:	The following will be applied to the bill (before any adjustments, taxes or assessments)
1. 2 kWh per kW or less	($0.00693) per kWh for all kWh
2. Greater than 2 kWh per kW but less than or equal to 8 kWh per kW	No adjustment
3. Greater than 8 kWh per KW	$0.00347 per kWh for all kWh

MINIMUM

The bill for service under this rate schedule will not be less than $0.493 per day plus $1.66 for each kW of the highest kW established during the 12 months ending with the current month, or the minimum kW specified in the Electric Service Agreement, whichever is greater. However, such monthly minimum charge shall not be more than an amount sufficient to make the total charges for such 12 months equal to $19.92 for each of such highest kW plus $180.00, but in no instance more than the monthly minimum amount as computed above.

DETERMINATION OF KW

For billing purposes, the kW used in this rate schedule shall be based on the average kW supplied during the 15-minute period of maximum use during the month, as determined from readings of the Company's meter, or at the Company's option, by test.

ADJUSTMENTS

1. The Environmental Portfolio Surcharge shall be applied to every retail electric service as set forth in the Company's Rate Schedule EPS-1.

2. The bill is subject to the Power Supply Adjustment factor as set forth in the Company's Rate Schedule PSA-1 pursuant to Arizona Corporation Commission Decision No. 67744.

3. The bill is subject to the Transmission Cost Adjustment factor as set forth in the Company's Rate Schedule TCA-1 pursuant to Arizona Corporation Commission Decision No. 67744.

4. The bill is subject to the Competition Rules Compliance Charge as set forth in the Company's Rate Schedule CRCC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

5. Direct Access customers returning to Standard Offer service may be subject to a Returning Customer Direct Access Charge as set forth in the Company's Rate Schedule RCDAC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

ADJUSTMENTS (cont)

6. The bill is subject to the Demand Side Management Adjustment charge as set forth in the Company's Rate Schedule DSMAC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

7. The bill is subject to the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of APS and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

CONTRACT PERIOD

The contract period for customers receiving service under this rate schedule will be one (1) year or longer. At the Company's option, the contract period will be three (3) years or longer where additional distribution construction is required to serve the customer.

TERMS AND CONDITIONS

Service under this rate schedule is subject to the Company's Schedule 1, Terms and Conditions for Standard Offer and Direct Access Services, which contains provisions that may affect the customer's bill. In addition, service may be subject to special terms and conditions as provided for in a customer contract or service agreement.

RATE SCHEDULE E-221-8T
CLASSIFIED SERVICE
WATER PUMPING SERVICE – TIME-OF-USE

AVAILABILITY

This rate schedule is available in all territory served by the Company at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the sites served.

APPLICATION

This rate schedule is applicable to Standard Offer electric service required for irrigation pumping or for water utilities for pumping potable water to serve the citizens of a city, town, or unincorporated community. Service must be supplied at one point of delivery and measured through one meter. Direct Access customers are not eligible for service under this schedule.

Rate selection is subject to paragraphs 3.2 and 3.3 of the Company's Schedule 1, Terms and Conditions for Standard Offer and Direct Access Services.

This schedule is not applicable to breakdown, standby, supplemental, residential or resale service.

TYPE OF SERVICE

The type of service provided under this schedule will be single or three phase, 60 Hertz, at one standard voltage as may be selected by customer subject to availability at the customer's site.

RATES

The bill shall be computed at the following rates or minimum rate, whichever is greater, plus any adjustments incorporated in this schedule:

Basic Service Charge:	$ 0.851	per day
Demand Charge:	$ 3.95	per On-Peak kW, plus
	$ 2.36	per Off-Peak kW
Energy Charge:	$ 0.07975	per kWh during On-Peak hours, plus
	$ 0.04289	per kWh during Off-Peak hours

MINIMUM

The bill for service under this rate schedule will not be less than $0.851 per day plus $2.36 for each kW of the highest kW established during on or off peak hours during the 12 months ending with the current month, or the minimum kW specified in the Electric Service Agreement, whichever is greater. However, such monthly minimum charge shall not be more than an amount sufficient to make the total charges for such 12 months equal to $28.32 for each of such highest kW plus $310.44, but in no instance more than the monthly minimum amount as computed above.

DETERMINATION OF KW

For billing purposes, the kW used in this rate schedule shall be based on the average kW supplied during the 15-minute period of maximum use during the On-Peak and Off-Peak periods during the month, as determined from readings of the Company's meter, or at the Company's option, by test.

TIME PERIODS

For the purpose of this rate schedule, the On-Peak time period is a consecutive eight (8) hour period between 9 a.m. and 10 p.m. each and every day. The specific On-Peak period will be mutually agreed upon by the Company and the customer and will be set forth in an Electric Supply Agreement. All hours not included in the specified On-Peak period are designated as Off-Peak hours. Mountain Standard Time shall be used in the application of this rate schedule.

ADJUSTMENTS

1. The Environmental Portfolio Surcharge shall be applied to every retail electric service as set forth in the Company's Rate Schedule EPS-1.

2. The bill is subject to the Power Supply Adjustment factor as set forth in the Company's Rate Schedule PSA-1 pursuant to Arizona Corporation Commission Decision No. 67744.

3. The bill is subject to the Transmission Cost Adjustment factor as set forth in the Company's Rate Schedule TCA-1 pursuant to Arizona Corporation Commission Decision No. 67744.

4. The bill is subject to the Competition Rules Compliance Charge as set forth in the Company's Rate Schedule CRCC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

5. Direct Access customers returning to Standard Offer service may be subject to a Returning Customer Direct Assignment Charge as set forth in the Company's Rate Schedule RCDAC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

6. The bill is subject to the Demand Side Management Adjustment charge as set forth in the Company's Rate Schedule DSMAC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

7. The bill is subject to the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of APS and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

CONTRACT PERIOD

The contract period for customers receiving service under this rate schedule will be one (1) year or longer. At the Company's option, the contract period will be three (3) years or longer where additional distribution construction is required to serve the customer.

TERMS AND CONDITIONS

Service under this rate schedule is subject to the Company's Schedule 1, Terms and Conditions for Standard Offer and Direct Access Services, which contains provisions that may affect the customer's bill. In addition, service may be subject to special terms and conditions as provided for in a customer contract or service agreement.

RATE SCHEDULE E-221-8T
CLASSIFIED SERVICE
WATER PUMPING SERVICE – TIME-OF-USE

AVAILABILITY

This rate schedule is available in all territory served by the Company at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the sites served.

APPLICATION

This rate schedule is applicable to Standard Offer electric service required for irrigation pumping or for water utilities for pumping potable water to serve the citizens of a city, town, or unincorporated community. Service must be supplied at one point of delivery and measured through one meter. Direct Access customers are not eligible for service under this schedule.

Rate selection is subject to paragraphs 3.2 and 3.3 of the Company's Schedule 1, Terms and Conditions for Standard Offer and Direct Access Services.

This schedule is not applicable to breakdown, standby, supplemental, residential or resale service.

TYPE OF SERVICE

The type of service provided under this schedule will be single or three phase, 60 Hertz, at one standard voltage as may be selected by customer subject to availability at the customer's site.

RATES

The bill shall be computed at the following rates or minimum rate, whichever is greater, plus any adjustments incorporated in this schedule:

Basic Service Charge:	$ 0.851	per day
Demand Charge:	$ 3.95	per On-Peak kW, plus
	$ 2.36	per Off-Peak kW
Energy Charge:	$ 0.07975	per kWh during On-Peak hours, plus
	$ 0.04289	per kWh during Off-Peak hours

MINIMUM

The bill for service under this rate schedule will not be less than $0.851 per day plus $2.36 for each kW of the highest kW established during on or off peak hours during the 12 months ending with the current month, or the minimum kW specified in the Electric Service Agreement, whichever is greater. However, such monthly minimum charge shall not be more than an amount sufficient to make the total charges for such 12 months equal to $28.32 for each of such highest kW plus $310.44, but in no instance more than the monthly minimum amount as computed above.

DETERMINATION OF KW

For billing purposes, the kW used in this rate schedule shall be based on the average kW supplied during the 15-minute period of maximum use during the On-Peak and Off-Peak periods during the month, as determined from readings of the Company's meter, or at the Company's option, by test.

TIME PERIODS

For the purpose of this rate schedule, the On-Peak time period is a consecutive eight (8) hour period between 9 a.m. and 10 p.m. each and every day. The specific On-Peak period will be mutually agreed upon by the Company and the customer and will be set forth in an Electric Supply Agreement. All hours not included in the specified On-Peak period are designated as Off-Peak hours. Mountain Standard Time shall be used in the application of this rate schedule.

ADJUSTMENTS

1. The Environmental Portfolio Surcharge shall be applied to every retail electric service as set forth in the Company's Rate Schedule EPS-1.

2. The bill is subject to the Power Supply Adjustment factor as set forth in the Company's Rate Schedule PSA-1 pursuant to Arizona Corporation Commission Decision No. 67744.

3. The bill is subject to the Transmission Cost Adjustment factor as set forth in the Company's Rate Schedule TCA-1 pursuant to Arizona Corporation Commission Decision No. 67744.

4. The bill is subject to the Competition Rules Compliance Charge as set forth in the Company's Rate Schedule CRCC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

5. Direct Access customers returning to Standard Offer service may be subject to a Returning Customer Direct Access Charge as set forth in the Company's Rate Schedule RCDAC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

6. The bill is subject to the Demand Side Management Adjustment charge as set forth in the Company's Rate Schedule DSMAC-1 pursuant to Arizona Corporation Commission Decision No. 67744.

7. The bill is subject to the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of APS and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

CONTRACT PERIOD

The contract period for customers receiving service under this rate schedule will be one (1) year or longer. At the Company's option, the contract period will be three (3) years or longer where additional distribution construction is required to serve the customer.

TERMS AND CONDITIONS

Service under this rate schedule is subject to the Company's Schedule 1, Terms and Conditions for Standard Offer and Direct Access Services, which contains provisions that may affect the customer's bill. In addition, service may be subject to special terms and conditions as provided for in a customer contract or service agreement.

RATE SCHEDULE E-249
CLASSIFIED SERVICE – SHARE THE LIGHT
CAMP VERDE STREET LIGHTING

FROZEN

AVAILABILITY

This rate schedule is available only in the Town of Camp Verde.

APPLICATION

This rate schedule is applicable to electric service billed under Rate Schedule E-58. All provisions of Rate Schedule E-58 will apply except as specifically modified herein.

Service under this rate schedule is limited to those streetlights installed prior to April 8, 1980. The Company is not obligated to install new light fixtures, poles or distribution circuits, but will continue to maintain and operate those installed prior to April 8, 1980 only while maintenance and replacement materials are available from Company stock or until this rate schedule is cancelled, whichever comes first, provided, however, under no circumstances shall poles be relocated. Interfering poles shall only be removed. The Company is authorized to collect from the sponsoring entity, any and all unpaid bills for street lighting service.

THE STREET LIGHTING SYSTEM

The Company has installed, at its own expense, a street lighting system as prescribed by the Camp Verde Lions Club.

The Company agrees to submit all requests for an increase or decrease in number or size of street lights, change in location, change in assessment or like matters regarding Camp Verde street lights, to the Camp Verde Lions Club for approval. After recommendation by the Camp Verde Lions Club, such requests are to be submitted to the Arizona Corporation Commission for final approval before any action is taken by the Company.

RATES

For purposes of assessment, each Camp Verde commercial customer (not classified as rural) is to be considered equivalent to six Camp Verde residential customers. Camp Verde customers to be assessed for street lighting shall include all commercial and residential customers of the Arizona Public Service Company located within, and immediately adjacent thereto, the boundaries of the Military Reserve Addition, Blocks 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 16, 17, 18, and 19, of Camp Verde Townsite. Customers taking electric service outside of these districts shall be classified as Rural, and not subject to assessment for street lighting.

The monthly charge for street lighting is to be divided by a figure equal to the total number of residential customers for the month, plus six times the number of commercial customers. This assessment is to be adjusted to the nearest cent. Each Camp Verde residential customer is to be assessed the amount of the individual assessment as determined by the above method. Each Camp Verde commercial customer is to be assessed six times the amount of the individual assessment as determined by the above method. The above assessment will be added to the customer's bill for service.

Only one meter in each business house is to be counted as a commercial customer and one meter in each residence as a residential customer, regardless of the number of meters installed on the customer's premises to serve any such commercial or residential customer.

TERMS AND CONDITIONS

Service under this rate schedule is subject to the Company's Schedule 1, Terms and Conditions for Standard Offer and Direct Access Services and the Company's Schedule 10, Terms and Conditions for Direct Access. These schedules have provisions that may affect the customer's bill. In addition, service may be subject to special terms and conditions as provided for in a customer contract or service agreement.

RATE SCHEDULE EPR-2
CLASSIFIED SERVICE
PURCHASE RATES FOR QUALIFIED FACILITIES UNDER 100 kW FOR PARTIAL REQUIREMENTS

AVAILABILITY

This rate schedule is available in all territory served by the Company.

APPLICATION

This rate schedule is applicable to all cogeneration and small power production facilities 100 kW or less where the facility's generator(s) and load are located at the same premise and that otherwise meet qualifying status pursuant to Arizona Corporation Commission Decision No. 52345 on cogeneration and small power production facilities. This schedule is applicable only to qualifying facilities (QF's) electing to configure their systems as to require only partial requirements or interruptible service from the Company in order to meet their electric requirements.

TYPE OF SERVICE

Electric sales to the Company must be single or three phase, 60 Hertz, at one standard voltage as may be selected by the customer (subject to availability at the premises). The qualifying facility will have the option to sell energy to the Company at a voltage level different than that for purchases from the Company; however, the QF will be responsible for all incremental costs incurred to accommodate such an arrangement.

PAYMENT FOR PURCHASES FROM AND SALES TO THE CUSTOMER

Power sales and special services supplied by the Company to the customer in order to meet its supplemental or interruptible electric requirements will be priced at the applicable retail rate or rates.

The Company will pay the customer for any energy purchased as calculated on the standard purchase rate (see below).

PURCHASE RATE

Rate for pricing of energy, net of that for the customer's own use, delivered to the Company:

	Cents per kWh			
	Non-Firm Power		Firm Power	
	On-Peak[1/]	Off-Peak[2/]	On-Peak[1/]	Off-Peak[2/]
Summer Billing Cycles (June - October)	3.551	2.257	5.433	3.453
Winter Billing Cycles (November - May)	2.552	1.871	3.904	2.862

[1/] On-Peak Periods: 9 a.m. to 9 p.m., weekdays

[2/] Off-Peak Periods: All other hours

These rates are based on the Company's estimated avoided energy costs and will be updated annually to reflect changes in the Company's fuel costs.

SERVICE CHARGE

The monthly service charge shall be determined in accordance with the type of customer service characteristics as set forth below:

	Monthly Charge
Single Phase Service:	
0-200 amp service	$ 7.34
Three Phase Service:	
0-200 amp service	$ 8.87
201-400 amp service	$ 18.31

CONTRACT PERIOD

Any applicable contract period will be set forth in the customer's Purchase Agreement.

DEFINITIONS

1. Partial Requirements Service - A QF's system configuration whereby the output from its electric generator(s) first go to supply its own electric requirements with any excess energy (over and above its own requirements at the time) then being sold to the Company. The Company supplies the customer's supplemental electric requirements (those not met by the QF's own generation facilities). This also may be referred to as the "parallel mode" of operation.

2. Special Service(s) - The electric service(s) specified in this section that will be provided by the Company in addition to or in lieu of normal service(s).

   - Interruptible Power - Electric energy or capacity supplied by the Company subject to interruption by the Company under specified conditions and under agreed upon lead time requirements.

3. Non-Firm Power - Electric power which is supplied by the power producer at the producer's option, where no firm guarantee is provided, and the power can be interrupted by the power producer at any time.

4. Firm Power - Power available, upon demand, at all times (except for forced outages and scheduled maintenance) during the period covered by the Purchase Agreement from the customer's facilities with an expected or demonstrated reliability which is greater than or equal to the average reliability of the Company's firm power sources.

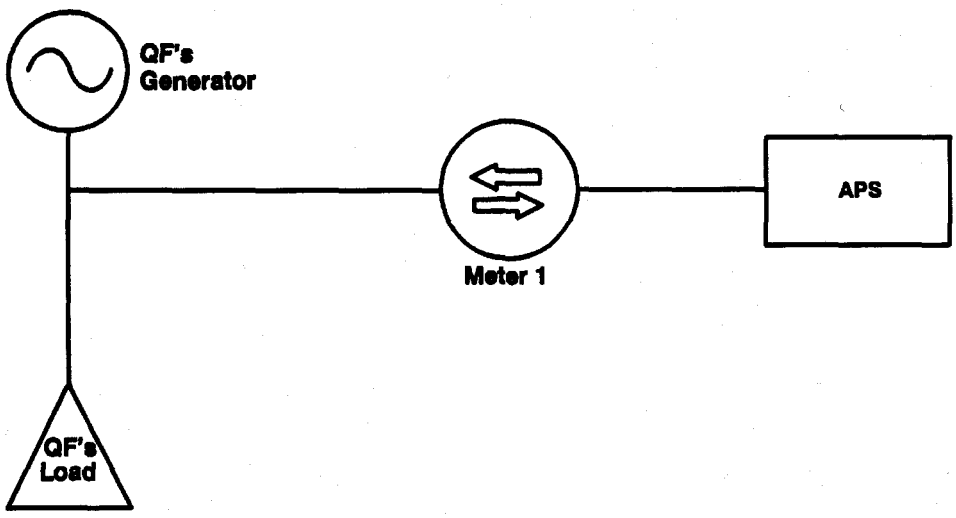
5. Time Periods - Mountain Standard Time shall be used in the application of this rate schedule. Because of potential differences of the timing devices, there may be a variation of up to 15 minutes in timing for the pricing periods.

TERMS AND CONDITIONS

Service under this rate schedule is subject to the Company's Schedule 2, Terms and Conditions for Energy Purchases from Qualified Cogeneration or Small Power Production Facilities. In addition, service may be subject to supplemental or special terms and conditions pursuant to the customer's Purchase Agreement with the Company.

The customer and the Company will share in the cost of the bi-directional meter used to record sales to the customer and purchases from the customer. The Company shall be responsible for all costs up to and equal to the installed cost of a residential time-of-use meter, and the customer shall be responsible for the difference between the installed cost of the bi-directional meter compared to a standard residential time-of-use meter. The customer shall have the option to pay the incremental metering costs initially or in monthly installments over a five year time period.

METERING CONFIGURATION



RATE SCHEDULE EPR-3
CLASSIFIED SERVICE
PURCHASE RATES FOR QUALIFIED FACILITIES
10 kW OR LESS FOR PARTIAL REQUIREMENTS

AVAILABILITY

This rate schedule is available in all territory served by the Company.

APPLICATION

This rate schedule is applicable to all small power production facilities with a nameplate rating of 10 kW or less utilizing solar/photovoltaic technology where the customer's generator(s) and load are located at the same premise and meet qualifying status pursuant to Arizona Corporation Commission Decision No. 52345 on cogeneration and small power production facilities. This schedule is applicable only to qualifying facilities (QF's) either: a) operating in the simultaneous buy/sell mode (whereby all the QF's generation output is fed directly into the Company's system and all of the QF's electric requirements are met by sales from the Company); or b) QF's electing to configure their systems as to require only partial requirements or interruptible service from the Company in order to meet their electric requirements.

This rate schedule is applicable only to those customers being served on the Company's Rate Schedule EPR-3 prior to July 1, 1996.

TYPE OF SERVICE

Electric sales to the Company must be single phase, 60 Hertz, at one standard voltage as may be selected by the customer (subject to availability at the premises). The qualifying facility will have the option to sell energy to the Company at a voltage level different than that for purchases from the Company; however, the customer will be responsible for all incremental costs incurred by the Company to accommodate such an arrangement.

BILLING OPTIONS FOR PURCHASES FROM AND SALES TO THE CUSTOMER

The customer will have the option of choosing either of the following two methods for determining the bill for purchases and sales:

A. Net Bill Method:

The energy (kWh's) sold to the Company shall be subtracted from the energy purchased from the Company. If the difference is positive, the net energy received from the Company will be priced at the applicable standard retail rate under which the customer would otherwise purchase its full requirements service. If the difference is negative, the net energy delivered to the Company will be priced at the Monthly Purchase Rate shown below.

B. Separate Bill Method:

All sales and purchases shall each be treated separately, with sales to the customer billed on the applicable standard retail rate for full requirements service, and purchases of energy from the customer's QF priced at the Monthly Purchase Rate shown below.

FROZEN

MONTHLY PURCHASE RATE

Rate for pricing of energy, net of that for the customer's own use, delivered to the Company under either Billing Option A or Option B:

	Cents per kWh			
	Non-Firm Power		Firm Power	
	On-Peak[1/]	Off-Peak[2/]	On-Peak[1/]	Off-Peak[2/]
Summer Billing Cycles (June - October)	3.551	2.257	5.433	3.453
Winter Billing Cycles (November - May)	2.552	1.871	3.904	2.862

[1/] On-Peak Periods: 9 a.m. to 9 p.m., weekdays

[2/] Off-Peak Periods: All other hours

These rates are based on the Company's estimated avoided energy costs and will be updated annually to reflect changes in the Company's fuel costs.

METERING

For Metering Configurations & Options available to solar/photovoltaic QF customers electing the simultaneous buy/sell mode or the parallel mode of operation, please see the following pages.

CONTRACT PERIOD

Any applicable contract period will be set forth in the customer's Purchase Agreement.

DEFINITIONS

1. Full Requirements Service - Any instance whereby the Company provides all the electric requirements of a Customer.

2. Partial Requirements Service - A QF's system configuration whereby the output from its electric generator(s) first go to supply its own electric requirements with any excess energy (over and above its own requirements at the time) then being sold to the Company. The Company supplies the Customer's supplemental electric requirements (those not met by the QF's own-generation facilities). This also may be referred to as the "parallel mode" of operation.

3. Special Service(s) - The electric service(s) specified in this section that will be provided by the Company in addition to or in lieu of normal service(s).

   - Interruptible Power - Electric energy or capacity supplied by the Company subject to interruption by the Company under specified conditions and under agreed upon lead time requirements.

FROZEN

DEFINITIONS(cont)

3. Non-Firm Power - Electric power which is supplied by the power producer at the producer's option, where no firm guarantee is provided, and the power can be interrupted by the power producer at any time.

4. Firm Power - Power available, upon demand, at all times (except for forced outages and scheduled maintenance) during the period covered by the Purchase Agreement from the Customer's facilities with an expected or demonstrated reliability which is greater than or equal to the average reliability of the Company's firm power sources.

5. Net Energy - The total kilowatt hours (kWh's) sold to the Customer by the Company less the total kWh's purchased by the Company from the Customer's QF. "Net energy" applies only to those QF's operating in the simultaneous buy/sell mode.

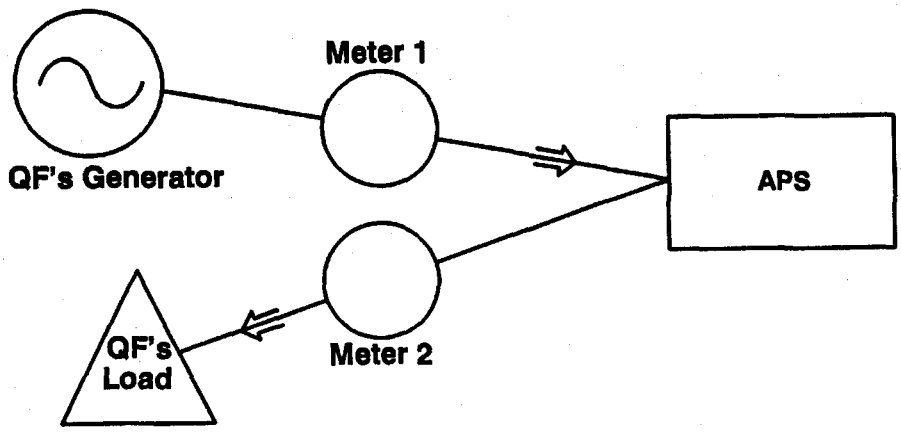
6. Time Periods - Mountain Standard Time shall be used in the application of this rate schedule. Because of potential differences of the timing devices, there may be a variation of up to 15 minutes in timing for the pricing periods.

TERMS AND CONDITIONS

Service under this rate schedule is subject to the Company's Schedule 2, Terms and Conditions for Energy Purchases from Qualified Cogeneration or Small Power Production Facilities. In addition, service may be subject to supplemental or special terms and conditions pursuant to the customer's Purchase Agreement with the Company.

FROZEN

METERING CONFIGURATIONS & OPTIONS
FOR SOLAR/PHOTOVOLTAIC QF APPLICATIONS 10 KW OR LESS
(Simultaneous Buy/Sell Mode)



METERING OPTIONS

	Type of Meter (Meter 1)	Type of Meter (Meter 2)
Qualifying Facilities Utilizing Solar/Photovoltaic Technology 10 kW or less:		
If on Energy Only (kWh) Type Rate*	TOU[a/]	kWh[b/]
If on a Time-of-Use Type Rate*	TOU[c/]	TOU[d/]

* Refers to the Customer's otherwise applicable standard retail rate for firm purchases from the Company.

a/ A Time-of-use (TOU) meter that registers kWh's only during peak and off-peak periods as specified in the "Monthly Purchase Rate" section of this rate schedule.

b/ A non-timed watt hour meter that registers kWh's only.

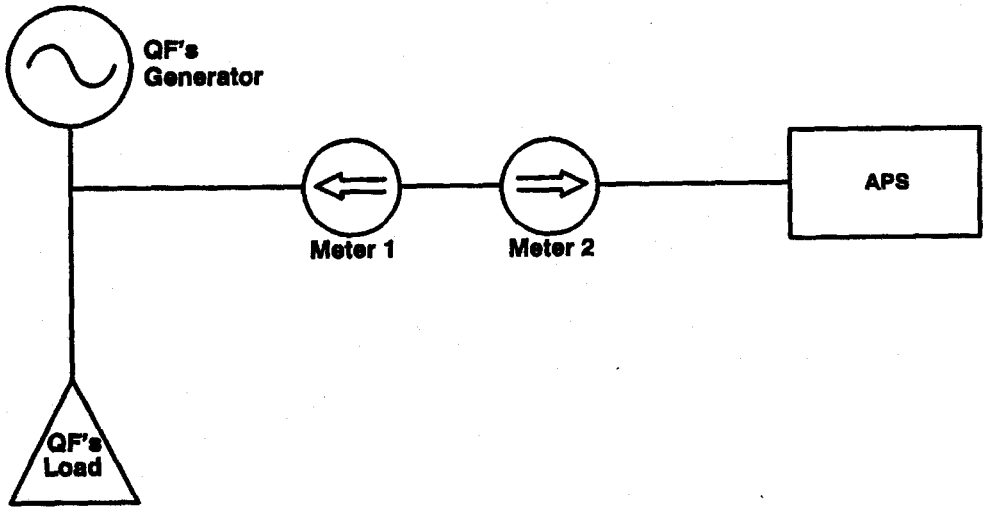
c/ A TOU meter that registers kWh's only during peak and off-peak periods concurrent with those periods used in measuring energy for billing purposes by Meter 2.

d/ As per applicable rate schedule.

NOTE: APS shall be responsible for providing all required meters for the Simultaneous Buy/Sell Mode under the EPR-3 Metering Configuration.

FROZEN

METERING CONFIGURATIONS & OPTIONS
FOR SOLAR/PHOTOVOLTAIC QF APPLICATIONS 10 KW OR LESS
(Parallel Mode of Operation)



METERING OPTIONS

	Type of Meter (Meter 1)	Type of Meter (Meter 2)
Qualifying Facilities Utilizing Solar/Photovoltaic Technology 10 kW or less:		
If on an Energy Only (kWh) Type Rate*	kWh[a/]	TOU[b/]
If on a Time-of-Use Type Rate*	TOU[c/]	TOU[d/]

*Refers to the Customer's otherwise applicable standard retail rate for firm purchases from the Company.

a/ A non-timed watt hour meter that registers kWh's only.

b/ A Time-of-use (TOU) meter that registers kWh's only during peak and off-peak periods as specified in the "Monthly Purchase Rate" section of this rate schedule.

c/ As per applicable rate schedule.

NOTE: APS shall be responsible for providing all required meters for the parallel mode of operation under the EPR-3 Metering Configuration.

FROZEN

RATE SCHEDULE EPR-4
CLASSIFIED SERVICE
PURCHASE RATES FOR RENEWABLE QUALIFIED FACILITIES 10 kW OR LESS FOR PARTIAL REQUIREMENTS

AVAILABILITY

This rate schedule is available in all territory served by the Company.

APPLICATION

This rate schedule is applicable to all small power production facilities with a nameplate rating of 10 kW or less utilizing renewable resource technologies where the customer's generator(s) and load are located at the same premise and meet qualifying status pursuant to Arizona Corporation Commission Decision No. 52345 on cogeneration and small power production facilities. This rate schedule is applicable only to qualifying facilities (QF's) electing to configure their systems as to require only partial requirements or interruptible service from the Company in order to meet their electric requirements.

TYPE OF SERVICE

Electric sales to the Company must be single phase, 60 Hertz, at one standard voltage as may be selected by customer (subject to availability at the premises). The qualifying facility will have the option to sell energy to the Company at a voltage level different than that for purchases from the Company; however, the customer will be responsible for all incremental costs incurred by the Company to accommodate such an arrangement.

PAYMENT FOR PURCHASES FROM AND SALES TO THE CUSTOMER

Power sales and special services supplied by the Company to the customer in order to meet its supplemental or interruptible electric requirements will be priced at the applicable retail rate or rates.

The Company will pay the customer for any energy purchased as calculated on the standard purchase rate (see below).

PURCHASE RATE

Rate for pricing of energy, net of that for the customer's own use, delivered to the Company:

	Cents per kWh			
	Non-Firm Power		Firm Power	
	On-Peak[1/]	Off-Peak[2/]	On-Peak[1/]	Off-Peak[2/]
Summer Billing Cycles (June - October)	3.551	2.257	5.433	3.453
Winter Billing Cycles (November - May)	2.552	1.871	3.904	2.862

[1/] On-Peak Periods: 9 a.m. to 9 p.m., weekdays

[2/] Off-Peak Periods: All other hours

These rates are based on the Company's estimated avoided energy costs and will be updated annually to reflect changes in the Company's fuel costs.

CONTRACT PERIOD

Any applicable contract period will be set forth in the customer's Purchase Agreement.

DEFINITIONS

1. Partial Requirements Service - A QF's system configuration whereby the output from its electric generator(s) first go to supply its own electric requirements with any excess energy (over and above its own requirements at the time) then being sold to the Company. The Company supplies the Customer's supplemental electric requirements (those not met by the QF's own-generation facilities). This also may be referred to as the "parallel mode" of operation.

2. Special Service(s) - The electric service(s) specified in this section that will be provided by the Company in addition to or in lieu of normal service(s).

   - Interruptible Power - Electric energy or capacity supplied by the Company subject to interruption by the Company under specified conditions and under agreed upon lead time requirements (Non-Firm Power).

3. Non-Firm Power - Electric power which is supplied by the power producer at the producer's option, where no firm guarantee is provided, and the power can be interrupted by the power producer at any time.

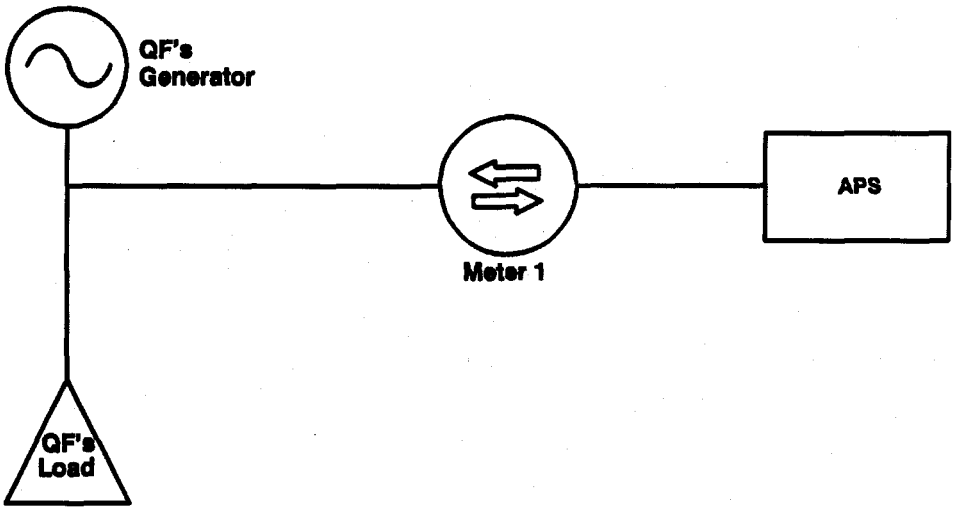
4. Firm Power - Power available, upon demand, at all times (except for forced outages and scheduled maintenance) during the period covered by the Purchase Agreement from the Customer's facilities with an expected or demonstrated reliability which is greater than or equal to the average reliability of the Company's firm power sources.

5. Time Periods - Mountain Standard Time shall be used in the application of this rate schedule. Because of potential differences of the timing devices, there may be a variation of up to 15 minutes in timing for the pricing periods.

TERMS AND CONDITIONS

Service under this rate schedule is subject to the Company's Schedule 2, Terms and Conditions for Energy Purchases from Qualified Cogeneration or Small Power Production Facilities. In addition, service may be subject to supplemental or special terms and conditions pursuant to the customer's Purchase Agreement with the Company.

METERING CONFIGURATION



AVAILABILITY

This rate schedule is available in all territory served by the Company at all points where facilities of adequate capacity and the required phase and suitable voltage can be made available to the site to be served and when all applicable provisions listed in the Special Provisions section of this schedule have been met.

APPLICATION

This rate schedule is applicable only to qualified cogeneration and small power production facilities 100 kW or less that meet qualifying status pursuant to the Arizona Corporation Commission's Decision No. 52345 on cogeneration and small power production facilities capable of producing firm power, where the facility's generator(s) and load are located at the same site. It is also applicable to electric service for agreed kW quantities of contracted maintenance capacity, taken during scheduled periods, to a customer who is not taking full requirements service from the Company but nevertheless desires a permanent electric connection with the Company as a maintenance power source.

RATE

The applicable rate for service taken under this schedule shall be ECT-1R, except that any provisions in the rate that may prohibit such type service as specified under this schedule is hereby waived, and the interval of integration for the determination of kW capacity for billing purposes (e.g., 15 minutes, 1 hour, etc.) shall be the same as that under the customer's normally applicable rate for firm service. All other provisions of the rate shall be effective.

SPECIAL PROVISIONS

1. Agreement For Service: A contract for a minimum period of one year is required for service under this schedule. All provisions outlining service under this schedule shall be contained in the Agreement For Service.

2. KW QF Contract Capacity: The levels of contract capacity for both firm service (if applicable) and maintenance service shall be specified in the Agreement For Service. Unless otherwise agreed to by the Company, the contract capacity for maintenance power shall not exceed the aggregate nameplate rating(s) of the customer's generating source.

   The customer will be permitted to increase contracted firm power and/or maintenance power amounts upon 30 days written notice to the Company, provided, however, a new Agreement For Service incorporating these changes is signed for a period lasting no less than one year. Except as provided otherwise in the following paragraph, contracted maintenance capacity amounts shall not be changed unless actual changes in the capacity of the customer's generating facilities have been made. Decreases in a customer's contracted firm capacity amount will not be allowed until expiration of the contract period.

   If the customer exceeds contracted amount for maintenance capacity, the customer's firm contract capacity will be increased by said excess. If the customer is not presently receiving firm service, such service shall be instituted for an amount no less than that which may have exceeded the contracted maintenance capacity level stated in the Agreement For Service, under the appropriate rate for such service.

3. Firm Power: For purposes of this rate, firm power shall be defined to be power available, upon demand, at all times (except for forced outages and scheduled maintenance) during the period covered by the Agreement For Service from the customer's facilities with an expected or demonstrated reliability which is greater than or equal to the average reliability of the Company's firm power sources.

SPECIAL PROVISIONS (cont)

4. Scheduled Maintenance Periods: For purposes of this rate, scheduled maintenance periods shall be defined as those periods specified by the Company during which customer can take electric power under this schedule. Currently, the designated periods during which the customer may take maintenance power are:

October 1 - January 31	At all times
February 1 - May 31	Only between the hours of 10:00 p.m. to 7:00 a.m.
June 1 - September 30	No maintenance shall be permitted at any time

The use of maintenance power during periods other than those specified above is prohibited. The Company reserves the right to periodically change these periods from time to time as conditions warrant.

Optional Procedure: The customer may take power in order to perform maintenance on his facility provided the time and duration of such outages are scheduled in advance with the concurrence of the Company. Reasonable periods will be allowed for major equipment repairs or overhaul, not to exceed four weeks in duration, provided such periods do not exceed one per 12 month period. The Company will make every effort possible to accommodate the customer's requirements; however, the Company's operational circumstances will determine when such scheduling shall be permitted.

5. Metering Facilities: Service under this rate schedule will be provided on a time-of-day basis requiring appropriate metering equipment. Customer shall submit requirements for service to the Company so that adequate service and metering facilities can be determined in order to meet the needs of the customer's facility. Said facilities shall be specified in the Agreement For Service.

6. Use of Maintenance Power During Unauthorized Periods: Customer shall not be permitted to utilize maintenance power at any time other than that specifically authorized by the Company as outlined in Special Provision 4 of this schedule. Unauthorized use of maintenance power shall be treated in the following manner:

   a) For the first breach of this provision within a 12 month period of time, the customer shall receive a written notice thereof from the Company.

   b) In the event of a second breach of this provision during the same 12 month period, in addition to the payments calculated under this rate schedule, customer shall be required to pay:

      1) 50% of the capacity charge of the applicable rate for standby service for qualifying cogeneration or small power production facilities multiplied by customer's contracted amount for maintenance capacity multiplied by the number of months previously receiving service on this schedule (however, not to exceed 12); and

      2) The customer shall be placed on the applicable standby rate. The customer will be eligible again for the maintenance rate after a 12 month period during which time it has been demonstrated that the customer's facility can be operated within the constraints of the scheduled maintenance periods.

7. Charge for Facilities: The Company reserves the right to establish a minimum charge in order to recover the costs of facilities required to serve such load. Said charge shall be specified in the Agreement For Service.

SPECIAL PROVISIONS (cont)

8. Reconnect Charge: If the customer terminates service under this schedule and elects to re-initiate service at the same premises within a 12 month period of time, the reconnect charge shall be equal to the minimum charge the customer would have otherwise been required to pay had service not been terminated.

9. Conflicts: In case of an inconsistency between any provision of the Agreement For Service, this rate schedule and/or Schedule 1, Terms and Conditions for Standard Offer and Direct Access Services, the inconsistency shall be resolved by giving priority to the Agreement For Service, the rate and then Schedule 1 in said respective order. Any provisions in the customer's normally applicable rate for firm service that prohibits partial requirements type service(s) is hereby waived.

10. Refusal to Serve Maintenance Power: The Company reserves the right to refuse to provide maintenance service to a customer's facility during such periods of time when supplying such power may contribute to a system emergency. In addition, the Company reserves the right to refuse maintenance service to cogeneration or small power production facilities when, in the Company's opinion, service to such a facility may constitute a hazard to the Company's or other customer's facilities.

TIME PERIODS

Mountain Standard Time shall be used in the application of this rate schedule. In addition, to prevent radical changes in the system loads, the beginning and ending hours for individual customers may be varied by up to one hour (total hours in each time period to remain unchanged) and because of potential differences of the timing devices, there may be a variation of up to 15 minutes in timing for the pricing periods.

TERMS AND CONDITIONS

Service under this rate schedule is subject to the Company's Schedule 1, Terms and Conditions for Standard Offer and Direct Access Services and the Company's Schedule 10, Terms and Conditions for Direct Access. These schedules have provisions that may affect the customer's bill. In addition, service may be subject to special terms and conditions as provided for in a customer contract or service agreement.

RATE SCHEDULE EQF-S
CLASSIFIED SERVICE
STANDBY ELECTRIC SERVICE FOR QF'S

AVAILABILITY

This rate schedule is available in all territory served by Company at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the premises served and when all applicable provisions listed in the Special Provisions section of this schedule have been met.

APPLICATION

This rate schedule is applicable only to qualified cogeneration and small power production facilities 100 kW or less that meet qualifying status pursuant to the Arizona Corporation Commission's Decision No. 52345 on cogeneration and small power production facilities capable of producing firm power, where the facility's generator(s) and load are located at the same premises. It is also applicable to electric service for agreed kW quantities of contracted standby capacity to a customer who is not taking full requirements service from the Company but nevertheless desires a permanent electric connection with the Company as a standby power source.

RATE

The bill shall be the greater of the amount computed under A. or B. below, including any applicable adjustments.

A) The bill for standby service taken as computed under the ECT-1R rate schedule; or

B) The customer's contract standby capacity amount multiplied by 1/2 the on-peak capacity charge in the ECT-1R rate schedule; plus the Basic Service Charge in ECT-1R.

Any provisions in the ECT-1R rate that may prohibit such type service as specified under this schedule is hereby waived. The interval of integration for the determination of kW capacity for billing purposes (e.g., 15 minutes, 1 hour, etc.) shall be the same as that under the customer's normally applicable rate for firm service. All other provisions of the rate shall be effective.

SPECIAL PROVISIONS

1. Agreement For Service: A contract for a minimum period of one year is required for service under this schedule. All provisions outlining service under this schedule shall be contained in the Agreement For Service.

2. KW QF Contract Capacity: The levels of contract capacity for both firm service (if applicable) and standby service shall be specified in the Agreement For Service. Unless otherwise agreed to by the Company, the contract capacity for standby power shall not exceed the aggregate nameplate rating(s) of the customer's generating source.

   The customer will be permitted to increase contracted firm power and/or standby power amounts upon 30 days written notice to the Company, provided, however, a new Agreement For Service incorporating these changes is signed for a period lasting no less than one year. Except as provided otherwise in the following paragraph, contracted standby capacity amounts shall not be changed unless actual changes in the capacity of the customer's generating facilities have been made. Decreases in a customer's contracted firm capacity amount will not be allowed until expiration of the contract period.

   If the customer exceeds contracted amount for standby capacity, the customer's firm contract capacity will be increased by said excess. If the customer is not presently receiving firm service, such service shall be instituted, for an amount no less than that which may have exceeded the contracted standby capacity level stated in the Agreement For Service, under the appropriate rate for such service.

SPECIAL PROVISIONS (cont)

3. Firm Power: For purposes of this rate, firm power shall be defined to be power available, upon demand, at all times (except for forced outages and scheduled maintenance) during the period covered by the Agreement For Service from the customer's facilities with an expected or demonstrated reliability which is greater than or equal to the average reliability of the Company's firm power sources.

4. Standby Power: For purposes of this rate, standby power shall be defined to be electric capacity and associated energy, in excess of the customer's contracted capacity for firm service, supplied by the Company to replace power ordinarily generated by the customer's generation facility during scheduled or unscheduled outages of said facility.

5. Metering Facilities: Service under this rate schedule will be provided on a time-of-day basis requiring appropriate metering equipment. The customer shall submit requirements for service to the Company so that adequate service and metering facilities can be determined in order to meet the needs of the customer's facility. Said facilities shall be specified in the Agreement For Service.

6. Charge for Facilities: The Company reserves the right to establish a minimum charge in order to recover the costs of facilities required to serve such load. Said charge shall be specified in the Agreement For Service.

7. Reconnect Charge: If the customer terminates service under this schedule and elects to re-initiate service at the same premises within a 12 month period of time, the reconnect charge shall be equal to the minimum charge the customer would have otherwise been required to pay had service not been terminated.

8. Conflicts: In case of an inconsistency between any provision of the Agreement For Service, this rate schedule and/or Schedule 1, Terms and Conditions for Standard Offer and Direct Access Service, the inconsistency shall be resolved by giving priority to the Agreement For Service, the rate and then Schedule 1 in said respective order. Any provisions in the customer's normally applicable rate for firm service that prohibits partial requirements type service(s) is hereby waived.

9. Refusal to Serve Standby Power: The Company reserves the right to refuse to provide standby service to a customer's facility during such periods of time when supplying such power may contribute to a system emergency. In addition, the Company reserves the right to refuse standby service to cogeneration or small power production facilities when, in the Company's opinion, service to such a facility may constitute a hazard to the Company's or other customer's facilities.

TIME PERIODS

Mountain Standard Time shall be used in the application of this rate schedule. In addition, to prevent radical changes in the system loads, the beginning and ending hours for individual customers may be varied by up to one hour (total hours in each time period to remain unchanged) and because of potential differences of the timing devices, there may be a variation of up to 15 minutes in timing for the pricing periods.

TERMS AND CONDITIONS

Service under this rate schedule is subject to the Company's Schedule 1, Terms and Conditions for Standard Offer and Direct Access Services and the Company's Schedule 10, Terms and Conditions for Direct Access. These schedules have provisions that may affect the customer's bill. In addition, service may be subject to special terms and conditions as provided for in a customer contract or service agreement.

AVAILABILITY

The Company will offer power generated by a Company owned and maintained photovoltaic system to customers who cannot be economically connected by extension of the Company's distribution system. This rate schedule is available within the Company's service territory to customers who 1) are requesting new (not previously existing) service and 2) are located in areas where a line extension for regular electric service is less economical than the photovoltaic system as determined by the ACC "Staff Guidelines on Photovoltaics Versus Line Extensions".

The customer's system must be in a location that is reasonably accessible by standard Company vehicles. It will be located on the customer's property. If the system is not installed at the customer's permanent residence (that at which the customer resides for at least six months a year) the customer will be required to post a five year surety bond for the amount of the photovoltaic system Net Installed Cost.

This pilot program is only available until January 1, 1996 or until the total Company investment in the Photovoltaic Service Pilot Program reaches $250,000.

APPLICATION

The Company has the sole right to determine the customer's eligibility for service under this schedule. Service under this schedule is limited to photovoltaics of 0.2 kW or greater having a Net Installed Cost of more than $1,500 but less than $50,000.

This rate schedule is applicable only to those customers being served on the Company's Rate Schedule Solar-1 prior to August 1, 1996.

TYPE OF SERVICE

This system typically will include a photovoltaic module array, the module array mounting structure, the control structure, the control equipment, any necessary wiring, batteries, and any other equipment necessary to provide service at a mutually agreed upon point of delivery. The Company will own, maintain, and make any necessary repairs to the photovoltaic system. If the system is damaged or in need of repairs, the customer shall notify the Company promptly.

This service is a substitute for and is in lieu of the customer being connected to the Company's electric distribution system. Any back-up, supplemental, or alternate power generation shall be the customer's responsibility, and the Company assumes no obligation to provide or arrange for such back-up, supplemental or alternative power. Any back-up power equipment must meet the Company's technical specifications, and be connected to the photovoltaic system only at a Company designated point.

INITIAL FEE

An Initial Fee equal to five percent of the estimated Total Installed Cost of the photovoltaic system is required from the customer at the time the Photovoltaic Facilities Agreement is executed. The Initial Fee is a contribution in-aid-of-construction and will be deducted from the Total Installed Cost of the photovoltaic array and system wiring to yield the Net Installed Cost. The Initial Fee shall be non-refundable unless the Company determines that it will not install the photovoltaic system.

FROZEN

RATE

The total bill is based on the type of system installed and the rate formula specified below. The exact charge will be specified in the Photovoltaic Facilities Agreement. Since each system is designed to meet the customer's specific needs, the rate will vary based on the following formula:

A. $20.00 monthly service fee, plus

B. A maximum of 1.6 percent times the portion of the Net Installed Cost of the photovoltaic system parts with a life expectancy of more than 10 years, such as the photovoltaic Array, but not less than marginal cost, plus

C. 3.1 percent times the portion of the Net Installed Cost of the photovoltaic system parts with a life expectancy of 10 years or less, such as inverter and batteries, plus

D. any applicable sales tax and regulatory assessments.

TERMINATION OF SERVICE

Upon discontinuance of the use of any photovoltaic facilities due to termination of service, termination of the Photovoltaic Facilities Agreement, or otherwise:

a) For the purposes of this initial and only pilot program the customer has the option to terminate without the facility termination charge as described below in section (b) when the Photovoltaic Facilities Agreement expires and the customer has paid to the Company all other monies to which company may be legally entitled.

b) The customer shall pay to the Company on demand (in addition to all other monies to which the Company may be legally entitled by virtue of such termination) a facility termination charge defined as the Net Installed Cost, plus the removal cost, less the market salvage value for the photovoltaic facilities to be removed.

c) Upon termination of service, either by the Company or the customer, the customer will have the option to purchase the photovoltaic facilities based on the Company's Net Installed Cost less accumulated straight-line depreciation.

SYSTEM MODIFICATIONS

The Company will reasonably respond to customer requests for improvement to the performance of the photovoltaic system. However, the Company has the sole right to determine if and when a modification to the existing system shall be made and such modification will be at the customer's expense by adjusting the monthly fee. If such improvements cost less than $1000, then no deposit is required. For improvements greater than $1000, an initial fee equal to 5 percent of the total modification cost shall be required prior to installation. The initial fee is non-refundable unless the Company determines that the modification is not warranted. If the total modification costs exceed one half of the total installed cost or $5000, a new Photovoltaic Facilities Agreement shall be required. Total modification cost will include the cost of all modifications installed in the current fiscal year.

FROZEN

SYSTEM MODIFICATIONS (cont)

The Company shall notify the customer of any modifications or improvements to the system by providing the customer a restated investment/monthly billing statement. The Company shall adjust the monthly bill accordingly. The Net Modification Cost will be equal to the total modification cost less the 5% Initial Fee. The Net Modification Cost will be added to the existing Net Installed Cost to yield a revised Net Installed Cost that will henceforth be used to compute the bill.

CONTRACT PERIOD

Any applicable contract period will be set forth in the Photovoltaic Facilities Agreement.

TERMS AND CONDITIONS

Service under this rate schedule is subject to the Company's Schedule 1, Terms and Conditions for Standard Offer and Direct Access Services and the Company's Schedule 10, Terms and Conditions for Direct Access. These schedules have provisions that may affect the customer's bill. In addition, service may be subject to special terms and conditions as provided for in a customer contract or service agreement.

FROZEN

AVAILABILITY

This rate schedule is available within the Company's service territory to customers who are requesting new service requiring a new line extension and are located in areas where a line extension for regular electric service is less economical than Individual Solar Electric Service. The Company has the right to refuse service at unsecured locations which in the Company's opinion is a high risk area for vandalism, theft, or other damage.

The customer's system must be in a location that is determined by the Company to be reasonably accessible by standard Company vehicles. It will be located on the customer's property. If the system is not installed at the customer's permanent residence (that at which the customer resides for at least six months a year) the customer may be required to post security as determined by the Company for the amount of the Solar Electric system Net Installed Cost.

This service is only available until the Company investment in the Individual Solar Electric Service reaches the ACC approved funding limit.

APPLICATION

The Company has the sole right to determine the customer's eligibility for service under this schedule. Service under this schedule is limited to solar electric systems with name plate ratings of 200 watts or greater and having a Net Installed Cost of more than $1,500.

TYPE OF SERVICE

The Company will offer power generated by a Company owned and maintained Solar Electric system for customers who cannot be economically connected by extension of the Company's distribution system. The system typically will include a photovoltaic module array, the module array mounting structure, the control structure, the control equipment, any necessary wiring, batteries, and any other equipment necessary to provide service that meets all applicable building and safety codes at a mutually agreed upon point of delivery. The Company will own, maintain, and make any necessary repairs to the Solar Electric system. If the system is damaged or in need of repairs, the customer shall notify the Company promptly.

This service is a substitute for and is in lieu of the customer being connected to the Company's electric distribution system. Any back-up, supplemental, or alternate power generation source may be contracted for with the Company. The Company assumes no obligation to provide or arrange for such back-up, supplemental or alternative power unless it is part of the Solar Electric Service Agreement and not interconnected to the normal Company system. Any back-up power equipment must meet Company technical specifications, and be connected to the Solar Electric system only at a Company designated point.

INITIAL FEE

An Initial Fee equal to five percent or more of the estimated Total Installed Cost of the Solar Electric system is required from the customer at the time the Contract is executed. The Initial Fee will be deducted from the Total Installed Cost, starting with the system component with the longest life, to yield the Net Installed Cost by system component. The Initial Fee shall be non-refundable unless the Company subsequently determines that it will not install the Solar Electric system. The customer has the option to pay a higher initial fee to reduce the net installed cost of the system.

INITIAL FEE (cont)

The minimum Initial Fee is:

Estimated Total Installed Cost		Minimum Initial Fee
Up to	$100,000	5%
More than	$100,000	10%

RATE

The total monthly bill is based on the type of system installed and the rate formula specified below. The exact charge will be specified in the service agreement entered into between the Company and the customer. Since each system is designed to meet the individual customer's specific needs, the rate will vary based on the following formula:

A. Monthly service fee, dependent on battery type and system size:

	System Size	
Battery	Up to 2.5 kW	Over 2.5 kW
None	$ 5.00	$ 5.00
Sealed	$45.00	$65.00
Flooded	$65.00	$85.00

plus,

B. Component Fee which is the summation of the Net Installed Cost by System Component times the appropriate Monthly Percentage. The monthly percentages listed are maximums that can not be reduced below marginal cost:

System Component		Straight Line	Monthly
Type	**Average Life**	**Depreciation Life**	**Percentage**
Long	Greater than 13 years	20 Years	1.41%
Medium	Between 7 and 13 years	10 Years	1.83%
Short	Less than 7 years	5 Years	2.75%

plus,

C. any applicable sales tax and regulatory assessments.

The Company may offer an accelerated payment schedule to accelerate equipment depreciation allowing the customer to purchase the system for a lower book value.

TERMINATION OF SERVICE

Upon termination of service for any reason other than the Contract terms:

a) The customer shall pay to the Company on demand (in addition to all other monies to which the Company may be legally entitled by virtue of such termination) a facility termination charge defined as the Net Installed Cost less depreciation (based on customer's payment selection), plus the removal cost less the market salvage value for the Solar Electric facilities to be removed. Market salvage value is defined as new reconstruction cost of the system less depreciation for the same time period as the existing system.

b) Upon termination of service, either by the Company or the customer, the customer will have the option to purchase the Solar Electric facilities based on Company's Net Installed Cost less accumulated depreciation.

If the system is damaged because of vandalism, theft, or abuse the Company has the right to terminate service and remove the remaining equipment.

SYSTEM MODIFICATIONS

The Company will reasonably respond to customer requests for improvement to the performance of the Solar Electric system. However, the Company has the sole right to determine if and when a modification to the existing system shall be made. Such modification will be reflected in the customer's monthly bill with a Solar Electric Service Agreement modification. An initial fee of at least 5 percent of the total modification cost shall be required prior to installation. The initial fee is non-refundable unless the Company determines that the modification is not warranted.

The Company shall adjust the monthly bill by adding the Net Modification Cost to the existing Net Installed Cost to yield a revised Net Installed Cost that will hence forth be used to compute the monthly bill. The Net Modification Cost will be equal to the total modification cost less the Initial Fee for the modification. The Company shall provide the customer the revised Net Installed Cost and monthly billing with the revised or amended Solar Electric Service Agreement.

CONTRACT PERIOD

Any applicable contract period will be set forth in the Solar Electric Service Agreement.

TERMS AND CONDITIONS

Service under this rate schedule is subject to the Company's Schedule 1, Terms and Conditions for Standard Offer and Direct Access Services and the Company's Schedule 10, Terms and Conditions for Direct Access. These schedules have provisions that may affect the customer's bill. In addition, service may be subject to special terms and conditions as provided for in a customer contract or service agreement.

AVAILABILITY

This rate schedule is available within the Company's service territory to standard offer residential and business customers on a pre-established service who wish to purchase solar generated electricity for their home and/or business. The total amount sold shall not exceed APS' solar resources. This program may be terminated by the Company at any time without notice.

APPLICATION

Service under this schedule provides a portion of the customer's regular electric service from solar electric generating systems producing AC electricity and delivered via the Company's electric power grid. All provisions of the customer's current applicable rate schedule will apply in addition to this service.

TYPE OF SERVICE

The Company will offer power generated by solar electric generating systems through the Company's electric distribution system.

The customer shall contract for a specific number of increments from solar generating facilities. Based upon the average annual output of solar system resources, each increment shall equal approximately 15 kWh/month. The monthly charge is based upon the number of increments and the cost of Solar power in excess of the current rates. The Company may assign limits to the number of kWh increments sold per customer.

SERVICE CHARGES

The bill for service under this tariff shall be $2.64 per month for each 15 kWh monthly increment of solar energy.

TERMS AND CONDITIONS

Service under this rate schedule is subject to the Company's Schedule 1, Terms and Conditions for Standard Offer and Direct Access Services and the Company's Schedule 10, Terms and Conditions for Direct Access. These schedules have provisions that may affect the customer's bill. In addition, service may be subject to special terms and conditions as provided for in a customer contract or service agreement.

ADJUSTMENT SCHEDULE CRCC-1
COMPETITION RULES COMPLIANCE CHARGE

APPLICATION

The Competition Rules Compliance Charge ("CRCC") shall apply to all retail Standard Offer or Direct Access service, excluding solar rates Solar-1 and Solar-2. Solar service such as rate schedule SP-1 does not have a kilowatthour charge therefore the CRCC will not apply. All provisions of the customer's applicable rate schedule will apply in addition to this charge.

RATE

The adjustment shall be calculated at the following rate:

CRCC

All kWh	$0.000338	per kWh

ADDITIONAL REQUIREMENTS

In Decision No. 67744 the A.C.C. authorized the Company to recover over five years the costs of complying with the A.C.C. Electric Competition Rules that had been deferred through December 31st, 2004. Such recovery is in accordance with the method described in the filed Competition Rules Compliance Charge Plan for Administration. The CRCC will be canceled once the amount allowed by Decision No. 67744 is recovered or five years after the implementation of this rate schedule, whichever occurs first.

ADJUSTMENT SCHEDULE DSMAC-1
DEMAND SIDE MANAGEMENT COST ADJUSTMENT

APPLICATION

The Demand Side Management Adjustment Charge ("DSMAC") shall be applied monthly to every metered and/or non-metered retail Standard Offer or Direct Access service with the exception of solar rates Solar-1, Solar-2 and SP-1. All provisions of the customer's currently applicable rate schedule will apply in addition to this adjustment charge. The DSMAC is applied to Standard Offer or Direct Access customer's bills as monthly charge to recover the cost of Commission approved demand side management programs above those costs included in base rates. The DSMAC will be changed in billing cycle 1 of the March revenue month and will not be prorated. The DSMAC and the EPS Surcharge adjustor may be combined on the customer's bill and appear on the "Environmental Benefits Surcharge" line. Details of how the DSMAC is derived and administered can be found in the Demand Side Management Adjustment Charge Plan for Administration.

RATE

The charge shall be calculated at the following rate:

For all residential customers and general service customers whose billing does not include demand charges:

All kWh	$0.000000	per kWh

For general service customers whose billing includes demand charges:

All metered kW	$0.000000	per kW

ADJUSTMENT SCHEDULE EPS-1
ENVIRONMENTAL PORTFOLIO STANDARD

APPLICATION

The Environmental Portfolio Surcharge Adjustor shall apply to all retail Standard Offer or Direct Access service, excluding solar rates Solar-1, Solar-2 and SP-1. All provisions of the customer's current applicable rate schedule will apply in addition to this surcharge. From time to time the EPS program spending requirements will be evaluated and if necessary the charge and/or caps will be altered if approved by the Commission. Any new charges/caps will be applied in billing cycle 1 beginning in the month following Commission approval and will not be prorated. Details regarding the administration of this surcharge can be found in the filed Environmental Portfolio Surcharge Plan for Administration. The EPS Surcharge and the Demand Side Management Adjustment Charge may be combined on the customer's bill and shown on the "Environmental Benefits Surcharge" line.

RATES

The bill shall be calculated at the following rates:

All kWh	$ 0.000875	per kWh

SURCHARGE LIMITS

The monthly total of the Environmental Portfolio Surcharge shall not exceed the following limits:

Residential Customers	$ 0.35	per service per month
Non-residential Customers	$13.00	per service per month
Non-residential Customers with demand of 3,000 kW or higher per month for three consecutive months	$39.00	per service per month

APPLICATION

The Power Supply Adjustment ("PSA") shall apply to all retail electric schedules with the exception of Solar-1, Solar-2, SP-1, E-3, E-4, E-36 and Direct Access service. All provisions of the customer's current applicable rate schedule will apply in addition to this charge.

PSA ADJUSTOR RATE ANNUAL ADJUSTMENT

The main components of the PSA are: 1) a risk sharing mechanism whereby APS and its customers share in the costs/savings on a 90% customer, 10% APS basis; 2) a bandwidth that limits the amount the PSA Adjustor Rate ("Adjustor Rate") can change over the entire term of the PSA to plus or minus $0.004 per kWh; 3) a balancing account; 4) a balancing account surcharge mechanism, separate from the Adjustor Rate, to clear the balancing account under circumstances described below; and 5) the inclusion of off-system sales. The monthly PSA calculations shall be adjusted for the calculated net savings from the methodology approved in Decision No. 67504 from the PPL Sundance docket. The calculation method is set forth in the filed Power Supply Adjustment Plan for Administration (the "Plan"). Standard Offer services covered by this charge include a Base Rate Power Supply Cost of $0.020743 per kilowatt-hour. An annual adjustment to the Base Rate Power Supply Cost will be made through a change in the Adjustor Rate that is based upon the annual total of PSA retail energy sales (less E-3, E-4 and E-36 sales) and power supply costs. The annual costs are compared to the base rate costs to determine the year's total over/under collection after the 90%/10% sharing incentive. The annual amount of PSA Retail Power Supply Costs that can be used to calculate the annual Adjustor Rate cannot exceed $776,200,000.

The Adjustor Rate is calculated annually and the total (credit)/charge collection amount is recovered over twelve months. The Adjustor Rate is applied to the customer's bill as a monthly kilowatthour charge and is the same for all affected customer classes. The Adjustor Rate will change in billing cycle 1 of the April revenue month and it will not be prorated. The Adjustor Rate must remain within the Bandwidth that limits the amount it can increase or decrease each year.

RATES

The charges shall be calculated at the following rates:

PSA Adjustor Rate		
All kWh	$0.000000	per kWh
Amortization Surcharge		
All kWh	$0.000000	per kWh

AMORTIZATION SURCHARGE

If the size of the Balancing Account reaches plus or minus $50 million, the Company has forty-five days to either file a request for Commission approval of an Amortization Surcharge, or an explanation of why such a surcharge isn't necessary. Should the Company seek to recover or refund an amount from the Balancing Account, the timing and manner of recovery, or refund, will be addressed at that time. In no event shall the Company allow the Balancing Account to reach $100 million prior to seeking recovery or refund.[1] Following a proceeding authorizing recovery or

[1] The Commission Staff believes that the operation of the $100 Million "cap" on the Balancing Account requires further review and discussion prior to final approval of the Plan for Administration for the PSA.

refund of a bank balance between $50 million and $100 million, the balance considered in the proceeding shall be reset to zero unless otherwise ordered by the Commission.

BALANCING ACCOUNT

APS shall establish a PSA Balancing Account. Entries to the Balancing Account shall be made each month as follows:

1. A debit or credit entry equal to the difference between the Post-Sharing (Over)/Under Collection and the sum of the amounts recovered by the Applicable Adjustor Rate. The Post-Sharing (Over)/Under Collection is calculated by taking amount recovered through the Base Rate Power Supply Cost of $0.020743 and subtracting it from the PSA Retail Power Supply Cost. The product of that subtraction is then multiplied by 90% to reduce the recoverable costs in accordance with the 90%/10% sharing incentive.

2. A debit or credit entry equal to the kilowatthours billed for the month under the rate schedules subject to the Adjustor Rate multiplied by the effective Amortization Surcharge. If an Amortization Surcharge is not in effect, then no entry will be made.

3. A monthly debit or credit entry for interest to be applied to the account balance based on effective one-year Nominal Treasury Constant Maturities rate that is contained in the Federal Reserve Statistical Release, H-15, or its successor publication. This is called the Monthly Interest and is used above in the Adjustor Rate calculations. The interest rate will be adjusted annually on the first business day of the calendar year in the same manner as the APS customer deposit rate.

4. A debit or credit entry for refunds or payments authorized by the Commission.

COMPLIANCE REPORTS

The Adjustor Rate and Balancing Account calculations and supporting information will be provided to the Commission monthly as specified in Decision No. 67744. Workpapers and other documents supporting the calculations that contain proprietary or confidential information will be provided to the Commission Staff under an appropriate confidentiality agreement. APS will keep fuel and purchased power invoices and contracts available for Commission review. All of the information is available during the year, upon Commission request. The Commission has the right to review the prudence of fuel and power purchases and any calculations associated with the PSA at any time. Any costs flowed through the PSA are subject to refund, if those costs are found to be imprudently incurred.

DIRECTLY ASSIGNED POWER SUPPLY COSTS EXCLUDED

In cases when power supply costs are incurred for a specific customer or group of customers, the customer or group of customers will be directly charged the identified costs in accordance with the Plan. Power supply costs and related energy sales recovered through direct assignments for both existing and returning customers as described on rate schedule RCDAC -1 will be excluded from the computation of the above charges applied to other Standard Offer service customers.

ADJUSTMENT SCHEDULE RCDAC-1
RETURNING CUSTOMER DIRECT ACCESS CHARGE

APPLICATION

The Returning Customers Direct Access Charge ("RCDAC") shall apply to customers, or an aggregated group of customers, of 3 MW or greater who left Standard Offer or special contract service for competitive generation suppliers and desire to return to Standard Offer service. Customers that have been Direct Access customers since the orgination of their APS service that request Standard Offer service are considered to be returning customers. The RCDAC can only be applied if the customer(s) wants to return to Standard Offer service and the Company did not include their load in planned resource acquisitions. If APS is provided one year's advance notice of the customer's intent to return to Standard Offer service then they will not be assessed RCDAC. APS may create a special RCDAC in each individual case and require the customer(s) to enter into a service agreement that specifies the charge, its duration, and how it will be applied and collected. In situations where an aggregated group of customers wish to return, each customer from the group will be charged the same rate for the same duration and an Electric Service Agreement will be required from each customer. All provisions of the customer's current applicable rate schedule will apply in addition to this charge.

RATE

The charge will be identified in the Electric Service Agreement between the Customer and the Company and will be in addition to the Standard Offer service charges. The RCDAC will be based on the cost differential between the applicable Standard Offer rate generation component and the cost of the resources required to serve the returning customer(s). The costs associated with serving customers that are required to enter into RCDAC agreements will be kept separate from the retail power supply costs subject to recovery through the Power Supply Adjustment. The types of costs that will be used to develop the RCDAC are incremental Power Supply, Transmission, Ancillary Services and Metering costs as defined in the Returning Customer Direct Access Charge Plan for Administration. These costs will be amortized over an appropriate period to allow their timely recovery. In no event, however, will the RCDAC last longer than 12 months for any individual customer.

ADJUSTMENT SCHEDULE TCA-1
TRANSMISSION COST ADJUSTMENT

APPLICATION

The Transmission Cost Adjustment ("TCA") charge shall apply to all Standard Offer retail electric schedules, with the exception of solar rates Solar-1, Solar-2, and SP-1. All provisions of the customer's current applicable rate schedule will apply in addition to this charge.

ANNUAL ADJUSTMENT

Standard Offer rate schedules covered by this charge include a transmission component of base rates that is $0.00476 per kilowatt-hour. In accordance with A.C.C. Decision No. 67744, an annual adjustment to the base rate transmission amount will be made through a change in the TCA charge that is based upon the prior year's annual Transmission and Ancillary Service costs and retail energy sales. The calculation method is set forth in the filed Transmission Cost Adjustment Plan for Administration. This Adjustment will be applied to kilowatthour sales under applicable electric schedules.

RATE

The charge shall be calculated at the following rate:

TCA Charge

All kWh	$0.000000	per kWh

FILINGS

The Company shall file a request for a TCA charge if the 5% trigger is exceeded.

The following TERMS AND CONDITIONS and any changes authorized by law will apply to Standard Offer and Direct Access services made available by Arizona Public Service Company (Company), under the established rate or rates authorized by law and currently applicable at time of sale.

1. General

1.1 Services will be supplied in accordance with these Terms and Conditions and any changes required by law, and such applicable rate or rates as may from time to time be authorized by law. However, in the case of the customer whose service requirements are of unusual size or characteristics, additional or special contract arrangements may be required.

1.2 These Terms and Conditions shall be considered a part of all rate schedules, except where specifically changed by a written agreement.

1.3 In case of a conflict between any provision of a rate schedule and these Terms and Conditions, the provisions of the rate schedule shall apply.

1.4 Company will supply electric service at the standard voltages specified in the Electric Service Requirements Manual published by Company and is responsible for distribution services, emergency system conditions, outages and safety situations related to Company's distribution system.

2. Establishment of Service

2.1 Application for Service - Customers requesting service may be required to appear at Company's place of business to produce proof of identity and sign Company's standard form of application for service or a contract before service is supplied by Company.

2.1.1 In the absence of a signed application or contract for service, the supplying of Standard Offer and/or Direct Access services by Company and acceptance thereof by the customer shall be deemed to constitute a service agreement by and between Company and the customer for delivery of, acceptance of, and payment for service, subject to Company's applicable rates and rules and regulations.

2.1.2 Where service is requested by two or more individuals, Company shall have the right to collect the full amount owed Company from any one of the applicants.

2.1.3 In mobile home parks identified by Company as being seasonal parks, Company may install or connect a meter as its scheduling permits; however, the customer will only be responsible for energy and demand recorded on and after their requested service turn on date.

2.2 Service Establishment Charge - A service establishment charge of $25.00 for residential and $35.00 non-residential plus any applicable tax adjustment will be assessed each time Company is requested to establish, reconnect or re-establish electric service to the customer's delivery point, or to make a special read without a disconnect and calculate a bill for a partial month. Billing for the service charge will be rendered as part of the service bill, but not later than the second service bill.

The service establishment charges above may be assessed when a customer changes their rate selection from Direct Access to Standard Offer.

2.2.1 The customer may additionally be required to pay a trip charge of $16.00 when an authorized Company representative travels to the customer's site and is unable to complete the customer's requested services due to lack of access to meter panel.

2.2.2 The customer may additionally be required to pay an after-hour charge of $75.00 should the customer request service, as defined in A.A.C. R14-2-203.D.3, be established, reconnected, or re-established during a period other than regular working hours, or on the same day of their request, regardless of the time the order may be worked by Company.

2.2.3 The charge for Company work, requested by the customer to be worked after hours or on a Company holiday that does not meet the definition of A.A.C. R14-2-203.D.3 will be $75.00 per hour.

2.3 Direct Access Service Request (DASR) - A Direct Access Service Request charge of $10.00 plus any applicable tax adjustment will be assessed to the Electric Service Provider (ESP) submitting the DASR each time Company processes a Request (RQ) type DASR as specified in the Company's Schedule 10, Terms and Conditions for Direct Access.

2.4 Grounds for Refusal of Service - Company may refuse to connect or reconnect Standard Offer or Direct Access service if any of the following conditions exist:

2.4.1 The applicant has an outstanding amount due with Company for the same class of service and is unwilling to make payment arrangements that are acceptable to Company.

2.4.2 A condition exists which in Company's judgment is unsafe or hazardous.

2.4.3 The applicant has failed to meet the security deposit requirements set forth by Company as specified under Section 2.6 hereof.

2.4.4 The applicant is known to be in violation of Company's tariff.

2.4.5 The applicant fails to furnish such funds, service, equipment, and/or rights-of-way or easements required to serve the applicant and which have been specified by Company as a condition for providing service.

2.4.6 The applicant falsifies his or her identity for the purpose of obtaining service.

2.4.7 Service is already being provided at the address for which the applicant is requesting service.

2.4.8 Service is requested by an applicant and a prior customer living with the applicant owes a delinquent bill.

2.4.9 The applicant is acting as an agent for a prior customer who is deriving benefits of the service and who owes a delinquent bill.

2.4.10 The applicant has failed to obtain all required permits and/or inspections indicating that the applicant's facilities comply with local construction and safety codes.

2.5 Establishment of Credit or Security Deposit

2.5.1 Residential Establishment of Credit - Company shall not require a security deposit from a new applicant for residential service if the applicant is able to meet any of the following requirements:

2.5.1.1 The applicant has had service of a comparable nature with Company within the past two (2) years and was not delinquent in payment more than twice during the last twelve (12) consecutive months or disconnected for nonpayment.

2.5.1.2 Company receives an acceptable credit rating, as determined by Company, for the applicant from a credit rating agency utilized by Company.

2.5.1.3 The applicant can produce a letter regarding credit or verification from an electric utility where service of a comparable nature was last received which states that the applicant had a timely payment history at the time of service discontinuation.

2.5.1.4 In lieu of a security deposit, Company receives deposit guarantee notification from a social or governmental agency acceptable to Company or a surety bond as security for Company in a sum equal to the required deposit.

2.5.2 Residential Establishment of Security Deposit - When credit cannot be established as provided for in Section 2.5.1 hereof or when it is determined that the applicant left an unpaid final bill owing to another utility company, the applicant will be required to:

2.5.2.1 Place a cash deposit to secure payment of bills for service as prescribed herein, or

2.5.2.2 Provide a surety bond acceptable to Company in an amount equal to the required security deposit.

2.5.3 Nonresidential Establishment of Security Deposit - All nonresidential customers may be required to:

2.5.3.1 Place a cash deposit to secure payment of bills for service as prescribed herein, or

2.5.3.2 Provide a non-cash security deposit in the form of a Surety Bond, Irrevocable Letter of Credit, or Assignment of Monies in an amount equal to the required security deposit.

2.6 Reestablishment of Security Deposit

2.6.1 Residential - Company may require a residential customer to establish or re-establish a security deposit if the customer becomes delinquent in the payment of two (2) or more bills within a twelve (12) consecutive month period or has been disconnected for non-payment during the last twelve (12) months.

2.6.2 Nonresidential - Company may require a nonresidential customer to establish or re-establish a security deposit if the customer becomes delinquent in the payment of two (2) or more bills within a six (6) consecutive month period or if the customer has been disconnected for non-payment during the last twelve (12) months, or when the customer's financial condition may jeopardize the payment of their bill, as determined by Company based on the results of using a credit scoring worksheet. Company will inform all customers of the Arizona Corporation Commission's complaint process should the customer dispute the deposit based on the financial data.

2.7 Security Deposits

2.7.1 Company reserves the right to increase or decrease security deposit amounts applicable to the services being provided by the Company:

2.7.1.1 If the customer's average consumption increases by more than ten (10) percent for residential accounts within a twelve (12) consecutive month period and five (5) percent for nonresidential accounts within a twelve (12) consecutive month period; or,

2.7.1.2 If the customer chooses to change from Standard Offer to Direct Access services, the deposit may be decreased by an amount which reflects that portion of the customer's service being provided by a Load Serving ESP. However if the Load Serving ESP is providing ESP Consolidated Billing pursuant to Company's Schedule 10 Section 7, the entire deposit will be credited to the customer's account; or,

2.7.1.3 If the customer chooses to change from Direct Access to Standard Offer service, the requested deposit amount may be increased by an amount pursuant to Section 2.5, which reflects that APS is providing bundled electric service.

2.7.2 Separate security deposits may be required for each service location.

2.7.3 Customer security deposits shall not preclude Company from terminating an agreement for service or suspending service for any failure in the performance of customer obligation under the agreement for service.

2.7.4 Cash deposits held by Company six (6) months/183 days or longer shall earn interest at the established one year Treasury Constant Maturities rate, effective on the first business day of each year, as published on the Federal Reserve Website. Deposits on inactive accounts are applied to the final bill when all service options become inactive, and the balance, if any, is refunded to the customer of record within thirty (30) days. For refunds resulting from the customer changing from Standard Offer to Direct Access, the difference in the deposit amounts will be applied to the customer's account.

2.7.5 If the customer terminates all service with Company, the security deposit may be credited to the customer's final bill.

2.7.6 Residential security deposits shall not exceed two (2) times the customer's average monthly bill as estimated by Company for the services being provided by the Company.

2.7.6.1 Deposits or other instruments of credit will automatically expire or be returned or credited to the customers account after twelve (12) consecutive months of service, provided the customer has not been delinquent more than twice, unless Customer has filed bankruptcy in the last 12 months.

2.7.7 Nonresidential security deposits shall not exceed two and one-half (2-1/2) times the customer's maximum monthly billing as estimated by Company for the service being provided by the Company.

2.7.7.1 Deposits and non-cash deposits on file with Company will be reviewed after twenty-four (24) months of service and will be returned provided the customer has not been delinquent more than twice in the payment of bills or disconnected for non-payment during the previous twelve (12) consecutive months unless the customer's financial condition warrants extension of the security deposit.

2.8 Line Extensions - Installations requiring Company to extend its facilities in order to establish service will be made in accordance with Company's Schedule #3, Conditions Governing Extensions of Electric Distribution Lines and Services filed with the Arizona Corporation Commission.

3. Rates

3.1 Rate Information - Company shall provide, in accordance with A.A.C. R14-2-204, a copy of any rate schedule applicable to that customer for the requested type of service. In addition, Company shall notify its customers of any changes in Company tariffs affecting those customers.

3.2 Rate Selection – The customer's service characteristics and service requirements determine the selection of applicable rate schedule. If the customer is being served on a Standard Offer rate, Company will use reasonable care in initially establishing service to the customer under the most advantageous Standard Offer rate schedule applicable to the customer. However, because of varying customer usage patterns and other reasons beyond its reasonable knowledge or control, Company cannot guarantee that the most economic applicable rate will be applied. Company will not make any refunds in any instances where it is determined that the customer would have paid less for service had the customer been billed on an alternate applicable rate or provision of that rate.

3.3 Standard Offer Optional Rates – Certain optional Standard Offer rate schedules applicable to certain classes of service allow the customer the option to select the rate schedule to be effective initially or after service has been established. A customer desiring service under an alternate rate schedule after service has been established must make such request in writing to Company. Billing under the alternate rate will become effective from the next meter reading, or when the appropriate metering equipment is installed. No further rate schedule changes, however, may be made within the succeeding twelve-month period. Where the rate schedule or contract pursuant to which the customer is provided service specifies a term, the customer may not exercise its option to select an alternate rate schedule until expiration of that term.

3.4 Direct Access rate selection will be effective upon the next meter read date if DASR is processed fifteen (15) calendar days prior to that read date and the appropriate metering equipment is in place. If a DASR is made less than fifteen (15) days prior to the next regular read date the effective date will be at the next meter read date thereafter. The above timeframes are applicable for customers changing their selection of Electric Service Providers or for customers returning to Standard Offer service.

3.5 Any customer making a Direct Access rate selection may return to Standard Offer service in accordance with the rules, regulations, and orders of the Commission. However, such customer will not be eligible for Direct Access for the succeeding twelve (12) month period. If a customer returning to Standard Offer, in accordance with the rules, regulations and orders of the Commission, was not given the required notification in accordance with the rules and regulations of the Commission by their Load Serving ESP of its intent to cease providing competitive services then the above provision will only apply if the customer fails to select another ESP within sixty (60) days of returning to Standard Offer.

4. Billing and Collection

4.1 Customer Service Installation and Billing - Service billing periods normally consist of approximately 30 days unless designated otherwise under rate schedules, through contractual agreement, or at Company option.

4.1.1 Company normally meters and bills each site separately; however, adjacent and contiguous sites not separated by private or public property or right of way and operated as one integral unit under the same name and as a part of the same business, will be considered a single site as specified in Company's Schedule 4, Totalized Metering of Multiple Service Entrance Sections at a Single Site for Standard Offer and Direct Access Service.

4.1.2 The customer's service installation will normally be arranged to accept only one type of service at one point of delivery to enable service measurement through one meter. If the customer requires more than one type of service, or total service cannot be measured through one meter according to Company's regular practice, separate meters will be used and separate billing rendered for the service measured by each meter.

4.2 Collection Policy - The following collection policy shall apply to all customer accounts:

4.2.1 All bills rendered by Company are due and payable no later than fifteen (15) days from the billing date. Any payment not received within this time frame shall be considered delinquent. All delinquent bills for which payment has not been received shall be subject to the provisions of Company's termination procedure. Company reserves the right to suspend or terminate the customer's service for non-payment of any Arizona Corporation Commission approved services. All delinquent charges will be subject to a late charge at the rate of eighteen percent (18%) per annum.

4.2.2 If the customer, as defined in A.A.C. R 14-2-201.9, has two or more services with Company and one or more of such services is terminated for any reason leaving an outstanding bill and the customer is unwilling to make payment arrangements that are acceptable to Company, Company shall be entitled to transfer the balance due on the terminated service to any other active account of the customer for the same class of service. The failure of the customer to pay the active account shall result in the suspension or termination of service thereunder.

4.2.3 Unpaid charges incurred prior to the customer selecting Direct Access will not delay the customer's request for Direct Access. These charges remain the responsibility of the customer to pay. Normal collection activity, including discontinuing service, may be followed for failure to pay.

4.3 Responsibility for Payment of Bills

4.3.1 The customer is responsible for the payment of bills until service is ordered discontinued and Company has had reasonable time to secure a final meter reading for those services involving energy usage, or if non-metered services are involved until the Company has had reasonable time to process the disconnect request.

4.3.2 When an error is found to exist in the billing rendered to the customer, Company will correct such an error to recover or refund the difference between the original billing and the correct billing. Such adjusted billings will not be rendered for periods in excess of the applicable statute of limitations from the date the error is discovered. Any refunds to customers resulting from overbillings will be made promptly upon discovery by Company. Underbillings by Company shall be billed to the customer who shall be given an equal length of time such as number of months underbilled to pay the backbill without late payment penalties, unless there is evidence of meter tampering or energy diversion. Except in situations where the account is billed on a special contract or non-metered rate, where service has been established but no bills have been rendered, or where there is evidence of meter tampering or energy diversion, underbillings for residential accounts shall be limited to three (3) months and non-residential accounts shall be limited to six (6) months.

4.3.3 Where Company is responsible for rendering the customer's bill, Company may provide a one time incentive of up to $10.00 per customer to customers who elect to pay their bills using Company's electronically transmitted payment options.

4.3.4 Where Company is responsible for rendering the customer's bill, Company may provide a one time incentive of $5.00 per customer for a customer electing to forego the presentation of a paper bill.

4.4 Dishonored Payments - If Company is notified by the customer's financial institution that they will not honor a payment tendered by the customer for payment of any bill, Company may require the customer to make payment in cash, by money order, certified check, or other means which guarantee the customer's payment to Company.

4.4.1 The customer shall be charged a fee of $15.00 for each instance where the customer tenders payment of a bill with a payment that is not honored by the customer's financial institution.

4.4.2 The tender of a dishonored payment shall in no way (i) relieve the customer of the obligation to render payment to Company under the original terms of the bill, or (ii) defer Company's right to terminate service for nonpayment of bills.

4.4.3 Where the customer has tendered two (2) or more dishonored payments in the past twelve (12) consecutive months, Company may require the customer to make payment in cash, money order or cashier's check for the next twelve (12) consecutive months.

4.5 Field Call Charge - Company may require payment of a Field Call Charge of $15.00 when an authorized Company representative travels to the customer's site to accept payment of a delinquent account, notify of service termination, make payment arrangements or terminate the service. This charge will only be applied for field calls resulting from the termination process.

4.5.1 If a termination is required at the pole, a reconnection charge of $96.50 will be required; if the termination is in underground equipment, the reconnection charge will be $115.00.

4.5.2 To avoid termination of service, the customer may make payment in full, including any necessary deposit in accordance with Section 2.5 hereof or make payment arrangements satisfactory to Company.

4.6 On-site Evaluation – Company may require payment of an On-site Evaluation Charge of $82.00 when an authorized Company field investigator performs an on-site visit to evaluate how the customer may reduce their energy usage. This charge may be assessed regardless of if the customer actually implements Company suggestions.

5. Service Responsibilities of Company and Customer

5.1 Service Voltage –Company will deliver electric service at the standard voltages specified in the Electric Service Requirements Manual published by Company and as specified in A.A.C. R14-2-208.F.

5.2 Responsibility: Use of Service or Apparatus

5.2.1 The customer shall save Company harmless from and against all claims for injury or damage to persons or property occasioned by or in any way resulting from the services being provided by Company or the use thereof on the customer's side of the point of delivery. Company shall have the right to suspend or terminate service in the event Company should learn of service use by the customer under hazardous conditions.

5.2.2 The customer shall exercise all reasonable care to prevent loss or damage to Company property installed on the customer's site for the purpose of supplying service to the customer.

5.2.3 The customer shall be responsible for payment for loss or damage to Company property on the customer's site arising from neglect, carelessness or misuse and shall reimburse Company for the cost of necessary repairs or replacements.

5.2.4 The customer shall be responsible for payment for any equipment damage and/or estimated unmetered usage resulting from unauthorized breaking of seals, interfering with, tampering with, or by-passing the meter.

5.2.5 The customer shall be responsible for notifying Company of any failure in Company's equipment.

5.3 Service Interruptions: Limitations on Liability of Company

5.3.1 Company shall not be liable to the customer for any damages occasioned by Load Serving ESP's equipment or failure to perform, fluctuations, interruptions or curtailment of electric service except where due to Company's willful misconduct or gross negligence. Company may, without incurring any liability therefore, suspend the customer's electric service for periods reasonably required to permit Company to accomplish repairs to or changes in any of Company's facilities. The customer needs to protect their own sensitive equipment from harm caused by variations or interruptions in power supply.

5.3.2 In the event of a national emergency or local disaster resulting in disruption of normal service, Company may, in the public interest and on behalf of Electric Service Providers or Company, interrupt service to other customers to provide necessary service to civil defense or other emergency service agencies on a temporary basis until normal service to these agencies can be restored.

5.4 Company Access to Customer Sites - Company's authorized agents shall have unassisted access to the customer's sites at all reasonable hours to install, inspect, read, repair or remove its meters or to install, operate or maintain other Company property, or to inspect and determine the connected electrical load. If, after six (6) months (not necessarily consecutive) of good faith efforts by Company to deal with the customer, Company in its opinion does not have unassisted access to the meter, then Company shall have sufficient cause for termination of service or denial of any existing rate options where access is required. The remedy for unassisted access will be at Company discretion and may include the installation by Company of a specialized meter. If such specialized meter is installed, the customer will be billed the difference between the otherwise applicable meter for their rate and the specialized meter. If service is terminated as a result of failure to provide unassisted access, Company verification of unassisted access may be required before service is restored. Written termination notice is required prior to disconnecting service under this schedule.

5.5 Easements

5.5.1 All suitable easements or rights-of-way required by Company for any portion of the extension which is on sites owned, leased or otherwise controlled by the customer shall be furnished in Company's name by the customer without cost to Company and in reasonable time to meet proposed service requirements. All easements or rights-of-way obtained on behalf of Company shall contain such terms and conditions as are acceptable to Company.

5.5.2 When Company discovers that the customer or the customer's agent is performing work, has constructed facilities, or has allowed vegetation to grow adjacent to or within an easement or right-of-way or Company-owned equipment, and such work, construction, vegetation or facility poses a hazard or is in violation of federal, state, or local laws, ordinances, statutes, rules or regulations, or significantly interferes with Company's safe use, operation or maintenance of, or access to, equipment or facilities, Company shall notify the customer or the customer's agent and shall take whatever actions are necessary to eliminate the hazard, obstruction, interference or violation at the customer's expense. Company will notify the customer in writing of the violations.

5.6 Load Characteristics – The customer shall exercise reasonable care to assure that the electrical characteristics of its load, such as deviation from sine wave form (a minimum standard is IEEE 519) or unusual short interval fluctuations in demand, shall not impair service to other customers or interfere with operation of telephone, television, or other communication facilities. The deviation from phase balance shall not be greater than ten percent (10%) at any time. Customers receiving service at voltage levels below 69 kV shall maintain a power factor of 90% lagging but in no event leading unless agreed to by Company. In situations where Company suspects that a customer's load has a non-conforming power factor, Company may install at its cost the appropriate metering to monitor such loads. If the customer's power factor is found to be non-conforming, the customer will be required to pay the cost of installation and removal of VAR metering and recording equipment.

Customers found to have a power factor of less than 90%, or leading, or other detrimental conditions shall be required to remedy problems in order to achieve a power factor in conformance with above standards, or pay for facilities/equipment that Company must install on its system to correct for problems caused by the customer's load. Until such time as the customer remedies the problem, kVa may be substituted for kW in determining the applicable charge for billing purposes for each month in which such failure occurs.

6. Metering and Metering Equipment

6.1 Customer Equipment - The customer shall install and maintain all wiring and equipment beyond the point of delivery. Except for Company's meters and special equipment, the customer's entire installation must conform to all applicable construction standards and safety codes and the customer must furnish an inspection or permit if required by law or by Company.

6.1.1 The customer shall provide, in accordance with Company's current service standards and/or Electric Service Requirements Manual, at no expense to Company, and close to the point of delivery, a sufficient and suitable space acceptable to Company's agent for the installation, accessibility and maintenance of Company's metering equipment. A current version of the Electric Service Requirements Manual is available on-line at http://esp.apsc.com/resource/metering.

6.1.2 If telephone lines or any other devices are required to read the customer's meter, the customer is responsible for the installation, maintenance, and usage fees at no cost to Company.

6.1.3 Where a customer requests, and Company approves, a special meter reading device to accommodate the customer's needs, the cost for such additional equipment shall be the responsibility of the customer.

6.2 Company Equipment

6.2.1 A Meter Service Provider (MSP) or its authorized agents may remove Company's metering equipment pursuant to Company's Schedule 10. Meters not returned to Company or returned damaged will be charged the replacement costs less five (5) years depreciation plus an administration fee of fifteen percent (15%).

6.2.2 Company will lease lock ring keys to MSP's and/or their agents authorized to remove Company meters pursuant to the terms and conditions of Company's Schedule 10 at a refundable charge of $70.00 per key. The charge will not be refunded if a key is lost, stolen, or damaged. If Company must replace ten percent (10%) of the issued keys within any twelve (12) month period due to loss by the MSP's agent, Company may, rather than leasing additional lock ring keys, require the MSP to arrange for a joint meeting. All lock ring keys must be returned to Company within five (5) working days if the MSP and/or its authorized agents are:

1) No longer permitted to remove Company meters pursuant to conditions of the Company's Schedule 10;
2) No longer authorized by the Arizona Corporation Commission to provide services; or
3) The ESP Agreement has been terminated.

6.2.3 If the MSP, the customer, and/or its' agent request a joint site meeting for removal of Company metering and associated equipment and/or lock ring, a base charge will be assessed of $62.00 per site. Company may assess an additional charge of $53.00 per hour for joint site meetings that exceed thirty (30) minutes. In the event Company must temporarily replace the MSP's meter and/or associated metering equipment as necessary during emergency situations or to restore power to a customer, the above charges may apply.

6.3 Service Connections - Company is not required to install and maintain any lines and equipment on the customer's side of the point of delivery except its meter. For overhead service, the point of delivery shall be where Company's service conductors terminate at the customer's weatherhead or bus rider. For underground service, the point of delivery shall be where Company's service conductors terminate in the customer's service equipment. The customer shall furnish, install and maintain any risers, raceways and/or termination cabinet necessary for the installation of Company's underground service conductors. For the mutual protection of the customer and Company, only authorized employees or agents of Company or the Load Serving ESP are permitted to make and energize the connection between Company's service wires and the customer's service entrance conductors. Such employees carry credentials which they will show on request.

6.4 Measuring Customer Service - All the energy sold to the customer will be measured by commercially acceptable measuring devices by Company or the Meter Reading Service Provider (MRSP) pursuant to the terms and conditions of Company's Schedule 10. Where it is impractical to meter loads, such as street lighting, security lighting, or special installations, consumption will be determined by Company.

6.4.1 For Standard Offer customers, or where Company is the MRSP, the readings of the meter will be conclusive as to the amount of electric power supplied to the customer unless there is evidence of meter tampering or energy diversion, or unless a test reveals the meter is in error by more than plus or minus three percent (3%).

6.4.2 If there is evidence of meter tampering or energy diversion, the customer will be billed for the estimated energy consumption that would have registered had all energy usage been properly metered. Additionally, where there is evidence of meter tampering, energy diversion, or by-passing the meter, the customer may also be charged the cost of the investigation as determined by Company.

6.4.3 If after testing, a meter is found to be more than three percent (3%) in error, either fast or slow, proper correction shall be made of previous readings and adjusted bills shall be rendered or adjusted billing information will be provided to the MRSP.

6.4.4 Customer will be billed for the estimated energy and demand that would have registered had the meter been operating properly. Where Company is the MRSP, Company shall, at the request of the customer or the ESP, reread the customer's meter within ten (10) working days after such request by the customer. The cost of such rereads is $16.50 and may be charged to the customer or the ESP, provided that the original reading was not in error.

6.4.5 Where the ESP is the MSP or MRSP, and the ESP and/or its' agent fails to provide the meter data to Company pursuant to Company's Schedule 10 Section 8.16, Meter Reading Data Obligations, Company may obtain the data, or may estimate the billing determinants. The charge for such reread is $16.50 and may be charged to the ESP.

6.5 Meter Testing - Company tests its meters regularly in accordance with a meter testing and maintenance program as approved by the Arizona Corporation Commission. Company will, however, individually test a Company owned/maintained meter upon customer or ESP request. If the meter is found to be within the plus or minus three percent (3%) limit, Company may charge the customer or the ESP $30.00 for the meter test if the meter is removed from the site and tested in the meter shop, and $50.00 if the meter remains on site and is tested in the field.

6.6 Master Metering

6.6.1 Mobile Home Parks - Company shall refuse service to all new construction and/or expansion of existing permanent residential mobile home parks unless the construction and/or expansion is individually metered by Company.

6.6.2 Residential Apartment Complexes, Condominiums and Other Multiunit Residential Buildings - Company shall refuse service to all new construction of apartment complexes and condominiums which are master metered unless the building(s) will be served by a centralized heating, ventilation and/or air conditioning system and the contractor can provide to Company an analysis demonstrating that the central unit will result in a favorable cost/benefit relationship as stated in A.A.C. R14-2-205.

7. Termination of Service

7.1 With Notice - Company may without liability for injury or damage, and without making a personal visit to the site, disconnect service to any customer for any of the reasons stated below, provided Company has met the notice requirements established by the Arizona Corporation Commission:

7.1.1 A customer violation of any of the applicable rules of the Arizona Corporation Commission or Company tariffs.

7.1.2 Failure of the customer to pay a delinquent bill for services provided by Company.

7.1.3 The customer's breach of a written contract for service.

7.1.4 Failure of the customer to comply with Company's deposit requirements.

7.1.5 Failure of the customer to provide Company with satisfactory and unassisted access to Company's equipment.

7.1.6 When necessary to comply with an order of any governmental agency having jurisdiction.

7.1.7 Failure of a prior customer to pay a delinquent bill for utility services where the prior customer continues to reside on the premises.

7.1.8 Failure to provide or retain rights-of-way or easements necessary to serve the customer.

7.2 Without Notice - Company may without liability for injury or damage disconnect service to any customer without advance notice under any of the following conditions:

7.2.1 The existence of an obvious hazard to the health or safety of persons or property.

7.2.2 Company has evidence of meter tampering or fraud.

7.2.3 Company has evidence of unauthorized resale or use of electric service.

7.2.4 Failure of the customer to comply with the curtailment procedures imposed by Company during a supply shortage.

7.3 Restoration of Service - Company shall not be required to restore service until the conditions which resulted in the termination have been corrected to the satisfaction of Company.

8. Removal of Facilities - Upon termination of service, Company may without liability for injury or damage, dismantle and remove its facilities installed for the purpose of supplying service to the customer, and Company shall be under no further obligation to serve the customer. If, however, Company has not removed its facilities within one (1) year after the termination of service, Company shall thereafter give the customer thirty (30) days written notice before removing its facilities, or else waive any reestablishment charge within the next year for the same service to the same customer at the same location.

For purposes of this Section notice to the customer shall be deemed given at the time such notice is deposited in the U.S. Postal Service, first class mail, postage prepaid, to the customer at his/her last known address.

9. Successors and Assigns - Agreements for Service shall be binding upon and for the benefit of the successors and assigns of the customer and Company, but no assignments by the customer shall be effective until the customer's assignee agrees in writing to be bound and until such assignment is accepted in writing by Company.

10. Warranty - THERE ARE NO UNDERSTANDINGS, AGREEMENTS, REPRESENTATIONS, OR WARRANTIES, EXPRESS OR IMPLIED (INCLUDING WARRANTIES REGARDING MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE), NOT SPECIFIED HEREIN OR IN THE APPLICABLE RULES OF THE ARIZONA CORPORATION COMMISSION CONCERNING THE SALE AND DELIVERY OF SERVICES BY COMPANY TO THE CUSTOMER. THESE TERMS AND CONDITIONS AND THE APPLICABLE RULES OF THE ARIZONA CORPORATION COMMISSION STATE THE ENTIRE OBLIGATION OF COMPANY IN CONNECTION WITH SUCH SALES AND DELIVERIES.

SERVICE SCHEDULE 2
TERMS AND CONDITIONS FOR ENERGY PURCHASES FROM QUALIFIED COGENERATION AND SMALL POWER PRODUCTION FACILITIES

The following TERMS AND CONDITIONS and any changes authorized by law, regulation, rule or order of applicable governmental authority will apply to the purchase of electric energy under the established rate or rates authorized by law and currently applicable at time of purchase; and these TERMS AND CONDITIONS shall be considered a part of all of Company's rate schedules for purchases except where specifically changed by written agreement.

1. DEFINITIONS

1.1 Point Of Interconnection - The point where Company's service conductors are connected to Customer's service conductors.

1.2 Qualifying Facility (QF) - Any cogeneration or small power production facility that meets the criteria for size, fuel use, efficiency, and ownership as promulgated in 18 CFR, Chapter I, Part 292, Subpart B of the Federal Energy Regulatory Commission's Regulations.

1.3 Purchase Agreement - The agreement entered into between Customer and Company detailing the provisions for the purchase of electric energy by Company from Customer's QF, and the sale, if any, of power by Company to Customer.

1.4 Cogeneration Facility - Any facility that sequentially produces electricity, steam or forms of useful energy (e.g., heat) from the same fuel source and which are used for industrial, commercial, heating, or cooling purposes.

1.5 Small Power Production Facility - A facility that uses primarily biomass, waste, or renewable resources, including wind, solar, and water to produce electric power.

2. CUSTOMER'S OBLIGATIONS

2.1 Customer agrees not to commence interconnected operation of its QF with Company's system, until the installation has been inspected by an authorized Company representative and final written approval is received from Company to commence interconnected operation. Customer shall give reasonable notice to Company when initial startup is to begin. Company shall have the right to have a representative present during initial energizing and testing of Customer's system.

2.2 Customer shall own and be fully responsible for the costs of designing, installing, operating and maintaining:

2.2.1 The QF in accordance with the requirements of all applicable electric codes, laws and governmental agencies having jurisdiction.

2.2.2 Control and protective devices to protect its facilities from abnormal operating conditions such as, but not limited to, electrical overloading, abnormal voltages, and fault currents. Such protective devices shall promptly disconnect the QF from Company's system in the event of a power outage on Company's system.

2.2.3 A gang operated load break disconnect switch, capable of being locked in a visibly open position that will completely isolate the QF from Company's system. Such disconnect switch shall be installed in a place easily accessible to Company's personnel. Company shall have the right to lock open the disconnect switch without notice to Customer when interconnected operation of the QF with Company's system could adversely affect Company's system or endanger life or property.

2.2.4 Interconnection facilities on Customer's premises as may be required to deliver power from Customer's QF to Company's system at the agreed Point Of Interconnection.

2.3 Electric sales to Company must be single or three phase, 60 Hertz, at one standard voltage (12,500; 2400/4160; 480; 277/480; 120/240 or 120/208 volts as may be selected by Customer subject to availability at the premises). Customer's facilities shall also maintain a minimum ninety percent (90%) leading to ninety percent (90%) lagging power factor as measured at the Point Of Interconnection.

2.4 The electrical output of Customer's QF shall not contain harmonic content which may cause disturbances on or damage to Company's electrical system, or other party's systems, such as but not limited to communication systems.

2.5 Customer shall operate and maintain the QF in accordance with those practices and methods, as they are changed from time-to-time, that are commonly used in prudent engineering and electric utility operations and shall operate the QF lawfully and in a safe, dependable and efficient manner.

2.6 Customer shall submit to Company written equipment specifications and detailed plans to Company for the installation and operations of its QF, interconnection facilities, control and protective devices and facilities to accommodate Company's meter(s) for review and advance written approval prior to their actual installation. After Company's approval Customer shall not change or modify equipment specifications, plans, control and protective devices, metering and in general the QF's system configuration. If Customer desires to make such changes or modifications, Customer shall resubmit to Company plans describing said changes or modifications for approval by Company. No such change or modification may be made without the prior written approval of Company.

2.7 In the event it is necessary for Company to install interconnection facilities on its system (including, but not limited to control or protective devices, or any other facilities) in order to receive or continue to receive or to deliver electric power under the terms of the Purchase Agreement, Company shall inform Customer of the cost thereof in advance of incurring the costs of such facilities and Customer shall reimburse Company for the costs incurred by Company in connection with such facilities to the extent that said costs exceed those normally incurred by Company with respect to those customers which it serves who do not have self generation facilities.

2.8 If Customer utilizes the Company's system to facilitate start-up of its QF, the voltage flicker level shall not exceed Company standards.

3. METERING PROVISIONS

3.1 Customer shall provide and install at no expense to Company, and in accordance with Company's service standards, meter sockets and metering cabinets in a suitable location to be determined by Company's representatives.

3.2 Company shall furnish, own, install and maintain all meters that register the sales of power to, and the purchases of energy from Customer. The responsibility for the costs of providing and maintaining the required meters shall be as outlined in the applicable Rate for Purchase, or as specified in the Purchase Agreement.

3.3 The readings of all said meters will be conclusive as to the amount of electric power and energy supplied to the QF and/or purchased by Company unless, upon test, the meters are found to be in error by more than three percent (3%). The expense of any meter test requested by Customer will be borne by Customer unless such test shows the meter(s) to be in error by more than three percent (3%).

4. MUTUAL UNDERSTANDINGS

4.1 Company shall be allowed to install on Customer's premises any instrumentation equipment for research purposes. Such equipment shall be owned, furnished, installed and maintained by Company.

4.2 Company's approvals given pursuant to the Purchase Agreement shall not be construed as any warranty or representation to Customer or any third party regarding the safety, durability, reliability, performance or fitness of Customer's generation and service facilities, its control or protective devices or the design, construction, installation or operation thereof.

4.3 Company (including its employees, agents, and representatives) shall have the right to enter Customer's premises at all reasonable times to (a) inspect Customer's QF, protective devices and to read or test instrumentation equipment that Company may install, provided that as reasonably possible, notice is given to Customer prior to entering its premises; (b) maintain Company equipment relative to the purchase of electric energy from Customer; (c) read or test the meters; and (d) disconnect the QF without notice if, in Company's opinion, a hazardous condition exists and such immediate action is necessary to protect persons, or Company's facilities or other customers' or third parties' property and facilities from damage or interference caused by Customer's QF, or improperly operating protective devices.

4.4 All suitable easements or rights-of-way (required by Company in order to accommodate inter-connection of Company's system with the QF), which are either on premises owned, leased or otherwise controlled by Customer, or upon other property, shall be furnished in Company's name by Customer without cost to or condemnation by Company and in reasonable time to meet the requirements of the Purchase Agreement. All easements or rights-of-way obtained on behalf of Company shall contain such terms and conditions as are acceptable to Company.

4.5 Company is not obligated to pay for electric energy or capacity from Customer during any periods when such purchases would result in costs greater than those which Company would otherwise incur had Company generated said energy itself or purchased the energy from another source. Company will give reasonable notice to Customer when such periods exist, so that Customer can discontinue deliveries of energy to Company or elect to continue to sell to Company at a rate, lower than the standard purchase rate, estimated to be the avoided system cost for the period during which such situations exist.

4.6 Company will not install and maintain any lines or equipment on Customer's side of the Point Of Interconnection except its meter (and possibly some research equipment). For the mutual protection of Customer and Company, only authorized employees of Company are permitted to make and energize the interconnection between Company's system and that of Customer's QF. Such employees carry credentials which they will show to Customer upon request.

4.7 The particular rate for purchases applicable to a QF may be dependent on the system configuration of its facilities. Because of the varied and diverse requirements and operating characteristics associated with such facilities, it will be the QF's responsibility to evaluate and determine which system configuration and attendant purchase rate is most appropriate. Company will cooperate with Customer by providing suitable information to enable the Customer to assess the options available; provided, however, that no such information or assistance shall be deemed a representation or warranty by Company with respect to the contents of such information or any particular option available to Customer.

4.8 Service billing periods normally consist of approximately 30 days unless designated otherwise under rate schedules or at Company's option.

4.9 The interconnection of Company's system with that of Customer will normally be arranged to accept only one type of standard service at one Point Of Interconnection. However, if Customer's QF requires a special type of service (e.g., supplemental, back-up, maintenance or interruptible power in addition to its normal service), or its sales to Company are at a different voltage level than that of its purchases from Company, such service(s) will be provided pursuant to the specific terms outlining such requirements in the Purchase Agreement, applicable rate schedules, and/or other supplemental or special terms and conditions governing such service.

4.10 Each premises owned or controlled by Customer which is served by Company under the Purchase Agreement shall be metered and billed separately. As used herein, the term "premises" shall be deemed to mean a single tract of land owned or controlled by Customer, or separate adjacent or contiguous tracts of land owned or controlled by Customer, operated by it as one tract under the same name or as part of the same business, and not separated by any private or public lands or rights-of-way owned or controlled by third parties.

4.11 All bills rendered for Company services provided to Customer under the provisions of the Purchase Agreement are due and payable upon presentation and are past due fifteen calendar days after mailing of bill. Company reserves the right to suspend or terminate Customer's service for non-payment of service bills past due, for non-payment of interconnection charges, and for non-payment of meter test charges. Past-due service bill amounts, past-due interconnection charges and past-due meter test charges, are subject to an additional charge at the rate of 1-1/2% per month during the period of delinquency.

5. SERVICE RENDERED UNDER SPECIAL AGREEMENT

Purchases will be made from Customer's QF in accordance with the Purchase Agreement, these terms and conditions and any changes required by law, regulation, rule, or order of applicable governmental authority, and such applicable rate or rates as may from time to time be authorized by law. However, in the case of QF's, whose requirements are of unusual size or characteristics, additional or special rate and contract arrangements may be required.

6. REGULATORY AUTHORITY

The rates, terms and other contract provisions governing electric power sold to Customer and the rates or other contract provisions for purchases by Company from Customer are subject to the jurisdiction of the Corporation Commission (ACC) and nothing contained herein shall be construed as affecting or limiting in any way the right of Company (a) to make unilateral filings of changed rates, terms and other contract provisions, which shall be effective when filed, or within a specified number of days thereafter as specified therein, such rates or other contract provisions specified in such filing to be subject to modification if required by a final decision of the ACC, or (b) to unilaterally make application to the ACC for changes in such rates or other contract provisions, following a hearing and decision as permitted by law and the ACC's rules and regulations.

7. INDEMNITY AND INSURANCE

Each Party hereby agrees to indemnify the other Party, its officers, agents, and employees against all loss, damages, expenses and liability to third persons for injury to or death of person or injury to or loss of property, proximately caused by the indemnifying Party's construction, ownership, operation, or maintenance of, or by failure of, any of such Party's works or facilities used in connection with the Purchase Agreement. The indemnifying Party shall, on the other Party's request, defend any suit asserting a claim covered by this indemnity. The indemnifying Party shall also pay all costs and expenses that may be incurred by the other Party in enforcing this indemnity.

8. UNCONTROLLABLE FORCES

No Party shall be considered to be in default in the performance of any of its obligations under the Purchase Agreement (other than obligations of said Party to pay sums to be paid by it hereunder, and other costs and expenses) when a failure of performance shall be due to an uncontrollable force. The term "uncontrollable force" shall be any cause beyond the control of the Party affected, including but not restricted to failure of or threat of failure of facilities, flood, earthquake, tornado, storm, fire, lightning, epidemic, war, riot, civil disturbance or disobedience, strikes, labor or material shortage, sabotage, restraint by court order or public authority, and action or non-action by or in- ability to obtain the necessary authorizations or approvals from any governmental agency or authority, which by exercise of due diligence such Party could not reasonably have been expected to avoid and which by exercise of due diligence it shall be unable to overcome. Nothing contained herein shall be construed so as to require a Party to settle any strike or labor dispute in which it may be involved. Either Party rendered unable to fulfill any of its obligations under this Agreement by reason of an uncontrollable force shall give prompt written notice of such fact to the other Party and shall exercise due diligence to remove such inability with all reasonable dispatch.

9. NOTICES

Any notice, demand or request required or permitted to be given by either Party to the other and any instrument required or permitted to be tendered or delivered by either Party to the other may be so given by certified or registered mail, addressed to the Party or personally delivered to the Party at the place designated in the applicable section of the Purchase Agreement. Changes in such designation may be made by notice similarly given.

10. CONFLICTS

10.1 In case of an inconsistency or conflict between any provision of the Purchase Agreement, a rate schedule and/or these terms and conditions, the inconsistency shall be resolved by giving priority to the Purchase Agreement, the rate and then the terms and conditions in said respective order.

11. SUCCESSORS AND ASSIGNS

Purchase Agreement shall be binding upon and for the benefit of the successors and assigns of Customer and Company, but no assignment by Customer shall be binding until accepted in writing by Company (which acceptance shall not be unreasonably withheld) and until the assignee in writing assumes the obligations of Customer under the Agreement.

Provision of electric service from Arizona Public Service Company (Company) may require construction of new facilities or upgrades to existing facilities. Costs for construction depend on the customer's location, load size, and load characteristics. This schedule establishes the terms and conditions under which Company will extend its facilities to provide new or upgraded facilities.

All extensions are made on the basis of economic feasibility. Construction allowance and revenue basis methodologies are offered below for use in circumstances where feasibility is generally accepted because of the number of extensions made within the construction allowance and dollar limits.

All extensions shall be made in accordance with good utility construction practices, as determined by Company, and are subject to the availability of adequate capacity, voltage and company facilities at the beginning point of an extension also as determined by Company.

The following policy governs the extension of overhead and underground electric facilities, and underground facilities as specified in Section 6, to customers whose requirements are deemed by Company to be usual and reasonable in nature.

1. FOOTAGE BASIS - RESIDENTIAL ONLY

1.1 GENERAL POLICY - Footage basis extensions may be made only if all of the following conditions exist:

1.1.1 The applicant is a new permanent residential customer or group of new permanent residential customers. Customers specified in Section 4 below are not eligible for this allowance.

1.1.2 The total extension does not exceed 2,000 feet per customer and under no circumstances can the total allowable distance exceed 10,000 feet.

1.1.3 The total extension does not exceed a total construction cost of $25,000.

1.1.4 No construction allowance will be permitted beyond the shortest practical route to the nearest practical point of delivery on each customer's site as determined by Company.

1.2 FREE EXTENSIONS - May be made if the conditions specified in Section 1.1 are met and:

1.2.1 The free extension will be limited to a maximum of 1,000 feet per new permanent residential customer.

1.2.2 Free allowance for the total extension will be 1,000 feet per customer regardless of the customer's location along the route of the extension.

1.3 EXTENSIONS OVER THE FREE DISTANCE

For extensions which meet the conditions specified in Section 1.1 above, and which exceed the free distance specified in Section 1.2.1, Company may extend its facilities up to the maximum allowed in Section 1.1.2 provided the customer or customers will sign an extension agreement and advance the cost of such additional footage. Advances are subject to refund as specified in Section 5.

2. REVENUE BASIS - NON-RESIDENTIAL

2.1 GENERAL POLICY - Revenue basis extensions may be made only if all of the following conditions exist:

2.1.1 Applicant is or will be a permanent customer or group of permanent customers. Customers specified in Sections 4.1, 4.2, or 4.3 are not eligible for this basis.

2.1.2 Such extension does not exceed a total construction cost of $25,000.

2.2 FREE EXTENSIONS

Such extension shall be free to the customer where the conditions specified in Section 2.1 herein are met and the estimated annual revenue based on Company's then currently effective rate for distribution service (excluding taxes, regulatory assessment and other adjustments) multiplied by six (6.0) is equal to or greater than the total construction cost less nonrefundable customer contributions.

2.3 EXTENSIONS OVER THE FREE LIMITS

For extensions which meet the conditions specified in Section 2.1, above, and which exceed the free limits specified in Section 2.1.2, Company may extend its facilities up to a cost limitation of $25,000, provided the customer or customers will sign an extension agreement and advance a sufficient portion of the construction cost so that the remainder satisfies the requirements of Section 2.2. Advances are subject to refund as specified in Section 5.

3. ECONOMIC FEASIBILITY BASIS

3.1 GENERAL POLICY - Extensions may be made on the basis of economic feasibility only if all of the following conditions exist:

3.1.1 The applicant is or will be a permanent customer or group of permanent customers. Customers specified in Sections 4.1, 4.2, or 4.3 are not eligible for this basis.

3.1.2 The total construction cost exceeds $25,000 except for extensions specified in Sections 4.4 or 7.7.

3.2 FREE EXTENSIONS

Such extensions shall be free to the customer where the conditions specified in Section 3.1 are met and the extension is determined to be economically feasible. "Economic feasibility", as used in this policy, shall mean a determination by Company that the estimated annual revenue based on Company's then currently effective rate for distribution service (excluding taxes, regulatory assessment and other adjustments) less the cost of service provides an adequate rate of return on the investment made by Company to serve the customer.

3.3 EXTENSIONS OVER THE FREE LIMITS

For extensions which meet the conditions specified in Section 3.1, above, Company, after special study and at its option, may extend its facilities to customers who do not satisfy the definition of economic feasibility as specified in Section 3.2, provided such customers sign an extension agreement and advance as much of the construction cost and/or agree to pay such higher special rate (facilities charge) as is required to make the extension economically feasible. Advances are subject to refund as specified in Section 5.

4. OTHER CONDITIONS

4.1 IRRIGATION CUSTOMERS

Customers requiring construction of electric facilities for service to agricultural irrigation pumping will advance the total construction cost. Advances are subject to refund as specified in Section 5.2. Non-agricultural irrigation pumping will be extended as specified in Section 2 or 3.

4.2 TEMPORARY CUSTOMERS

Where a temporary meter or construction is required to provide service to the customer, then the customer, in advance of installation or construction, shall make a non-refundable contribution equal to the cost of installing and removing the facilities required to furnish service, less the salvage value of such facilities. When the use of service is discontinued or agreement for service is terminated, Company may dismantle its facilities and the materials and equipment provided by Company will be salvaged and remain Company property.

4.3 DOUBTFUL PERMANENCY CUSTOMERS

When, in the opinion of Company, permanency of the customer's residence or operation is doubtful, the customer will be required to advance the total construction cost. Advances are subject to refund as specified in Section 5.3.

4.4 REAL ESTATE DEVELOPMENT

Extensions of electric facilities within real estate developments including residential sub divisions, industrial parks, mobile home parks, apartment complexes, planned area developments, etc., may be made in advance of application for service by permanent customers, as specified in Section 3. Anticipated revenue for Residential Real Estate extensions shall be calculated from information provided by the developer.

4.4.1 MOBILE HOME PARKS - Company shall refuse service to all new construction and/or expansion of existing permanent residential mobile home parks unless the construction and/or expansion is individually metered by the utility.

4.4.2 RESIDENTIAL APARTMENT COMPLEXES, CONDOMINIUMS AND OTHER MULTI UNIT RESIDENTIAL BUILDINGS - Company shall refuse service to all new construction and/or expansion of apartment complexes and condominiums unless the construction and/or expansion is individually metered by the utility. Master metering will only be allowed for buildings utilizing centralized heating, ventilation and/or air conditioning system where the contractor can provide an analysis demonstrating that the central unit will result in a favorable cost/benefit relationship as stated in R14-2-205 of Corporation Commission's Administrative Rules and Regulations.

5. REFUNDS

5.1 REVENUE AND ECONOMIC FEASIBILITY BASIS REFUNDS

5.1.1 Customer advances over $50.00 are subject to full or partial refund, provided that a survey based on conditions of the extension, not including laterals or extensions from the extension being surveyed as specified in Section 5.1.2 existing at the time of survey, results in an advance lower than the amount actually advanced. Except as provided for in Section 5.3, such surveys shall not be made for customers extended to under the basis specified in Section 4.1, 4.2, or 4.3. A survey will be conducted by Company five (5) years after signing the extension agreement under the extension policy in force at the time of the extension . Upon request, the customer will be entitled to intermediate surveys within the five (5) year period after the end of six (6) months following the date of signing the extension agreement and subsequent surveys at intervals of not less than one (1) year thereafter. Company will refund the difference between the amount advanced and the amount that would have been advanced had the advance been calculated at the time of survey. In no event shall the amount of any refund exceed the amount originally advanced.

5.1.2 Laterals or extensions from an extension being surveyed shall not be considered in the survey when the lateral or extension was extended on the basis "extensions over the free limits" of Sections 2.2 or 3.2, or is not connected directly to the extension being surveyed. In real estate developments extended to under the basis specified in Section 4.4, the survey may include laterals and extensions to serve permanent customers located within the real estate development described in the extension agreement for the extension being surveyed.

5.1.3 In lieu of surveys, Company will determine the refund based on the number of permanent connections to the extension for residential real estate development. In such event, Company shall specify in the extension agreement the amount of refund per permanent customer connection.

5.2 REFUNDS FOR EXTENSIONS TO IRRIGATION CUSTOMERS

Customer advances over $50.00 are subject to refund of twenty-five (25) percent of the annual accumulation of twelve (12) monthly bills based on Company's then currently effective rate for distribution service (excluding taxes, regulatory assessment and other adjustments) in excess of the annual minimum bill, for service to the irrigation pump specified in the agreement for the extension being surveyed, commencing with the date of signing the agreement. In no event shall the amount of any refund exceed the amount originally advanced.

5.3 REFUNDS TO CUSTOMERS OF DOUBTFUL PERMANENCY

Customer advances over $50.00 are subject to full or partial refund pursuant to surveys based on the Revenue or Economic Feasibility Basis as specified in Section 5.1.1. In no event shall the refund exceed twenty-five (25) percent of the annual accumulation of twelve (12) monthly bills based on Company's then currently effective rate for distribution service (excluding taxes, regulatory assessment and other adjustments) in excess of the annual minimum bill for the customer specified in the extension agreement. In no event shall the amount of any refund exceed the amount originally advanced.

5.4. GENERAL REFUND CONDITIONS

5.4.1 Customer advances of $50.00 or less are not subject to refund.

5.4.2 No refund will be made to any customer for an amount more than the unrefunded balance of the customer's advance.

5.4.3 Any unrefunded balance of the customer's advance shall become nonrefundable five (5) years from the date of Company's receipt of the advance.

5.4.4 Company reserves the right to withhold refunds to any customer whose account is delinquent and apply these refund amounts to past due bills.

6. UNDERGROUND CONSTRUCTION

6.1 GENERAL UNDERGROUND CONSTRUCTION POLICY - With respect to all underground installations, Company may install underground facilities only if all of the following conditions are met:

6.1.1 The extension meets feasibility requirements as specified in Sections 1, 2, 3, or 4.

6.1.2 The customer or developer provides all earthwork including, but not limited to, trench, boring or punching, conduits, backfill, compaction, and surface restoration in accordance with Company specifications.

(Company may provide all earthwork and the customer or developer will make a nonrefundable contribution equal to the cost of such work provided by Company.)

6.2 THREE-PHASE UNDERGROUND CONSTRUCTION - Where it is determined that three phase is required to serve the customer, Company may install three-phase facilities if the conditions specified in Section 6.1 are met, and the customer provides the following:

6.2.1 Installation of equipment pads, pull-boxes, manholes, and conduits as required in accordance with Company specifications. In lieu of providing conduits, the customer may provide a nonrefundable contribution equal to the estimated difference in cost between overhead and underground facilities.

6.2.2 A nonrefundable contribution for excess service footage required by the customer equal to the increased estimated cost of installed service lines over what would be required with a maximum 40-foot service at 480 volts and 20-foot service at 120/208 or 240 volts.

6.2.3 Transformer pad and secondary conduits in accordance with Company specifications. (Company may provide pad and conduits, and the customer or developer will make a non-refundable contribution equal to the cost of such work provided by Company.)

7. GENERAL CONDITIONS

7.1 VOLTAGE

The extension will be designed and constructed for operation at standard voltages used by Company in the area in which the extension is located.

7.2 THREE PHASE

Extensions for three phase service can be made under this extension policy where the customer has installed major three phase equipment. Motors with a name-plate rating of 7-1/2 HP or more or single air conditioning units of 6 tons or more or where total horsepower of all connected three phase motors exceeds 12 HP or total load exceeding 100 kVa demand shall qualify for three phase. If the estimated load is less than the above horsepower or connected kVa specifications, Company may, at its option and when requested by the customer, serve three phase and require a nonrefundable contribution equal to the difference in cost between single phase and three phase construction, but in no case less than $100.

7.3 EASEMENTS

All suitable easements or rights-of-way required by Company for any portion of the extension which is either on premises owned, leased or otherwise controlled by the customer or developer, or other property required for the extension, shall be furnished in Company's name by the customer without cost to or condemnation by Company and in reasonable time to meet proposed service requirements. All easements or rights-of-way obtained on behalf of Company shall contain such terms and conditions as are acceptable to Company.

7.4 GRADE MODIFICATIONS

If subsequent to construction of electric distribution lines and services, the final grade established by the customer or developer is changed in such a way as to require relocation of Company facilities or the customer's actions or those of his contractor results in damage to such facilities, the cost of relocation and/or resulting repairs shall be borne by Customer or developer.

7.5 OWNERSHIP

Except for customer-owned facilities, all construction, including that for which customers have made advances and/or contributions, will be owned, operated and maintained by Company.

7.6 MEASUREMENT AND LOCATION

7.6.1 Measurement must be along the proposed route of construction.

7.6.2 Construction will be on public streets, roadways, highways, or easements acceptable to Company.

7.6.3 The extension must be a branch from, the continuation of, or an addition to, one of Company's existing distribution lines.

7.7 UNUSUAL CIRCUMSTANCES

In unusual circumstances as determined by Company, when the application and provisions of this policy appear impractical, or in case of extension of lines to be operated on voltages other than specified in the applicable rate schedule, or when Customer's estimated load will exceed 3,000 kW, Company will make a special study of the conditions to determine the basis on which service may be provided. Additionally, Company may require special contract arrangements as provided for in Section 1.1 of Company's Schedule 1, Terms and Conditions for Standard Offer and Direct Access Service.

7.8 NON-STANDARD CONSTRUCTION

Company's construction practices employ contemporary methods and equipment and meet current industry standards. Where extensions of electric facilities require construction that is in any way nonstandard, as determined by Company, or if unusual obstructions are encountered, the customer will make a non- refundable contribution equal to the difference in cost between standard and non-standard construction, in addition to other applicable costs involved.

7.9 ABNORMAL LOADS

Company, at its option, may make extensions to serve certain abnormal loads (such as: transformer-type welders, x-ray machines, wind machines, excess capacity for test purposes and loads of unusual characteristics), provided the customer makes a nonrefundable contribution equal to the total cost of such extension, including transformers.

7.10 RELOCATIONS AND/OR CONVERSIONS

7.10.1 Company will relocate or convert its facilities for the customer's convenience or aesthetics, providing the customer makes a nonrefundable contribution equal to the total cost of relocation or conversion.

7.10.2 When the relocation or conversion is in conjunction with added revenue, as determined by Company and is not for the customer's convenience or aesthetics, then the relocation or conversion costs plus the costs to serve will be used to determine the customers advance on the basis specified in Section 2 or 3.

7.11 CHANGING OF MASTER METER TO INDIVIDUAL METER

Company will convert its facilities from master metered system to a permanent individually metered system at the customer's request provided the customer makes a nonrefundable contribution equal to the residual value plus the removal costs less salvage of the master meter facilities to be removed. The new facilities to serve the individual meters will be extended on basis specified in Section 2 or 3.

7.12 CHANGE IN CUSTOMER'S SERVICE REQUIREMENTS

Company will rebuild or revamp existing facilities to meet the customer's added load or change in service requirements on the basis specified in Section 2 or 3.

7.13 DESIGN DEPOSIT

Any applicant requesting Company to prepare detailed plans, specifications, or cost estimates may be required to deposit with Company an amount equal to the estimated cost of preparation. Where the applicant authorizes Company to proceed with construction of the extension, the deposit shall be credited to the cost of construction; otherwise the deposit shall be nonrefundable. Company will prepare, without charge, a preliminary sketch and rough estimate of the cost to be paid by the customer for a line extension upon request.

7.14 CUSTOMER CONSTRUCTION OF COMPANY DISTRIBUTION FACILITIES

The customer may provide construction related services, e.g. engineering, survey, materials and/or labor, associated with new distribution facilities to serve the customer's new or added load, provided the customer meets all of the requirements set forth by Company. All work and/or materials provided by the customer shall comply with Company standards in effect at the time of construction. The customer shall receive written approval from Company prior to performing any construction related services. Company will perform an Economic Feasibility Analysis prior to the approval of any proposed customer provided construction to ensure the proposed scope of work results in mutual benefits to the customer and Company.

7.15 SETTLEMENT OF DISPUTES

Any dispute between the customer or prospective customer and Company regarding the interpretation of these "Conditions Governing Extensions of Electric Distribution Lines and Services" may, by either party, be referred to the Arizona Corporation Commission or a designated representative or employee thereof for determination.

7.16 INTEREST

All advances made by the customer to Company in aid of construction shall be non-interest bearing.

7.16 EXTENSION AGREEMENTS

All line extensions requiring payment by the customer shall be in writing and signed by both the customer and Company.

7.17 ADDITIONAL PRIMARY FEED

Company will provide an additional primary (alternate) feed as requested by the customer provided the customer pays the added cost for the additional feed as a nonrefundable contribution in aid of construction and pays the applicable rate for the additional feed requested.

SERVICE SCHEDULE 4
TOTALIZED METERING OF MULTIPLE SERVICE ENTRANCE SECTIONS AT A SINGLE SITE FOR STANDARD OFFER AND DIRECT ACCESS SERVICE

Arizona Public Service Company (Company) customers at a single site whose load requires multiple points of delivery through multiple service entrance sections (SESs) may be metered and billed from a single meter through Adjacent Totalized Metering or Remote Totalized Metering as specified in this schedule.

Totalized Metering (Adjacent or Remote) is the measurement for billing purposes on the appropriate rate, through one meter, of the simultaneous demands and energy of a customer who receives electric service at more than one SES at a single site.

A. Totalized metering will either be Adjacent or Remote and shall be permitted only if conditions 1 through 7 are all satisfied.

   1. The customer's facilities must be located on adjacent and contiguous sites not separated by private or public property or right-of-way and must be operated as one integral unit under the same name and as a part of the same business or residence (these conditions must be met to be considered a single site, as specified in Company's Schedule 1, Terms and Conditions for Standard Offer and Direct Access Service, Section 4.1.1); and

   2. Power will generally be delivered at no less than 277/480 volt (nominal), three phase, four wire or 120/240 volt (nominal) single phase three wire; and

   3. Three phase and single phase service entrance sections can not be combined for totalizing purposes; and

   4. For Standard Offer customers, totalized metering must be accomplished by a physical wire interconnection of metering information with the customer providing conduit between the SESs; for Direct Access customers the customer's Electric Service Provider may provide electronically totalized demand and energy reads in compliance with Company's Schedule 10, Terms and Conditions for Direct Access; and

   5. The customer shall provide vault or transformer space, which meets Company specifications, on the customer's property at no cost to Company; and

   6. If the customer operates an electric generation unit on the premise, totalized metering will be permitted when the customer complies with all of Company's requirements for interconnection, pays all costs for any additional special metering required to accommodate such service from totalized service sections, and takes service on an applicable rate schedule for interconnected customer owned generation; and

   7. Written approval by Company's authorized representative is required before totalized metering may be implemented.

B. Adjacent Totalized Metering will apply when conditions A.1-A.7 and the following conditions are met:

   1. The customer's <u>total</u> load to be totalized requires a National Electrical Code (NEC) service entrance size of over 3,000 amps three phase or 800 amps single phase; and

   2. Company requires that load be split and served from multiple SESs; and

   3. The customer must locate SESs to be totalized within 10 feet of each other.

   There will be no additional charge to the customer's monthly bill for Adjacent Totalized Metering.

C. Remote Totalized Metering will apply when conditions A.1-A.7 are met, multiple SESs are separated from one another by more than 10 feet, and the following conditions are met:

1. Each of the customer's service entrance sections to be totalized requires an NEC section size of 3,000 amps three phase or 800 amps single phase or greater; and

2. The customer's total load to be totalized has a minimum demand of 2,000 kVa or 1,500 kW three phase or 100 kVa or 80 kW single phase; and

3. The customer has made a non-refundable contribution for the net additional cost to Company of the meter totalizing connection and equipment.

When the total capital investment by Company to provide service at multiple points of delivery, as computed by Company, is equal to or less than the cost to serve a single point of delivery, then no additional monthly charge shall be made to the customer receiving Remote Totalized Metering. However, lower capital investment which results from the customer's contribution, other than the meter costs in C.3 above, shall not be considered.

For customers where the total capital investment by Company to provide service at multiple points of delivery, as computed by Company, is greater than the cost to serve at a single point of delivery, then there shall be an additional charge. The additional monthly charge for each delivery point above one shall consist of 1% of the totalized bill, plus $500.00, plus all applicable taxes and adjustments.

D. Removal of Totalized Metering Configuration

In some cases, it may be to the customer's benefit to remove all totalized metering equipment, or remove selected totalized metering equipment from the totalized account. This will be permitted under the following conditions:

1. The customer must submit a written request to Company stating the reason for the removal and the specific equipment to be removed.

2. After removal of the equipment, the customer may not ask for services to be totalized for one (1) year from the removal date. At the end of one (1) year, if the customer does request services to be totalized, the applicable conditions listed above must be met.

3. The customer will be required to make a nonrefundable contribution for the costs associated with the removal of the meter totalizing connection and equipment.

1. Company shall have no liability of obligation for claims arising out of the procedures for curtailment or interruption of electric service effected by it in accordance with such guidelines or such supplemental, amendatory or implementary guidelines or regulations as may hereafter be established and as provided by law.

2. Company shall endeavor to identify any electric customer(s) who might be classified as having either essential or critical loads. In the event that any customer of Company is dissatisfied by the classification of Customer by Company, or with the amount of such customer's load (if any) classified by the Company as critical or essential, the Customer may bring the matter to either the Company or the Commission and request a determination in regard thereto. However, until such redetermination is made by the Commission or the Company, customer's original classification for purposes of electric curtailment under this Schedule shall be unaffected.

3. Company shall endeavor to, as circumstances permit and as further discussed in the Company's detailed Electric Load and Curtailment Plan, to notify County emergency personnel, or similar local authorities, of existing or developing situations involving the curtailment or interruption of APS customers pursuant to this Schedule #5.

4. DEFINITIONS

   4.1 Essential Loads – Loads necessary to serve facilities used to protect the heath and safety of the public, such as: hospitals, 911 Centers, national defense installations, sewage facilities and domestic water facilities. Loads necessary to serve 911 Centers, police stations, and fire stations, which do not have independent back-up generation and require APS' electric service for operation of essential emergency equipment.

   4.2 Critical Loads – That portion of the electric load of nonresidential customers, which in the event of 100 percent curtailment of service, would cause excessive damage to equipment or material being processed, or where such interruption would create grave hazards to employees or the public.

   4.3 Major Use Customers/Others (With Notice) – Those customers having relatively large loads (over 1000 kW) or a substantial number of employees or other special circumstances that make it appropriate to schedule blackouts or curtailments different from typical customers. Customers who qualify as Major Use/Others (With Notice) can take 100 percent curtailment when sufficient notice is provided. These loads will be interrupted after the required notification period. "Sufficient", "required", and "appropriate" notice is that notice that APS, after consultation with the affected customer, has determined will allow the customer to curtail in a safe and efficient manner. Such notice necessarily varies from customer to customer.

   4.4 Others (With or Without Notice) – All customers not meeting the above definitions. These customers will be interrupted (with or without notice) if voluntary curtailment measures are not sufficient to alleviate the situation.

5. GUIDELINES TO BE APPLICABLE IN EVENT OF INTERRUPTION OR CURTAILMENT OF ELECTRIC SERVICE BY COMPANY TO ITS CUSTOMERS DUE TO POWER SUPPLY INTERRUPTIONS, FUEL SHORTAGE OR TRANSMISSION EMERGENCY PURSUANT TO CORPORATION COMMISSION RULE R14-2-208, PROVISION OF SERVICE, PARAGRAPH E.

   5.1 Operating Procedures Prior to Customer Load Curtailment

      5.1.1 The following items shall be pursued concurrently.

5.1.1.1 Reschedule maintenance of transmission components and generating units, where practical.

5.1.1.2 Utilize spinning reserve.

5.1.1.3 Discontinue all non-firm wholesale sales during any period of involuntary curtailment or when an involuntary curtailment is anticipated.

5.1.1.4 Do not enter into any new wholesale sales during any period of involuntary curtailment or when an involuntary curtailment is anticipated.

5.1.1.5 Start all standby units.

5.1.1.6 Contact other utilities and/or agencies for emergency assistance.

5.1.1.7 Invoke emergency and short-term contractual schedules with other utilities and/or agencies.

5.1.1.8 Reduce system voltage, where practical.

5.1.1.9 Reduce non-essential Company uses such as flood lighting, sign lighting, display lighting, office lighting, electric cooling and heating, etc., where practical.

5.1.1.10 Provide information through the media or other appropriate medians to the public which will contain instructions on how customers can assist Company in case of an emergency power outage.

5.2 Voluntary Customer Load Curtailment

5.2.1 Public Appeal

5.2.1.1 An advisory message procedure will be used when Company has advance indications that it will not be able to meet future peak loads. These messages will request voluntary load reduction during specific hours on specific days.

5.2.1.2 An emergency bulletin procedure will be used for instant notification to the public in the event there is no advance indication of a power shortage. These bulletins will request the immediate voluntary cooperation of all customers in reducing electric loads.

5.2.1.2.1 These bulletins will request all customers to reduce the use of all electrically operated equipment and devices, where possible.

5.2.1.2.2 Company will have a prepared statement to read which will give current information on the Power Supply Interruption, Fuels Shortage or Transmission Emergency.

5.3 Contractually Interruptible Load

5.3.1 Company shall invoke contractual interruption provisions to the extent appropriate.

5.3.2 Company shall interrupt non-firm wholesale customer(s) as appropriate.

5.4 Involuntary Customer Load Curtailment

5.4.1 If the load reduction realized from application of the voluntary curtailment procedures is not sufficient to alleviate the power shortage, Company will reduce voltage if and to the extent practical and in accordance with normal applicable electric utility operation standards.

5.4.2 If further load reduction is required, load will be reduced as follows:

5.4.2.1 Circuits not classified with "Major Use/Others With Notice, Critical or Essential" customers will be interrupted on a rotating basis. The frequency and duration of such interruptions will be dependent upon the magnitude and nature of the power shortage. The frequency and duration of such interruptions shall also consider the circumstances of Major Use Customers.

5.4.2.2 Accurate records will be kept to ensure that these circuits are rotated in an equitable and technically feasible manner.

5.4.2.3 Circuits classified as "Major Use/Others" will be interrupted upon the giving of appropriate notice.

5.4.2.4 Customers on circuits which serve critical loads will be required to curtail the non-critical portion of their loads. Thereafter, circuits which serve critical loads will be identified and will not be interrupted unless an area must be dropped to maintain stability of the electric system. However, loads otherwise classifiable as critical may be curtailed if they possess back-up generation sufficient to meet their entire load requirement. If a customer having a critical load refuses or fails to curtail his electric consumption down to the critical load, he shall thereupon not be considered to have a critical load for purposes of this Schedule.

5.4.2.5 Circuits which serve essential loads will be identified and will not be interrupted unless an area must be dropped to maintain stability of the electric system. However, loads otherwise classifiable as essential may be curtailed if they possess back-up generation sufficient to meet their entire load requirement.

5.5 Sudden Shortages of Power

In the event that time does not allow for the implementation of the Electric Curtailment Guidelines, Company may resort to its emergency operations procedures, with or without notice.

5.6 Automatic Load Shedding

In the event that there is a major electrical disturbance threatening the interconnected Southwest system with blackout conditions, emergency devices such as under frequency load shedding, transfer tripping, etc., will be utilized to maintain the optimum system stability.

6. ELECTRIC CURTAILMENT OF FIRM WHOLESALE CUSTOMERS

6.1 The term "firm wholesale customer" shall be defined as those APS customers who purchase, on a firm basis, electricity from the Company for purposes of resale.

6.2 In any given instance where a curtailment of wholesale power deliveries is involved, and subject to any required approvals of the Federal Energy Regulatory Commission or contractual provisions to the contrary, Company shall notify its firm wholesale customers, requesting that they curtail electric service to their retail customers during the period that Company's system is affected by power shortages. In the event that Company is unable to obtain the cooperation of a firm wholesale customer, it may seek an order from appropriate governmental authority requiring the firm wholesale customer to accept a reduction of electricity deliveries proportionate to the curtailment being effected on Company's system.

7. ELECTRIC LOAD AND CURTAILMENT PLAN

A detailed electric load and curtailment plan shall be kept on file with the Arizona Corporation Commission. This plan shall contain specific procedures for implementation of the above, along with the name(s) and telephone number(s) of the appropriate Company personnel to contact in the event implementation of the plan becomes necessary. This plan shall be updated at least annually, and it or amendments thereto shall become effective upon submission to the Arizona Corporation Commission.

7.1 Company shall contact the Director, Utilities Division, or their designee, as soon as practical for any curtailment pursuant to this Schedule #5.

ELECTRIC METER TESTING AND MAINTENANCE PLAN

General Plan

This schedule establishes a meter maintenance and testing program for electric meters in order to ensure an acceptable degree of performance in the registration of the energy consumption of Arizona Public Service Company (Company) customers. Company will file an annual report with the Arizona Corporation Commission summarizing the results of the meter maintenance and testing program.

Specific Plan

1. Single-Phase Self Contained Meters - Non-Solid State Hybrids and Electro-Mechanical

   1.1 Meters shall be separated into groups having common physical attributes and the average performance of each group will be determined based on the weighted average of the meter's percentage registration at light load (LL) and at full load (FL) giving the full load registration a weight factor of four (4).

   1.2 Analysis of the test results for each group evaluated shall be done in accordance with the statistical formulas outlined in ANSI/ASQC Z1.9 – 1995 Formulas B-3, Tables A-1, A-2 and B-5. The minimum sample size shall be 100 meters when possible.

2. Single Phase Self Contained Meters – Solid State

   Company will monitor performance of these types of meters through the Company Metering and Billing systems.

3. Three Phase Self-Contained Meters - Non-Solid State Hybrids and Electro-Mechanical

   Company shall monitor installations with the following types of meters for accuracy and recalibrate as necessary according to the following schedule:

   3.1 Three-phase meters with surge-proof magnets and without demand registers or pulse initiators: 16 years.

   3.2 Three phase block-interval demand-register-equipped kWh meters with surge-proof magnets: 12 years.

   3.3 Three phase lagged-demand meters: 8 years.

4. Three Phase Self-Contained Meters – Solid State

   Company will monitor performance for these types of meters through the Company Metering and Billing systems.

5. Three Phase Transformer-Rated Meter Installations – Solid State Hybrids and Electro-Mechanical

   Company will conduct a periodic testing program whereby three phase transformer-rated meter installations along with their associated equipment shall be inspected and tested for accuracy according to the following schedule:

5.1 Installations with 500 to 1,000 kW load: 4 years.

5.2 Installations with 1001 kW to 2000 kW load: 2 years.

5.3 Installations over 2000 kW load: 1 year.

The following terms and conditions and any changes authorized by law will apply to Arizona Public Service Company (Company), Energy Service Providers (ESPs), and their agents that participate in Direct Access under the Arizona Corporation Commission's (ACC) rules for retail electric competition (A.A.C. R14-2-1601, et seq., referred to herein as the "Rules"). "Direct Access customer" refers to any Company retail customer electing to procure its electricity and any other ACC authorized Competitive Services directly from ESPs as defined in the Rules.

Customer Selections

All Company retail customers shall obtain service under one of two options:

1. Standard Offer Service. With this election, retail customers will receive all services from Company, including metering, meter reading, billing, collection and other consumer information services, at regulated rates authorized by the ACC. Any customer who is eligible for Direct Access who does not elect to procure Competitive Services shall remain on Standard Offer Service. Direct Access customers may also choose to return to Standard Offer Service after having elected Direct Access.

2. Competitive Services (Direct Access). This service election allows customers who are eligible for Direct Access to purchase electric generation and other Competitive services from an ACC certificated ESP. Direct Access customers with single premise demands greater than 20 kW or usage of 100,000 kWh annually will be required to have Interval Metering, as specified in Section 3.6.1. Pursuant to the Rules, and any restrictions herein, the ESP serving these customers will have options available for choosing to offer Meter Services, Meter Reading Services and/or Billing Services on their own behalf (or through a qualified third party), or to have Company provide those services (when permitted by the Rules) as specified within.

1. General Terms

1.1. Definitions. The definitions of principal terms used in this Schedule shall have the same meaning as ascribed to them in the Rules, unless otherwise expressly stated in this Schedule.

1.1.1. Customer - Unless otherwise stated, all references to Customer in this agreement refer to Company customers who are eligible for and have elected Direct Access.

1.1.2. Service Account - Unless otherwise stated, all references to "Service Account" in this agreement shall refer to an installed service, identified by a Universal Node Identifier (UNI).

1.1.3. Local Arizona Time – All time references in this Schedule are in Local Arizona Time, which is Mountain Standard Time (MST).

2. General Obligations of Company

2.1. Non-Discrimination

2.1.1. Company shall discharge its responsibilities under the Rules in a non-discriminatory manner as to providers of all Competitive Services. Unless otherwise authorized by the ACC, the Federal Energy Regulatory Commission ("FERC") or applicable affiliate transactions rules, Company shall not:

2.1.1.1. Represent that its affiliates or customers of its affiliates will receive any different treatment with regard to the provision of Company services than other, unaffiliated services providers as a result of affiliation with Company; or

2.1.1.2. Provide its affiliates, or customers of its affiliates, any preference based on the affiliation including but not limited to terms and conditions of service, information, pricing or timing over non-affiliated suppliers or their customers in the provision of Company services.

2.2. Transmission and Distribution Service

Company will offer transmission and distribution services under applicable tariffs, schedules and contracts for delivery of electric generation to Direct Access customers under the provisions of State law, the terms of the ACC's Rules and Regulations, this Schedule, the ESP Service Acquisition Agreement, applicable tariffs and applicable FERC rules.

3. General Obligations of ESPs

3.1. Timeliness, Due Diligence and Security Requirements

3.1.1. ESPs shall exercise due diligence in meeting their obligations and deadlines under the Rules to facilitate customer choice. ESPs shall make all payments owed to Company in a timely manner.

3.1.2. ESPs shall adhere to all credit, deposit and security requirements specified in the ESP Service Acquisition Agreement and Company tariffs and schedules.

3.2. Arrangements with ESP Customers

ESPs shall be solely responsible for having appropriate contractual or other arrangements with their customers necessary to implement Direct Access. Company shall not be responsible for monitoring, reviewing or enforcing such contracts or arrangements.

3.3. Responsibility for Electric Purchases

ESPs will be responsible for the purchase of their Direct Access customers' electric generation needs and the delivery of such purchases to designated receipt points as set forth on schedules given to the Scheduling Coordinators ("SCs").

3.4. Company Not Liable for ESP Services

To the extent the customer elects to procure services from an ESP, Company has no obligations to the customer with respect to the services provided by the ESP.

3.5. Load Aggregation for Procuring Electric Generation/Split Loads

3.5.1. ESPs may aggregate individually-metered electric loads for procuring competitive electric generation only. Load aggregation shall not be used to compute Company charges or for tariff applicability.

3.5.2. Customers requesting Direct Access Services may not partition the electric loads of a Service Account among electric service options or providers. The entire load of a Service Account must be provided by only one (1) ESP. This provision shall not restrict the use of separate parties for metering and billing services.

3.6. Interval Metering

3.6.1. "Interval Metering" refers to the purchase, installation and maintenance of electricity metering equipment capable of measuring and recording minimum data requirements, including hourly interval data required for Direct Access settlement processes and distribution billing. Interval Metering is required for all customers that elect Direct Access and reach a single site maximum demand in excess of 20 kW one or more times or annual usage of 100,000 kWh or more. Interval Metering is provided by the ESP, at no cost to Company. Interval Metering is optional for those customers with single site maximum demands that are 20 kW or less or annual usage of less than 100,000 kWh.

3.6.2. Company shall determine if Customer meets the requirements for Interval Metering based on historical data, or an estimated calculation of the demand and/or usage for new customers.

3.7. Meter Data Requirements

Minimum meter data requirements consist of data required to bill Company distribution tariffs and determine transmission settlement. Company shall have access to meter data necessary for regulatory purposes or rate-setting purposes pursuant to mutually agreed upon terms with the ESP for such data access.

3.8. Statistical Load Profiles

Company will offer statistical load profiles in place of Interval Metering, for qualifying Customers to estimate hourly consumption for settlement and scheduling purposes. Statistical load profiles will be applied as authorized by FERC.

3.9 Fees and Other Charges

Direct Access customers shall pay all applicable fees, surcharges, impositions, assessments and taxes on the sale of energy or the provisions of other services as authorized by law. The ESP and Company will each be respectively responsible for paying such fees to the taxing or regulatory agency to the extent it is their obligation to do so. Both the ESP and Company will be responsible for providing the authorized billing agent the information necessary to bill these charges to the customer.

3.10. Liability In Connection With ESP Services

3.10.1. "Damages" shall include all losses, harm, costs and detriment, both direct and indirect, and consequential, suffered by Customer or third parties.

3.10.2. Company shall not be liable for any damages caused by Company conduct in compliance with, or as permitted by, Company's electric rules and tariffs, the ESP Service Acquisition Agreement, the Rules, and associated legal and regulatory requirements related to Direct Access service, or as otherwise set forth in Company's Schedule #1.

3.10.3. Company shall not be liable for any damages caused to Customer by any ESP, including failure to comply with Company's electric rules and tariffs, the ESP Service Acquisition Agreement, the Rules, and associated legal and regulatory requirements related to Direct Access service.

3.10.4. Company shall not be liable for any damages caused by the ESP's failure to perform any commitment to Customer.

3.10.5. An ESP is not a Company agent for any purpose. Company shall not be liable for any damages resulting from acts, omissions, or representations made by an ESP in connection with soliciting customers for Direct Access or rendering Competitive Services.

3.10.6 Under no circumstances shall Company be liable to Customer, ESP (including any entity retained by it to provide competitive services to the customer) or third parties for lost revenues or profits, indirect or consequential damages or punitive or exemplary damages in connection with Direct Access Services. This provision shall not limit remedies otherwise available to customers under Company's schedules and tariffs and applicable laws and regulations.

4. Customer Inquiries and Data Accessibility

4.1 Customer Inquiries – For customers requesting information on Direct Access, Company shall make available the following information:

4.1.1 Materials to consumers about competition and consumer choices.

4.1.2 A list of ESPs that have been issued a Certificate of Convenience and Necessity to offer Competitive Services within Company's service territory. Company will provide the list maintained by the ACC, but Company is under no obligation to assure the accuracy of this list. Reference to any particular ESP or group of ESPs on the list shall not be considered an endorsement or other form of recommendation by Company.

4.2. Access to Customer Usage Data. For Company customers on Standard Offer Service, Company shall provide customer specific usage data to ESP or to Customer, subject to the following provisions:

4.2.1. ESPs may request Customer usage data prior to submission of a Direct Access Service Request ("DASR") by obtaining and submitting to Company the Customer's written authorization on a Customer Information Service Request ("CISR") form. Company may charge for customer usage data at rates approved by the ACC.

4.2.2. Company will provide the most recent twelve (12) months of customer usage data or the amount of data available for that Customer if there is less than twelve (12) months of usage history.

4.3 Customer Inquires Concerning Billing Related Issues

4.3.1 Customer inquiries concerning Company charges or services shall be directed to Company.

4.3.2 Customer inquiries concerning ESP charges or services shall be directed to the ESP.

4.4. Customer Inquiries Related to Emergency Situations and Outages

4.4.1. Company shall be responsible for responding to all Standard Offer Service or, in the case of Direct Access customers, distribution service emergency system conditions, outages and safety situation inquiries related to Company's distribution system. Customers contacting an ESP with such inquiries are to be referred directly to Company for resolution. ESPs performing consolidated billing must show Company's emergency telephone number on their bills.

4.4.2. Company may shed or curtail customer load as provided by its ACC-approved tariffs and schedules, or by other ACC rules and regulations.

5. ESP Service Establishment

5.1. Before the ESP or its agents can offer Direct Access services in Company's distribution service territory they must meet the applicable provisions as listed:

5.1.1. All ESPs must obtain a Certificate of Convenience and Necessity from the ACC which authorizes the ESP to offer Competitive Services in Company's distribution service territory.

5.1.2. All ESPs must register to do business in the State of Arizona and obtain all other licenses and registrations needed as a legal predicate to the ESP's ability to offer Competitive Services in Company's distribution service territory.

5.1.3. Load Serving ESPs must satisfy creditworthiness requirements as specified in the ESP Service Acquisition Agreement if the ESP chooses the ESP Consolidated Billing option. If the ESP chooses Company UDC Consolidated Billing, they must enter into a Customized Billing Services Agreement.

5.1.4 Load Serving ESPs must enter into an ESP Service Acquisition Agreement with Company.

5.1.5. All ESPs must satisfy any applicable ACC electronic data exchange requirements including:

5.1.5.1. The ESP and/or its designated agents must complete to Company's satisfaction all necessary electronic interfaces between the ESP and Company to exchange DASRs and general communications.

5.1.5.2. The ESP or its agent must complete to Company's satisfaction all electronic interfaces between the ESP and Company to exchange meter reading and usage data. This includes communication to and from the Meter Reading Service Provider's (MRSP) server for sharing of meter reading and usage data.

5.1.5.3. The ESP must have the capability to electronically exchange data with Company. Alternative arrangements may be acceptable at Company's option.

5.1.5.4. The ESP and its agents must use Electronic Data Interchange (EDI) using Arizona Standard Formats to exchange billing and remittance data with Company when offering ESP Consolidated Billing or Company UDC Consolidated Billing. The ESP and its agents must use the Arizona Standard Format to exchange meter reading data with Company when providing meter reading services. Alternative arrangements may be allowed at Company's option.

5.1.6. For Company UDC Consolidated Billing or ESP Consolidated Billing options, compliance testing is required. Both parties must demonstrate the ability to perform data exchange functions required by the ACC and the ESP Service Acquisition Agreement. Any change of the billing agent will require a revalidation of the applicable compliance testing. Provided the ESP is acting diligently and in good faith, its failure to complete such compliance testing shall not affect its ability to offer electric generation to Direct Access customers. Dual Company/ESP Billing will be performed until the compliance testing is completed to Company's satisfaction.

5.1.7. Compliance testing will be required for a MRSP when providing meter reading services to ensure that meter data can be delivered successfully. Any change of the MRSP's system, or any change to the Arizona Standard 867 EDI format, will require a revalidation of the applicable compliance testing.

6. Direct Access Service Request (DASR)

6.1 A DASR is submitted pursuant to the terms and conditions of the Arizona DASR Handbook, the ESP Service Acquisition Agreement and this section, and shall also be used to define the Competitive Services that the ESP will provide the customer.

6.2 ESPs shall have a CC&N from the ACC; shall have entered into an ESP Service Acquisition Agreement with Company, if required, and shall have successfully completed data exchange compliance testing before submitting DASRs.

6.3 The customer's authorized ESP must submit a completed DASR to Company before Customer can be switched from Standard Offer Service or Competitive Service provided by another ESP. The DASR process described herein shall be used for customer Direct Access elections, updates, cancellations, customer-initiated returns to Company Standard Offer Service, or requests for physical disconnection of service and ESP- or customer-initiated termination of an ESP/customer service agreement.

6.4. A separate DASR must be submitted for each service delivery point. Each of the five (5) DASR operation types [Request (RQ), Termination of Service Agreement (TS), Physical Disconnect (PD), Cancel (CL) and Update/Change (UC)] has specific field requirements that must be fully completed before the DASR is submitted to Company. A DASR that does not contain the required field information or is otherwise incomplete may be rejected. In accordance with the provisions of the applicable Service Acquisition Agreement, Company may deny the ESP or customer request for service if the information provided in the DASR is false, incomplete, or inaccurate in any material respect. ESPs filing DASRs are thereby representing that they have their customer's authorization for such transaction.

6.5. Company requires that DASRs be submitted electronically using Electronic Data Interchange (EDI) or Comma Separated Value (CSV) formats through the Company's web site (http://esp.apsc.com).

6.6. DASRs will be handled on a first-come, first-served basis. Each request shall be time and date stamped when received by Company.

6.7. Once the DASR is submitted, the following timeframes will apply:

6.7.1. Company will respond to RQ, TS, CL and UC DASRs within two (2) working days of the time and date stamp. Company will exercise best efforts (no later than five (5) working days) to provide the ESP with a DASR status notification informing them whether the DASR has been accepted, rejected or placed in a pending status awaiting further information. If accepted, the effective switch date will be determined in accordance with Sections 6.8, 6.9, and 6.12 and will be confirmed in the response to the ESP and the former ESP if applicable. If a DASR is rejected, Company shall provide the reasons for the rejection. If a DASR is held pending further information, it shall be rejected if the DASR is not completed with the required information within thirty (30) working days, or a mutually agreed upon date, following the status notification. Company will send written notification to the customer once the RQ DASR has been processed.

6.7.2. When a customer requests electric services to be disconnected, the ESP is responsible for submitting a PD DASR to Company on behalf of the customer, regardless of the Meter Service Provider (MSP).

6.7.2.1. When Company is acting as the MSP, Company shall perform the physical disconnect of the service. The PD DASR must be received by Company at least three (3) working days prior to the requested disconnect date. Company will acknowledge the PD DASR status within two (2) working days of the time and date stamp.

6.7.2.2 When Company is not acting as the MSP, the ESP is responsible for performing the physical disconnect. The ESP shall notify Company by DASR of the date of the physical disconnect. Disconnect reads must be posted to the server within three (3) working days following the disconnection.

6.8. DASRs that do not require a meter exchange must be received by Company at least fifteen (15) calendar days prior to the next scheduled meter read date. The actual meter read date would be the effective switch date. DASRs received less than fifteen (15) calendar days prior to the next scheduled meter read date will be scheduled for switch to Direct Access on the following month's read date.

6.9 DASRs that require a meter exchange will have an effective change date to Direct Access as of the meter exchange date. Notification of meter exchange dates shall be coordinated between the ESP, MSP and Company's Meter Activity Coordinator ("MAC").

6.10. If more than one (1) RQ DASR is received for a service delivery point within a Customer's billing cycle, only the first valid DASR received shall be processed in that period. All subsequent DASRs shall be rejected.

6.11. Upon acceptance of an RQ DASR, a maximum of twelve (12) months of customer usage data, or the available usage for that customer switching from Standard Offer, shall be provided to the ESP. If there is an existing ESP currently serving that customer, that ESP shall be responsible for submitting the customer usage data to the new ESP. In both cases, the customer usage data will be submitted to the appropriate ESP no later than five (5) working days before the scheduled switch date.

6.12. Customers returning to Company Standard Offer service must contact their ESP. The ESP shall be responsible for submitting the DASR on behalf of the customer.

6.13. ESPs requesting to return a Direct Access customer to Company Standard Offer service shall submit a TS DASR and shall be responsible for the continued provision of the customer's electric supply service, metering, and billing services until the effective change date.

6.14. Customers requesting to return to Company Standard Offer service are subject to the same timing requirements as used to establish Direct Access service. Direct Access customers returning to Company Standard Offer service may be subject to the RCDAC-1.

6.15. Company may assess a fee for processing DASRs. All fees are payable to Company within fifteen (15) calendar days after the invoice date. All unpaid fees received after this date will be assessed applicable late fees pursuant to Schedule 1. If an ESP fails to pay these fees within thirty (30) days after the due date, Company may suspend accepting DASRs from the ESP unless a deposit sufficient to cover the fees due is currently available or until such time as the fees are paid. If an ESP is late in paying fees, a deposit or an additional deposit may be required from the ESP.

6.16. A customer moving to new premises may retain or start Direct Access immediately. The customer must first contact Company to establish a Service Account. The customer will be provided the necessary information that will enable its ESP to submit a DASR. The same timing requirements apply as set forth in Section 6.8 and 6.9.

6.17. Billing and metering option changes are requested through a UC DASR and cannot be changed more than once per billing cycle.

6.18. Company shall not hold the ESP responsible for any customer unpaid billing charges prior to the customer's switch to Direct Access. Unpaid billing charges shall not delay the processing of DASRs and shall remain the customer's responsibility to pay Company. Company's Schedule 1 applies in the event of customer non-payment, which includes the possible disconnection of distribution services. Company shall not accept any DASRs submitted for customers who have been terminated for nonpayment and have not yet been reinstated. Disconnection by Company of a delinquent customer shall not make Company liable to the ESP or third-parties for the customer's disconnection.

6.19 Company shall not accept DASRs that specify a switch date of more than sixty (60) calendar days from the date the DASR is submitted.

7. Billing Service Options and Obligations

7.1 Subject to availability, and pursuant to the terms in the ESP Service Acquisition Agreement, this Schedule 10, and applicable tariffs and the restrictions therein, ESPs may select among the following billing options:

7.1.1 COMPANY UDC CONSOLIDATED BILLING

7.1.2 ESP CONSOLIDATED BILLING

7.1.3 DUAL COMPANY/ESP BILLING

7.2 COMPANY UDC CONSOLIDATED BILLING

7.2.1 The customer's authorized ESP sends its bill-ready data to Company, and Company sends a consolidated bill containing both Company and ESP charges to the Customer.

7.2.2 Company Obligations:

7.2.2.1 Company shall bill the ESP charges and send the bill either by mail or electronic means to the customer. Company is not responsible for computing or determining the accuracy of the ESP charges. Company is not required to estimate ESP charges if the expected bill ready data is not received nor is Company required to delay Company billing. Billing rendered on behalf of the ESP by Company shall comply with A.A.C. R14-2-1612.

7.2.2.2 Company bills shall include in Customer's bill a detailed total of ESP charges and applicable taxes, assessments and billed fees, the ESP's name and telephone number, and other information provided by the ESP.

7.2.2.3 If Company processes Customer payments on behalf of the ESP, the ESP shall receive payment for its charges as specified in Section 7.7.

7.2.3 ESP Obligations

7.2.3.1 Once a billing election is in place as specified in the ESP Service Acquisition Agreement, the ESP may offer Company UDC Consolidated Billing services to Direct Access customers pursuant to the terms and conditions of the applicable ACC approved tariff.

7.2.3.2. The ESP shall submit the necessary billing information to facilitate billing services under this billing option by Service Account, according to Company's meter reading schedule, and pursuant to the applicable tariff. Timing of billing submittals is provided for in Section 7.2.4 below.

7.2.4 Timing Requirements

7.2.4.1. Bills under this option will be rendered once a month. Nothing contained in this Schedule shall limit Company's ability to render bills more frequently consistent with Company's existing practices. However, if Company renders bills more frequently than once a month, ESP charges need only to be calculated based on monthly billing periods.

7.2.4.2. Except as provided in Section 7.2.4.1, Company shall require that all ESP and Company charges be based on the same billing period data.

7.2.4.3. ESP charges for normal monthly customer billing and any adjustments for prior months' metering or billing errors must be received by Company in EDI "810" format no later than 4:00 p.m. Local Arizona Time on the third working day following the Last Meter Read/First Bill Date. If billing charges have not been received from the ESP by this deadline, Company will render a bill for Company charges only. The ESP must wait until the next billing cycle, unless there is a mutual agreement for Company to send an interim bill. If Company renders the bill for Company charges only, Company will include a note on the bill stating that ESP charges will be forthcoming. An interim bill issued pursuant to this Section may also include a message that Company charges were previously billed.

7.2.4.4. ESP charges for a Physical Disconnect Final Bill must be received by 4:00 p.m. Local Arizona Time on the sixth working day following the actual disconnect date. If final billing charges have not been received from the ESP by this date, Company will render the customer's final bill for Company charges only, without the ESP's final charges. If Company renders the bill for Company charges only, Company will include a note on the bill stating that ESP charges will be forthcoming. The ESP must send the final charges to Company. Company will produce and send a separate bill for the final billing charges.

7.2.5. Restrictions

Company UDC Consolidated Billing shall be an option for individual customer bills only, not an aggregated group of customers. Nothing in this Section precludes each individual customer in an aggregated group, however, from receiving the customer's individual bills under Company UDC Consolidated Billing.

7.3. ESP CONSOLIDATED BILLING

7.3.1 Company calculates and sends its bill-ready data to the ESP. The ESP in turn sends a consolidated bill to its customer. The ESP shall be obligated to provide the customer detailed Company charges to the extent that the ESP receives such detail from Company. The ESP is not responsible for the accuracy of Company charges.

7.3.2 Company Obligations:

7.3.2.1 Company shall calculate all its charges once per month based on existing Company billing cycles and provide these to the ESP to be included on the ESP consolidated bill or as otherwise specified. Company and the ESP may mutually agree to alternative options for the calculation of Company charges.

7.3.2.2 Company shall provide the ESP with sufficient detail of its charges, including any adjustments for prior months' metering and billing error, by EDI "810" format. Company charges that are not transmitted to the ESP by 4:00 p.m. Local Arizona Time on the third working day following the Last Meter Read/First Bill Date need not be included in the ESP's bill. If Company's billing charges have not been received by such date, the ESP may render the bill without Company charges unless there is a mutual agreement to have the ESP send an interim bill to the customer including Company charges. The ESP will include a message on the bill stating that Company charges are forthcoming.

7.3.2.3 For a Physical Disconnect Final Bill, Company will provide the ESP with Company's final bill charges by 4:00 p.m. Local Arizona Time on the sixth working day following the actual disconnect date. If Company's billing charges have not been received by such date, the ESP may render the bill without Company charges. The ESP shall include a message on the bill stating that Company charges are forthcoming. Company will send the final bill charges to the ESP, and the ESP will produce and deliver a separate bill for Company charges.

7.3.3 ESP Obligations:

7.3.3.1 Once an ESP Service Acquisition Agreement is entered into, including an appropriate billing election, and all other applicable prerequisites are met, the ESP may offer consolidated billing services to Direct Access customers they serve.

7.3.3.2 The ESP bill shall include any billing-related details of Company charges. Company charges may be printed with the ESP bill or electronically transmitted. Billing rendered on behalf of Company by the ESP shall comply with A.A.C. R14-2-1612.

7.3.3.3 Other than including the billing data provided by Company on the customer's bill, the ESP has no obligations regarding the accuracy of Company charges or for disputes related to these charges. Disputed charges shall be handled according to ACC procedures.

7.3.3.4 The ESP shall process customer payments and handle collection responsibilities. Under this billing option, the ESP must pay all charges due to Company and not disputed by the customer as specified in Section 7.7.2.1.

7.3.3.5 Subject to the limitations of this Section and with the written consent of the Customer, the ESP may offer customers customized billing cycles or payment plans which permit the Customer to pay the ESP for Company charges in different amounts than Company charges to the ESP for any given billing period. Such plans shall not, however, affect in any manner the obligation of the ESP to pay all Company charges in full. Should Customer select an optional payment plan, all Company charges must be billed in accordance with A.A.C. R14-2-210(G).

7.3.4 Timing Requirements

ESPs may render bills more or less frequently than once a month. However, Company shall continue to bill the ESP each billing cycle period for the amounts due by the customer for that billing month.

7.4 DUAL COMPANY/ESP BILLING

Company and the ESP each separately bill the customer directly for services provided by them. The billing method is the sole responsibility of Company and the ESP. Company and the ESP shall process only the customer payments relating to their respective charges.

7.5 Billing Information and Inserts

7.5.1 All customers, including Direct Access customers, shall receive mandated legal, safety and other notices equally in accordance with A.A.C. R14-2-204 (B). If the ESP is providing consolidated billing, Company shall make available one (1) copy of these notices to the ESP for distribution to customers or, at the ESP's request, in electronic format to the ESP for production and communication to electronically billed Customers. If Company is providing Consolidated billing services, Company shall continue to provide these notices.

7.5.2 Under Company UDC Consolidated Billing, ESP bill inserts may be included pursuant to the applicable Company tariff.

7.6 Billing Adjustments for Meter and Billing Error

7.6.1 Meter and Billing Error

7.6.1.1 The MSP (including the ESP or Company if providing such services) shall resolve any meter errors and must notify the ESP and Company, as applicable, so any billing adjustments can be made. All other affected parties, including the appropriate Scheduling Coordinator, shall be notified by the ESP.

7.6.1.2 A billing error is the incorrect billing of Customer's energy or demand. If the MSP, MRSP, ESP or Company becomes aware of a potential billing error, the party discovering the billing error shall contact the ESP and Company, as applicable, to investigate the error. If it is determined that there is in fact a billing error, the ESP and Company will make any necessary adjustments and notify all other affected parties in a timely manner.

7.6.1.3 Company UDC Consolidated Billing

7.6.1.3.1 Company shall be responsible for notifying Customer and adjusting the bill for its charges to the extent those charges were affected by the meter or billing error.

7.6.1.3.2 The ESP shall be responsible for any recalculation of the ESP charges. Following the receipt of the recalculated charges from the ESP, the charges or credits will be applied to Customer's next normal monthly bill, unless there is mutual agreement to have Company send an interim bill to the Customer including the ESP's charges.

7.6.1.4 ESP Consolidated Billing

7.6.1.4.1 The ESP shall be responsible for notifying the Customer and adjusting the bill for ESP charges to the extent those charges were affected by the meter or billing error. The Customer shall be solely responsible for obtaining refunds of ESP electric generation overcharges from its current and prior ESPs, as appropriate.

7.6.1.4.2 Company shall transmit its adjusted charges and any refunds to the ESP with Customer's next normal monthly bill. The ESP shall apply the charges to Customer's next normal monthly bill, unless there is a mutual agreement to have the ESP send an interim bill to Customer including Company charges.

7.6.1.5 Dual Company/ESP Billing

7.6.1.5.1 Company and the ESP shall be separately responsible for notifying Customer and adjusting its respective bill for their charges.

7.7 Payment and Collection Terms

7.7.1 Company UDC Consolidated Billing

7.7.1.1 Company shall remit payments to the ESP for the total ESP charges collected from Customer within three (3) working days after Customer's payment is received. Company is not required to pay amounts owed to the ESP for ESP charges billed but not received by Company.

7.7.1.2 Customer is obligated to pay Company for all undisputed Company and ESP charges consistent with existing tariffs and other contractual arrangements for service between the ESP and the customer.

7.7.1.3 The ESP is responsible for all collections related to the ESP services on the Customer's bill, including, but not limited to, security deposits and late charges unless otherwise agreed upon in the customized billing services agreement between ESP and Company.

7.7.1.4 Payment for any Company charges for Consolidated Billing is due in full from the ESP within fifteen (15) calendar days of the date Company charges are rendered to the ESP. Any payment not received within this time frame will be assessed applicable late charges pursuant to Schedule 1. If an ESP fails to pay these charges prior to the next billing cycle, Company may revert the billing option for that ESP's customers to Dual Billing pursuant to Section 7.10.4. If an ESP is late in paying charges a deposit or additional deposit as provided for in Section 7.11 may be required.

7.7.2 ESP Consolidated Billing

7.7.2.1 Payment is due in full from the ESP within fifteen (15) calendar days after the date Company's charges are rendered to the ESP. The ESP shall pay all undisputed Company charges regardless of whether Customer has paid the ESP. All payments received after fifteen (15) calendar days will be assessed applicable late charges pursuant to Schedule 1. If an ESP fails to pay these charges prior to the next billing cycle, Company may revert the billing option for that ESP's customers to Dual Billing pursuant to Section 7.10.4. If an ESP is late in paying charges a deposit or additional deposit as provided for in Section 7.11 may be required.

7.7.2.2 Company shall be responsible for any follow-up inquiries with the ESP if there is question concerning the payment amount.

7.7.2.3 Company has no payment obligations to the ESP for Customer payments under ESP Consolidated Billing services.

7.7.3 Dual Company/ESP Billing

Company and the ESP are separately responsible for collection of Customer payment for their respective charges.

7.8 Late or Partial Payments and Unpaid Bills

7.8.1 Company UDC Consolidated Billing

7.8.1.1 Company shall not be responsible for ESP's Customer collections, collecting the unpaid balance of ESP charges from Customers, sending notices informing Customers of unpaid ESP balances, or taking any action to recover the unpaid amounts owed the ESP. The ESP shall assume any collection obligations and/or late charge assessments for late or unpaid balances related to ESP charges under this billing option.

7.8.1.2 All Customer payments shall be applied first to unpaid balances identified as Company charges until such balances are paid in full, then applied to ESP charges. A Customer may dispute charges as provided by A.A.C. R14-2-212, but a Customer will not otherwise have the right to direct partial payments between Company and the ESP.

7.8.1.3 ACC rules shall apply to late or non-payment of all Company customer charges. Undisputed Company delinquent balances owed on a customer account shall be considered late and subject to Company late payment procedures.

7.8.2 ESP Consolidated Billing

The ESP shall be responsible for collecting both unpaid ESP and Company charges, sending notices informing Customers of unpaid ESP and Company balances, and taking appropriate actions to recover the amounts owed. Company shall not assume any collection obligations under this billing option and ESP is liable to Company for all undisputed payments owed Company.

7.8.3 Dual Company/ESP Billing

Company and the ESP are responsible for collecting their respective unpaid balances, sending notices to Customers informing them of the unpaid balance, and taking appropriate actions to recover their respective unpaid balances. Customer disputes with ESP charges must be directed to the ESP and Customer disputes with Company charges must be directed to Company.

7.9 Service Disconnects and Reconnects

In accordance with ACC rules, Company has the right to disconnect electric service to the Customer for a variety of reasons, including, but not limited to, the non-payment of Company's final bills or any past due charges by Customer, or evidence of safety violations, energy theft, or fraud, by Customer. The following provides for service disconnects and reconnects.

7.9.1 Company shall notify Customer and Customer's ESP of Company's intent to disconnect electric service for the non-payment of Company charges prior to disconnecting electric service to the Customer. Company shall further notify the ESP at the time Customer has been disconnected. To the extent authorized by the ACC, a service charge shall be imposed on Customer if a field call is performed to disconnect electric service.

7.9.2 Company shall reconnect electric service for a fee when the criteria for reconnection have been met to Company's satisfaction. Company shall notify the ESP of a Customer's reconnection.

7.9.3 Company shall not disconnect electric service to Customer for the non-payment of ESP charges by Customer. In the event of non-payment of ESP charges by Customer, the ESP may submit a DASR requesting termination of the service agreement and request return to Company Standard Offer Service. Company will then advise the Customer that they will be placed on Company Standard Offer Service unless a DASR is received from another ESP on their behalf.

7.10. Involuntary Service Changes

7.10.1. A Customer may have its service of electricity, billing, or metering from an ESP changed to another provider, including Company, involuntarily in the following circumstances:

7.10.1.1. The ACC has decertified the ESP or the ESP otherwise receives an ACC order that prohibits the ESP from serving the customer.

7.10.1.2 The ESP, including its agents, has materially failed to meet its obligations under the terms of its ESP Service Acquisition Agreement with Company (including applicable tariffs and schedules) so as to constitute an Event of Default under the terms of the ESP Service Acquisition Agreement, and Company exercises its contractual right to terminate the ESP Service Acquisition Agreement.

7.10.1.3 The ESP has materially failed to meet its obligations under the terms of the ESP Service Acquisition Agreement (including applicable tariffs and schedules) so as to constitute an Event of Default and Company exercises a contractual right to change billing options.

7.10.1.4 The ESP ceases to perform by failing to provide schedules through a Scheduling Coordinator whenever such schedules are required, or the ESP fails to have a Service Acquisition Agreement in place with a Scheduling Coordinator.

7.10.1.5. The Customer fails to meet its Direct Access requirements and obligations under the ACC rules and Company tariffs and schedules.

7.10.2. Change of Service Election in Exigent Circumstances

In the event Company finds that an ESP or the Customer has materially failed to meet its obligations under this Schedule or the ESP Service Acquisition Agreement such that Company elects to invoke its remedies under Section 7.10 (other than termination of ESP Consolidated Billing under Section 7.10.1.3) and the failure constitutes an emergency (defined as posing a substantial threat to the reliability of the electric system or to public health and safety), or the failure relates to ESP's sale of unscheduled energy, Company may initiate a change in the Customer's service election, or terminate an ESP's ability to offer certain services under Direct Access. In such case, Company shall initiate the change or termination by preparing a DASR, but the change or termination may be made immediately notwithstanding the applicable DASR processing times set forth in this Schedule. Company shall provide such notice and opportunity to remedy the problem if there are reasonable circumstances prevailing. Additionally, Company shall notify the ACC of the circumstances that required the change or the termination and the resulting action taken by Company. The ESP and/or Customer shall have the right to seek an order from the ACC restoring the customer's service election and/or the ESP's ability to offer services. Unless expressly ordered by the ACC, the provisions of this section shall not disconnect electric service provided to Customer other than as provided in Section 4.4.2 .

7.10.3. Change in Service Election Absent Exigent Circumstances

7.10.3.1. In the event Company finds that an ESP has materially failed to meet its obligations under this Schedule or the ESP Service Acquisition Agreement such that Company seeks to invoke its remedies under Section 7.10 (other than termination of ESP Consolidated Billing under Section 7.10.1.3), and the failure does not constitute an emergency (as defined in Section 7.10.2) or involve an ESP's unauthorized energy use, Company shall notify the ESP and the ACC of such finding in writing stating the following:

7.10.3.1.1. The nature of the alleged failure;

7.10.3.1.2. The actions necessary to remedy the failure;

7.10.3.1.3. The name, address and telephone number of a contact person at the Company authorized to discuss resolution of the failure.

7.10.3.2. The ESP shall have thirty (30) calendar days from receipt of such notice to remedy the alleged failure or reach an agreement with Company regarding the alleged failure. If the failure is not remedied and no agreement is reached between Company and the ESP following this thirty (30) day period, Company may initiate the DASR process set forth in this Schedule to accomplish its remedy and shall notify the customers of such remedy. Unless expressly ordered by the ACC, the provisions of this section shall not disconnect electric service provided to the customer other than as provided in Section 4.4.2.

7.10.4. Termination of ESP Consolidated Billing

7.10.4.1. Company may terminate ESP Consolidated Billing under the following circumstances:

7.10.4.1.1. The Company shall notify affected Customers that ESP Consolidated Billing services will be terminated, and the Company may switch affected Customers to Dual Company/ESP billing as promptly as possible if any of the following occur:

7.10.4.1.1.1 Company finds that the information provided by the ESP in the ESP Service Acquisition Agreement is materially false, incomplete, or inaccurate.

7.10.4.1.1.2 The ESP attempts to avoid payment of Company charges.

7.10.4.1.1.3 The ESP files for bankruptcy.

7.10.4.1.1.4 The ESP fails to have an involuntary bankruptcy proceeding filed against the ESP dismissed within sixty (60) calendar days.

7.10.4.1.1.5 The ESP admits insolvency.

7.10.4.1.1.6 The ESP makes a general assignment for the benefit of creditors.

7.10.4.1.1.7 The ESP is unable to pay its debts as they mature.

7.10.4.1.1.8 The ESP has a trustee or receiver appointed over all, or a substantial portion, of its assets.

7.10.4.1.2. If the ESP fails to pay Company (or dispute payment pursuant to the procedures set forth in this Schedule) the full amount of all Company charges and fees by the applicable due date, Company shall notify the ESP of the past due amount within two (2) working days of the applicable past due date. If the ESP incurs late charges on more than two (2) occasions or fails to pay overdue amounts including late charges within five (5) working days of the receipt of notice by Company, Company may notify the ESP's customers and the ESP that ESP Consolidated Billing services will be terminated, and that Customers shall be switched to Dual Billing.

7.10.4.1.3. If the ESP fails to comply within thirty (30) calendar days of the receipt of notice from Company of any additional credit, security or deposit requirements set forth in Sections 5.1.3 and 7.11, Company may notify the ESP that ESP Consolidated Billing services will be terminated, and that Customers shall be switched to Dual Billing.

7.10.4.2. Upon termination of ESP Consolidated Billing pursuant to Section 7.10.4, Company may deliver a separate bill for all Company charges which were not previously billed by the ESP.

7.10.4.3 Company may reinstate the ESP's eligibility to engage in ESP Consolidated Billing upon a reasonable showing by the ESP that the problems causing the revocation of ESP Consolidated Billing have been cured, including payment of any late charges, reestablishing credit requirements in compliance with Sections 5.1.4 and 7.11, and payment to Company of all costs associated with changing ESP customers' billing elections to and from dual billing.

7.10.4.4 In the event Company terminates ESP Consolidated Billing, Company will return any security posted by the ESP pursuant to the ESP Service Acquisition Agreement.

7.10.5. Termination of Company UDC Consolidated Billing

7.10.5.1. Company may terminate Company UDC Consolidated Billing and revert to Dual Billing upon providing thirty (30) calendar days notice to an ESP if ESP fails to pay Company charges in connection with Company UDC Consolidated Billing or otherwise fails to comply with its obligations under Section 7.2.

7.10.5.2 Company may terminate Consolidated Billing upon providing thirty (30) days notice to an ESP if Company cancels or changes the tariff governing Company UDC Consolidated Billing.

7.10.6. Upon termination of ESP Direct Access services pursuant to Section 7.10, the provision of the affected service(s) shall be assumed by another eligible ESP from which the Customer elects to obtain the affected service(s). Absent an election by Customer, Company shall provide such services, until such time that Customer makes an election.

7.10.7. Company shall not use involuntary service changes in an anticompetitive or discriminatory manner.

7.11. ESP Security Deposits

7.11.1. Company may, at its discretion, require cash security deposits from any ESP that has on more than one occasion failed to pay Company charges or ACC-approved Direct Access charges within the established time frame, such as DASR fees, meter or billing error or service fees, and other fees applicable to an ESP through Schedule 10 and Company's other tariffs and schedules.

7.11.2. The amount of the security deposit required shall not exceed two and one-half times the estimated maximum monthly bill to the ESP for such charges, and a separate security deposit may be required for separate categories of ESP or Direct Access charges.

7.11.3. Security deposits required pursuant to Section 7.11 shall be in the form of a cash deposit accruing interest as specified in Section 2.7.4 of Company Schedule 1. Company shall issue the ESP a nonnegotiable receipt for the amount of the deposit.

7.11.4. Company may refuse to accept DASRs from, or provide other Company services to, an ESP that fails to comply within thirty (30) calendar days to a demand that the ESP establish a security deposit pursuant to Section 7.11.

8. Meter Services

8.1 Under Direct Access, ESPs may offer certain metering services for Direct Access implementation, including meter ownership, MSP and MRSP services.

8.2 Company has the right to offer the following meter services:

8.2.1 Metering and Meter Reading for Residential Load-Profiled Customers

8.2.2 Services as authorized by the ACC.

8.2.3 Company reserves the right to perform meter disconnects, regardless of meter ownership, in cases of potential safety hazards or non-payment for Company charges.

8.3 A Load Serving ESP may sub-contract Metering or Meter Reading Services to a certificated third party. If the ESP sub-contracts any of the components of these services to a third party, the ESP shall, for the purposes of this Schedule, remain responsible for the services.

8.4 Load Serving ESPs providing Metering or Meter Reading Services to Direct Access customers either on their own or through a third party assume full responsibility for meeting the applicable meter and communication standards, as well as assuming responsibility for the safe installation and operation of the meter and any personal injuries and damage caused to customer or Company property by the meter or its installation. This liability will lie with the ESP regardless of whether the ESP or its subcontractors perform the work.

8.5 Meter Specifications

8.5.1 The Director of Utilities Division of the ACC has determined the following specifications and standards shall apply to competitive metering where applicable (see Performance Metering Specifications and Standards document):

8.5.2 Metering standards (American National Standards Institute):

ANSI C12.1	Code for Electricity Metering
ANSI C12.6	Marketing & Arrangement of Terminals for Phase Shifting Devices used in Metering
ANSI C12.7	Watt-hour Meter Socket
ANSI C12.10	Electromechanical Watt-hour Meters
ANSI C12.13	Electronic TOU Registers for Electricity Meters
ANSI C12.18	Type 2 Optical Port
ANSI C12.20	0.2% & 0.5% Accuracy Class Meters
ANSI C37.90	Surge Withstand Test
ANSI 57.13	Instrument Transformers (All CTs & PTs)
ANSI Z1.4	Sampling Procedures and Tables for Inspection
ANSI Z1.9	Sampling Procedures and Tables for Inspection

8.5.3 EEI Electricity Metering Handbook

8.5.4 Electric Utilities Service Equipment Requirements Committee (EUSERC)

8.5.5 NEC & Local Requirements by jurisdictions

8.5.6 Company's Electric Service Requirements Manual (ESRM)

8.5.7 National Electrical Safety Code (NESC)

8.5.8 ESPs or their contractors providing competitive metering services shall also comply with such other specifications or standards determined to be applicable or appropriate by the ACC's Director of Utilities Division.

8.6 Meter Conformity

8.6.1 All Direct Access meters shall have a visual kWh display and must have a physical interface to enable on-site interrogation of all stored meter data. All meters installed must support the Company's rate schedules.

8.6.2 If Company is providing MRSP functions for the ESP, pursuant to the Rules, meters must be compatible with Company's meter reading system.

8.6.3 No meter or associated metering equipment shall be set or allowed to remain in service if it is determined that the meter or its associated equipment did not meet approved specifications, as set forth in Company's ESRM, or is in violation of any code listed in Section 8.5.

8.7 Meter Testing

8.7.1 If a manufacturer's sealed meter has not previously been set and the meter was tested within the last twelve (12) months, the meter shall be deemed in compliance with ACC standards without additional testing.

8.7.2 Any meter removed from service shall be processed according to the following table prior to its re-installation:

METER TYPE	REMOVAL REASON	ACTION REQUIRED
1 Ph kWh Electro-Mechanical	Routine	Meter Inspection
1 Ph kWh Electro-Mechanical	Trouble	Meter Test
1 Ph kWh Hybrid or Solid State	Routine	Meter Test
1 Ph TOU (all)	Trouble	Meter Test
3 Ph Meters (all)	All	Meter Test
1 Ph or 3 Ph IDR Meters	All	Meter Test

8.7.3 Meter tests are to be conducted in accordance with ANSI C12.1 recommended testing standards.

8.7.4 Records on meter testing shall be maintained by the MSP and provided to the requesting parties within three (3) working days of such a request for such records. The latest meter test record shall be kept as long as the meter is in service.

8.8 Meter Test Requests

Pursuant to A.A.C. R14-209(F), either party may request that the other party perform a meter test, in which instance the requesting party is entitled to witness the test if it so chooses. The requesting party shall be notified of the test date and written test results from the testing party. If the meter is found to be within ACC-approved standards, the requesting party shall reimburse the other party for all costs incurred in the process of testing the meter (per ACC approved tariffs). The MSP shall take reasonable measures to detect meter error. The MSP shall notify Company as soon as it becomes aware of any meter that is not operating in compliance with ACC performance specifications. The MSP shall make any repairs or changes required to correct the error. ESPs and Company shall use a form approved by the ACC Process Standardization Working Group (PSWG) to initiate and respond to such action.

8.9 Meter Identification

8.9.1 The ESP or its agent shall install a Company provided unique number on each meter. Company will provide the unique numbers printed on stickers in blocks of up to 1,000 numbers. These stickers must be readily visible from the front of the meter. The number assigned to that meter shall remain solely with that meter while in use in Company's service territory.

8.9.2 When an ESP installs either its own meter or a customer owned meter, the ring or lock ring must be secured with a blue seal that is imprinted with the name and/or logo of the ESP or their agent.

8.10 Installation of metering equipment

8.10.1 All metering equipment shall be installed according to all applicable ACC requirements and Company's Electric Service Requirements Manual.

8.10.2 An ESP or its agent must be authorized by Company to remove a Company owned meter. The Existing Meter Information (EMI) form will be sent to the ESP and MSP within five (5) working days within receiving the DASR acceptance notification indicating a pending meter exchange. When the MSP intends to remove a Company meter, Company must receive a Meter Data Communication Request (MDCR) format at least five (5) working days prior to the exchange. Upon completion of the meter exchange, the MSP will return the Meter Installation/Removal Notification (MIRN) form to Company by the end of business, three (3) working days from the day of the exchange.

8.10.3 The ESP or its agent shall inform Company of all meter activity, such as meter installations or exchanges, via the Meter Activity Coordination (MAC) Form within the time frames specified above. If final meter reads are not provided to Company, are inaccurate, or otherwise result in Company not being able to render accurate final bills to customers pursuant to ACC Rules and Regulations, the ESP shall be responsible for any unbilled, disputed, or unrecoverable amounts and applicable late charges.

8.10.4 The ESP or its agent shall return the existing meter to Company at one of Company's designated locations identified in the meter drop off list within fifteen (15) working days after its removal, or be charged the cost of the meter and metering equipment and /or any other charges per the applicable ACC-approved tariff. The ESP or its agent shall be responsible for damage to the meter occurring during shipment.

8.11 On-Site Inspections/Site Meets

8.11.1 Company may perform on-site inspections of meter installations. The ESP shall be notified if the inspections uncover any material non-compliance by the MSP with the approved specifications and standards.

8.11.2 For new construction, the party installing the meter shall ensure that the owner/builder has met the construction standards outlined in Company's ESRM, and Company's Transmission and Distribution construction manual, as well as local municipal agency requirements, and any updates, supplements, amendments and other changes that may be made to these manuals and requirements. Company shall perform a preinstallation inspection on all new construction. Local city/county clearances may also be required prior to energizing any new construction.

8.11.3 Company may require a site meet for: the exchange or removal of an IDR meter which requires an optical device to retrieve interval data; the exchange or removal of equipment at an existing totalized metering installation; a restricted access location for which Company forbids key access; cogeneration sites, bi-directional or detented metering sites; or upon request of an ESP or MSP. The ESP and Company's MAC shall coordinate the time of the site meet. If the ESP or MSP miss two (2) site meets, Company may cancel the applicable DASR. Company may charge for a site meet requested by the ESP or MSP, or if the ESP or MSP fails to arrive within thirty (30) minutes of the appointment time, or if the ESP fails to cancel a site meet at least one (1) working day in advance of the appointment time.

8.12 Meter Service Options and Obligations

8.12.1 Meter Ownership shall be limited to Company, an ESP, or the customer. The customer must obtain the meter through Company or an ESP. Although a customer may own the electric meter, maintenance and servicing of the metering equipment shall be limited to Company, the ESP, or the ESP's qualified representative (MSP).

8.12.2 If the ESP or customer owns the meter, the ESP must own the CTs, PTs, and associated equipment, except as provided in Section 8.12.3. The ESP may purchase existing CTs and PTs and associated metering equipment from Company.

8.12.3 The following provisions apply to the ownership of CTs and PTs.

8.12.3.1 For distribution voltages up to 25kV, the ESP or Company shall own the CTs and PTs. For transmission primary voltages (over 25kV), the CTs and PTs shall be owned by Company. ESP owned CTs and PTs must meet Company specifications. No CTs and PTs or associated metering equipment shall be set or allowed to remain in service if it is determined that the CTs and PTs or their associated equipment does not meet Company's approved specifications, as set forth in Company's Electric Service Requirements Manual in place at the time of installation.

8.12.4 All CT-rated meter installations shall utilize safety test switches, and all self-contained commercial metering shall utilize safety-test blocks as provided in Company's ESRM. During meter exchanges, the ESP or its agent's employees who are certificated to perform the related MSP activities may install, replace or operate Company test switches and operate Company-sealed customer-owned test blocks.

8.13 Installation Options

8.13.1 The ESP is responsible for Direct Access customer meter installation. Company may optionally provide meter installation pursuant to the Rules.

8.13.2 ESPs or their agents must be certificated by the ACC in order to offer MSP services. The policies and procedures described in this Section 8.13 assume that the MSP and their meter installers have ACC certification. ESPs may elect to offer metering services by:

8.13.2.1 Becoming a certificated MSP.

8.13.2.2 Subcontracting with a third party that is a certificated MSP.

8.13.2.3 Subcontracting with Company under the circumstances described in Section 8.2.

8.14 As part of providing metering services, ESPs or their agents shall:

8.14.1 Obtain lock ring keys for meters originally installed by Company or request site meets with Company. Company will issue lock ring keys to certified MSPs upon receipt of a refundable deposit. The deposit will not be refunded if a key is either lost or stolen, and a fee will be applied to replace lost or damaged keys. For more information about the cost of lock rings, standard rings, or lock ring keys, please consult the Company MAC.

8.14.2 If lock rings are used they shall meet Company requirements. If a meter is installed and the readings are obtained from a source other than a physical inspection, a lock ring must be utilized. Lock rings may be purchased from Company.

8.14.3 Provide information to Company on the specifications and other specifics on meters not purchased from or installed by Company.

8.14.4 Allow Company to remove the customer's meter, or schedule a site meet to remove the meter transferring from Direct Access to Standard Offer service. If the ESP allows Company to remove meters, ESP shall coordinate with Company regarding the return of the meters.

8.14.5 Be responsible for obtaining and providing reads from any meter that it installs from the time it is installed to the time it is removed or until meter reading responsibilities are assumed by another ESP or the customer returns to Standard Offer service.

8.14.6 Ensure that ESP and MSP employees working in Company's territory follow ACC and other applicable safety standards.

8.14.7 Company shall notify the ESP immediately and the ESP shall notify Company immediately of any suspected unauthorized energy use when a safety hazard exists. In instances where there is not a safety hazard, each party will notify each other within twenty-four (24) hours. The ESP shall ensure that a lock ring is installed to secure any meter that does not require a monthly local (i.e., manual) meter read. The Parties agree to preserve any evidence of unauthorized energy use. Once unauthorized energy use is suspected, Company, in its sole discretion, may take any or all of the actions permitted under Company's tariffs and schedules and shall notify the ACC of any such action taken.

8.14.8 Take no action to impede Company's safe and unrestricted access to a customer's service entrance.

8.14.9 Glass over any socket when a meter is removed and a new meter is not installed.

8.15 MSRP Services provided as a responsibility of an ESP

Only certificated MRSP's acting on the ESP's behalf in accordance with ACC regulations shall perform MRSP functions. The MRSP for each Direct Access customer will be specified on the DASR received from the ESP. Any changes to Customers MRSP will be updated by the ESP with a "UC" DASR at least ten (10) days prior to the next scheduled read date. MRSP obligations and responsibilities are stated in the ACC's Rules and Regulations and include:

8.15.1 Meter data for Direct Access Customers shall be read, validated, edited, and transferred pursuant to Arizona's Validation, Editing, and Estimation Process (VEE). It is the responsibility of the MRSP to comply with this process. In cases where validated data is unavailable for transfer by the posting deadline, it is the responsibility of the MRSP to provide an estimated data file for the entire read cycle until actual meter data is available. At such time as actual data becomes available, a corrected data file shall be posted immediately.

8.15.2 Both Company and the ESP shall have 24-hour/7 days per week access to the MRSP server.

8.15.3 Meter read data shall include beginning and ending reads as well as the validated usage for load-profiled customers. Validated interval data shall be provided for all interval metering customers. Data must be posted to the MRSP server using the Arizona Standard EDI "867" format. Estimated data shall contain applicable reason codes pursuant to the 867 guidelines.

8.15.4 The MRSP shall provide Company with access to meter data at the MRSP server as required to allow the proper performance of billing and settlement.

8.15.5 MRSPs must have a CC&N from the ACC authorizing it to offer MSRP services, and must be certified in Company territory.

8.15.6 MRSPs shall read Customer's meter based on the scheduled read date per Company's Yearly Meter Read Schedule. The billing cycle for each meter shall contain the full period from read date to the following read date. Interval data cycles shall be considered from 00:15 on the read date to 00:00 on the following read date (i.e. 9/1/00 00:15 through 10/1/00 00:00). The first complete interval timestamp shall begin at 00:15 in each cycle. For meter exchanges to Direct Access, the first complete interval through the first read date at 00:00 shall constitute the billing cycle. For meter exchanges back to Standard Offer, every interval shall be included up to the last full interval prior to the exchange. It is the responsibility of the MRSP to provide estimation of any intervals that are necessary to constitute the full billing cycle.

8.15.7 The MRSP shall provide re-reads or read verifies within ten (10) working days of a request by Company or Customer. The requesting party may be charged per the applicable ACC tariff if the original read was not in error.

8.16 Meter Reading Data Obligations

8.16.1 Accuracy for all meters.

8.16.1.1 Meter clocks shall be maintained according to Arizona time within +/- three (3) minutes of the National Time Standard.

8.16.1.2 Meter read date and time shall be accurate.

8.16.1.3 All meter reading data shall be validated pursuant to the approved Arizona VEE guidelines.

8.16.2 Timeliness for Validated Meter Reading Data

Pursuant to guidelines established by the Utilities Division Director, one hundred percent (100%) of the validated meter data shall be available by 3:00 p.m. Local Arizona Time (MST) on the third working day after the scheduled read date. If the meter data is not posted, is unavailable, or clearly contains errors by this deadline, the billing determinants including usage (kWh) and demand (kW) may be estimated by Company and the ESP shall be charged an approved charge for this service.

8.16.3 Proof of Operational Ability

Prior to performing MRSP services in Company's distribution service territory, or prior to making any significant change in MRSP service methodology, each MRSP will perform compliance testing to demonstrate its ability to read meters, validate data, edit data, estimate missing data and post validated data in Company-compatible EDI format to the MRSP server. In addition, upon installation of the initial meter on Direct Access accounts in Company's distribution service territory, each MRSP shall prove its ability to read its meters and post validated data in Company-compatible EDI format to the MRSP server. If the MRSP is unsuccessful in its attempts to meet these requirements, all subsequent requests for meter exchanges will be postponed until the MRSP successfully demonstrates its operational ability.

8.16.4 Retention and Format for Meter Reading Data

8.16.4.1 All meter reading data for a Customer shall remain posted on the MRSP server for five (5) working days and will be recoverable for at least three (3) years.

8.16.4.2 Meter reading data posted to the MRSP server shall be stored in Company-compatible EDI format.

8.17 Company performing MSP and MRSP functions:

If Company is eligible to perform Direct Access related MSP and MRSP functions as defined in section 8.2, the following restriction applies:

The validated meter read will be posted in EDI format no later than 6 working days following the scheduled read date.

8.18 Non-Conforming Meters, Meter Errors and Meter Reading Errors

8.18.1 Whenever Company, the ESP or its agents becomes aware of any non-conforming meters, erroneous meter services and/or meter reading services that impact billing, it shall promptly notify the other parties and the affected Customer. Bills found to be in error due to non-conforming meters or errors in meter services or meter reading services will be corrected by the appropriate parties.

8.18.2 In cases of meter failure or non-compliance, the ESP or its agents shall have five (5) working days to correct the non-compliance. If the non-compliance is not remedied within five (5) working days, the following actions may apply:

8.18.2.1 A site meeting may be required when services are being performed. The non-compliant party may be charged an ACC-approved tariff for the meeting.

8.18.2.2 Company may repair the defect, and the other party shall be responsible for all related expenses.

8.18.2.3 Company shall adhere to the approved Performance Monitoring Standards and follow the steps outlined to address non-compliance by an MRSP.

8.18.3 Company may refuse to enter into a new ESP Service Acquisition Agreement, or cancel an existing ESP Service Acquisition Agreement pursuant to section 7.10.1.2, with any ESP or its agents that has a demonstrated pattern of uncorrected non-compliance as established above. This provision shall not apply if the alleged demonstrated pattern of non-compliance or correction thereof is disputed and is pending before any agency or entity with jurisdiction to resolve the dispute.

SERVICE SCHEDULE 15
CONDITIONS GOVERNING THE PROVISION OF SPECIALIZED METERING

Arizona Public Service Company (Company) will provide specialized metering upon customer request, provided the customer agrees to the following conditions:

1. The customer must contact their Company Account Representative to request and coordinate the purchase and installation of specialized metering such as KYZ pulse meters, IDR meters, or IDR and KYZ pulse meters. The customer must specify whether a modem will be required.

2. If the customer requests a meter with a modem option, the customer will be required to install communication equipment and connections which shall include a RJ11 or RJ12 jack. A coil of communication cable with either an RJ11 or RJ12 jack is to be provided within five to ten feet of the meter panel location and in such a manner that will provide for ease of attachment of the jack to the meter panel by Company. The phone line must be installed prior to the installation of the meter. The customer must provide Company with a phone number and any other communication access information to the meter(s) prior to Company installation of the meter(s).

3. If a customer requests kWh pulses, Company shall furnish an isolation relay and maintain the output wire and connections from this relay to an approved terminal block to be furnished by the customer. The terminal block shall be located in a lockable junction box mounted adjacent to (but not within) the Company metering compartment and not on the face of the Company metering panel.

4. The customer will be required to make a non-refundable contribution in aid of construction to Company for the requested meter(s) installation. The non-refundable contribution amount will be determined at the time of the request as follows:

   4.1 If a meter currently exists on the customer site, the charge is based on Company's total equipment and installation costs for the requested specialized metering less the equipment cost of Company's existing meter.

   4.2 If a meter has not been installed on the customer site, the charge is based on Company's total equipment and installation costs for the requested specialized metering less 100% of the AUC cost of a Company standard meter.

   4.3 If a specialized meter is existing on a customer's site and the customer requests an upgrade to a different type of meter, the customer will be responsible for 100% of the cost (installation and equipment) associated with the requested meter.

   Company will not place an order for a requested meter(s) until payment has been received from the customer. The typical lead time for procurement of meters is six (6) to eight (8) weeks. Once the requested meter(s) have been received, Company will schedule the installation of the meter(s) with the customer or a designated representative.

   Company will retain ownership of all meters and Company installed metering equipment.

   If a customer makes a nonrefundable contribution for the installation of a specialized meter and then terminates service or requests Company to remove and/or replace the specialized meter, the customer will not be eligible for a refund.

   Company will provide general maintenance of the specialized meter; however, in the event the meter should become damaged, obsolete or inoperable, the customer will be responsible for 100% of the replacement cost (installation and equipment) associated with the specialized meter.

Company will not be responsible for the installation, maintenance, or usage fees associated with any phone lines or related communication equipment.

5. Under no circumstances shall the customer stop the operation or in any way affect or interfere with the operation of the isolation relay and the related output wiring. The integrity of Company's billing metering equipment within the sealed metering compartment shall be maintained.

6. Company reserves the right to interrupt the specialized metering circuit for emergencies or to perform routine or special tests or maintenance on its billing metering equipment, and in so doing assumes no responsibility for affecting the operation of the customer's demand control or other equipment. However, Company will make a good faith effort to notify the customer prior to any interruption of the specialized metering circuit.

7. The possible failure or malfunction of an isolation relay and subsequent loss of kWh contact closures to the customer's control equipment shall in no way be deemed to invalidate or in any way impair the accuracy and readings of Company's meters in establishing the kWh and demand record for billing purposes.

8. The accuracy of the customer's equipment is entirely the responsibility of the customer. Should the customer's equipment malfunction, Company will reasonably cooperate with the customer to the extent of assuring that no malfunction exists in Company's equipment. Work of this nature will be billed to the customer, unless the actual source of the malfunction is found within Company's equipment.

9. If Company provides pulse values in kWh, customer's equipment must be capable of readjustment or recalibration to adjust to new contact closure values and rates should it become necessary for Company to adjust the pulse values due to changes in Company's equipment.

10. No circuit for use by the customer shall be installed from Company's billing metering potential or current transformer secondaries.

11. Company reserves the right, without assuming any liability or responsibility, to disconnect and/or remove the pulse delivery equipment at any time upon 30 days written notice to the customer.

12. Upon request by Company, the customer shall make available to Company monthly load analysis information.

13. References to electric kWh pulses above shall mean isolation relay contact closures only; the customer is required to furnish operating voltage service. Isolation relay contacts are rated 5 amps, 28 volts DC or 120 volts AC.

14. The customer assumes all responsibility for, and agrees to indemnify and save Company harmless against, all liability, damages, judgments, fines, penalties, claims, charges, costs and fees incurred by Company resulting from the furnishing of specialized metering.

15. A waiver at any time by either party, or any default of or breach by the other party or any matter arising in connection with this service, shall not be considered a waiver of any subsequent default or matter.

16. Prior written approval by an authorized Company representative is required before electric kWh pulses service may be implemented.