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2007 OCT 16 P 4:45
AZ CORP COMMISSION
DOCKET CONTROL

October 16, 2007

Docket Control
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

RE: Arizona Public Service Company General Rate Case
Docket Nos. E-01345A-05-0816, E-01345A-05-0826, E-01345A-05-0827

Dear Sir or Madame:

Pursuant to Decision No. 69663 (June 28, 2007), Arizona Public Service Company (APS) filed its compliance rate and service schedules for Staff review on June 29, 2007. Based on their review Staff requested some language changes for Rate Schedules EPR-2, Solar-3, GPS-1, GPS-2 and E-34. APS is filing revised rate schedules to include the language proposed by Staff and accepted by the Company. Enclosed please find both redline and non-redline versions of the revised Rate Schedules EPR-2, Solar-3, GPS-1, GPS-2, and E-34.

If you have any questions or concerns please contact Greg DeLizio at (602) 250-2704.

Sincerely,

Barbara Klemstine

BK/dst

Attachments

CC: Brian Bozzo
Ernest Johnson
Christopher Kempley
Barbara Keene
Lyn Farmer
Gordon Fox
Steve Irvine

Arizona Corporation Commission
DOCKETED

OCT 16 2007

DOCKETED BY *nr*

Redline

Version



**SCHEDULE EPR-2
CLASSIFIED SERVICE
PURCHASE RATES FOR QUALIFIED FACILITIES
100 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 cogeneration and small power production facilities with a nameplate continuous AC output power rating of 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's Decision No. 52345 on cogeneration and small power production facilities. Applicable only to qualifying facilities (QF's) electing to configure their systems as to require partial requirements service from the Company in order to meet their electric requirements. Participation in this schedule is subject to availability of enhanced metering and billing system upgrades.

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).

MONTHLY PURCHASE RATE

Rate for pricing of energy, net of that for the customer's own use, that is 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 (May - October)	6.486	4.531	7.630	5.330
Winter Billing Cycles (November - April)	6.384	4.905	7.510	5.770

^{1/} On-Peak Periods: 9 a.m. to 9 p.m., weekdays or as reflected in the customer's otherwise applicable retail rate schedule

^{2/} Off-Peak Periods: All other hours

These rates are based on the Company's estimated avoided energy costs and will be updated annually.



**SCHEDULE EPR-2
CLASSIFIED SERVICE
PURCHASE RATES FOR QUALIFIED FACILITIES
100 KW OR LESS FOR PARTIAL REQUIREMENTS**

CONTRACT PERIOD

As provided for in any Supply /Purchase Agreement.

DEFINITIONS

1. Partial Requirements Service - Electric service provided to a customer that has an interconnected generation system configuration whereby the output from its electric generator(s) first supplies its own electric requirements and any excess energy (over and above its own requirements at any point in time) is then provided to the Company. The Company supplies the customer's supplemental electric requirements (those not met by their own generation facilities). This configuration may also 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).
3. Non-Firm Power - Electric power which is supplied by the Customer's generator at the Customer's option, where no firm guarantee is provided, and the power can be interrupted by the Customer at any time.
4. Firm Power - Power available, upon demand, at all times (except for forced outages) 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.

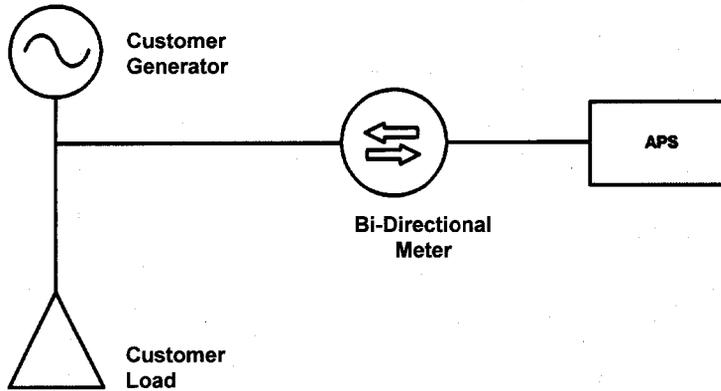
TERMS AND CONDITIONS

Service under this rate schedule is subject to the Company's Schedule 1, Terms and Conditions for Standard Offer and Direct Access Services, Schedule 2, Terms and Conditions for Energy Purchases from Qualified Cogeneration or Small Power Production Facilities, and the Company's Interconnection requirements for Distributed Generation. This schedule has 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 interconnection or Supply/Purchase agreement.



**SCHEDULE EPR-2
CLASSIFIED SERVICE
PURCHASE RATES FOR QUALIFIED FACILITIES
100 KW OR LESS FOR PARTIAL REQUIREMENTS**

METERING CONFIGURATION





**SCHEDULE SOLAR-3
CLASSIFIED SERVICE
SOLAR POWER PILOT 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. The Solar Power Pilot Program is offered as a three-year pilot program and is available to residential standard offer customers who wish to purchase electricity generated from solar sources for their homes. The Company will procure or construct new solar generation resources to provide service under Schedule Solar-3. Therefore, such service is not expected to be available before July 2008. The Company shall limit participation in Schedule Solar-3 based on the amount of solar generation resources available.

A customer may only subscribe to one green power or solar rate option. Schedule Solar-3 may not be used in conjunction with rate schedules GPS-1, GPS-2, Solar-1, Solar-2, or SP-1.

APPLICATION

Service under this schedule provides all or a portion of the customer's service from solar electric generating systems producing AC electricity and delivered via APS' electric power grid. All provisions of the Customer's current applicable rate schedule will apply, including the unbundled generation components as applied to the Customers total monthly energy consumption. However, the charges in Schedule EIS and Adjustment Schedule EPS-1 will not apply to the Solar Power Energy (kWh) served in accordance with Schedule Solar-3, up to 100% of the customer's total monthly kWh supplied by the Company. The customer is required to subscribe for a minimum term of one year. Direct Access customers are not eligible for service under this rate schedule.

SERVICE CHARGES

The customer shall be charged a Solar Power Premium Rate for all Solar Power Energy (kWh) served under this rate schedule. The Solar Power Premium Rate shall be the Solar Power Price, which represents the Company's price for Solar Power used to serve this rate schedule credited for the Avoided Cost, which represents the Company's associated savings in generation costs. The Solar Power Premium Rate shall be applied to the Solar Power Energy on a monthly basis.

Solar Power Price:	\$0.225 per kWh
Avoided Cost Credit:	<u>\$0.059 per kWh</u>
Solar Power Premium Rate:	\$0.166 per kWh

Solar Power Energy shall be a percentage of the customer's total monthly energy (kWh) supplied by the Company. Two options are available:

- A. Solar Power shall account for 100.0% of the customer's total monthly energy supplied by the Company.
- B. Solar Power shall account for 50.0% of the customer's total monthly energy supplied by the Company.

TERMS AND CONDITIONS

Subject to Company's Schedule 1, Terms and Conditions for Standard Offer and Direct Access Services, which contain 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 GPS-1 GREEN POWER BLOCK SCHEDULE

APPLICATION

Adjustment Schedule GPS-1 ("GPS-1") shall be applied to Standard Offer customers who wish to purchase electricity generated from renewable sources for their homes and/or businesses. All provisions of the customer's current applicable rate schedule will apply in addition to this surcharge. However, the charges in Adjustment Schedule EIS and Adjustment Schedule EPS-1, or successor schedules as approved by the Arizona Corporation Commission, will not apply to the Green Power kWh served in accordance with GPS-1, up to 100% of the customer's total monthly kWh supplied by the Company. Participation in this schedule is subject to availability of enhanced metering and billing system upgrades.

Electricity from renewable sources shall be referred to herein as "Green Power". Green Power may be:

1. Company-owned generation using a renewable resource including, but not limited to, solar, biomass, biogas, wind, geothermal, or small hydroelectric.
2. Generation not owned by the Company, but owned by another party for which the Company has contracted including, but not limited to, solar, biomass, wind, geothermal, or small hydroelectric.

In any event, the renewable energy that is provided under this adjustment schedule is limited to those resources eligible pursuant to A.A.C. R14-2-1618 or other relevant rules approved by the Commission, as may be modified or updated from time to time.

TYPE OF SERVICE

The Company will offer electricity generated from renewable resources delivered through the Company's electric distribution system.

The customer shall subscribe for a specific number of blocks of electricity generated from renewable resources. Each block shall equal 100 kWh per month. The monthly charge is based upon the number of blocks subscribed for by the customer. The Company may assign limits to the number of kWh blocks sold per customer.

The Company shall limit the participation in GPS-1 based on the Green Power available to provide service under this rate schedule.

Customers are required to subscribe for a minimum of one year, but can commit to subscribe for a longer period at their discretion. Charges under this schedule will be adjusted annually with Commission approval. Customers may cancel GPS-1 service if the charges increase during the one year or longer commitment period.

A customer may only subscribe to one green power or solar rate option. GPS-1 may not be used in conjunction with rate schedules GPS-2, Solar-2, Solar-3, or SP-1.

SERVICE CHARGES

Service under this rate schedule shall be billed the Green Power Block rate of \$1.00 per month for each 100 kWh block of Green Power. This charge is based on the Green Power Premium rate of \$0.01 per kWh of Green Power times 100 kWh.



ADJUSTMENT SCHEDULE GPS-2 GREEN POWER PERCENT SCHEDULE

APPLICATION

Adjustment Schedule GPS-2 ("GPS-2") shall be applied to Standard Offer customers who wish to purchase electricity generated from renewable sources for their homes and/or businesses. All provisions of the customer's current applicable rate schedule will apply in addition to this surcharge. However, the charges in Adjustment Schedule EIS and Adjustment Schedule EPS-1, or successor schedules as approved by the Arizona Corporation Commission, will not apply to the Green Power kWh served in accordance with GPS-2, up to 100% of the customer's total monthly kWh consumption. Participation in this schedule is subject to availability of enhanced metering and billing system upgrades.

Electricity from renewable sources shall be referred to herein as "Green Power". Green Power may be:

1. Company-owned generation using a renewable source including, but not limited to, solar, biomass, biogas, wind, geothermal, or small hydroelectric.
2. Generation not owned by the Company, but owned by another party for which the Company has contracted including, but not limited to, solar, biomass, wind, geothermal, or small hydroelectric.

In any event, the renewable energy that is provided under this rate schedule is limited to those resources eligible pursuant to A.A.C. R14-2-1618 or other relevant rules approved by the Commission, as may be modified or updated from time to time.

TYPE OF SERVICE

The Company will offer Green Power through the Company's electric distribution system.

The Company shall limit the participation in GPS-2 based on the Green Power available to provide service under this rate schedule.

Customers are required to subscribe for a minimum of one year, but can commit to subscribe for a longer period at their discretion. Charges under this schedule will be adjusted annually with Commission approval. Customers may cancel GPS-2 service if the charges increase during the one year or longer commitment period.

A customer may only subscribe to one green power or solar rate option. GPS-2 may not be used in conjunction with rate schedules GPS-1, Solar-2, Solar-3, or SP-1.

SERVICE CHARGES

Four options are available. The charges hereunder represent charges to be added to energy charges (\$/kWh basis) under the customer's applicable rate schedule and applied to the customer's total monthly kWh supplied by the Company. The charges are based on the Green Power Premium rate of \$.01 per kWh of Green Power.

- A. Green Power shall account for 100.0% of the total monthly kWh supplied by the Company.
Additional Charge per kWh: \$0.01
- B. Green Power shall account for 50.0% of the total monthly kWh supplied by the Company.
Additional Charge per kWh: \$0.005
- C. Green Power shall account for 35.0% of the total monthly kWh supplied by the Company.
Additional Charge per kWh: \$0.0035
- D. Green Power shall account for 10.0% of the total monthly kWh supplied by the Company. This option is not available to residential customers.
Additional Charge per kWh: \$0.001



**RATE SCHEDULE E-34
EXTRA LARGE GENERAL 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 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:	\$ 15.297	per kW, or
Primary Service:	\$ 14.507	per kW, or
Transmission Service:	\$ 10.577	per kW

The Demand Charge for military base customers taking primary service and served directly from a Company substation shall be reduced to \$11.257 per kW per Decision No. 69663 and Decision No 67744.

Energy Charge:	\$ 0.03715	per kWh
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**RATE SCHEDULE E-34
EXTRA LARGE GENERAL SERVICE**

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:		
<u>Metering:</u>		
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

These daily metering charges apply to typical installations. Customers requiring specialized facilities are subject to additional metering charges that reflect the additional cost of the installation, (for example, a customer taking service at 230 kV). Adjustments to unbundled metering components will result in an adjustment to the bundled Basic Service Charge.

Meter Reading:	\$ 0.058	per day
Billing:	\$ 0.064	per day
System Benefits Charge:	\$ 0.00185	per kWh
Transmission Charge:	\$ 1.776	per kW
<u>Delivery Charge:</u>		
Secondary Service:	\$ 4.959	per kW
Primary Service:	\$ 4.169	per kW
Transmission Service:	\$ 0.239	per kW

The Delivery Charge for military base customers taking primary service and served directly from a Company substation shall be reduced to \$0.919 per kW ~~per decision No. 69663 and Decision No. 67744.~~

Generation Charge:	\$ 8.562	per kW, plus
	\$ 0.03530	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



**RATE SCHEDULE E-34
EXTRA LARGE GENERAL SERVICE**

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.

POWER FACTOR

The customer 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. Service voltage levels at 69 kV or above shall maintain a power factor of \pm 95% at all times. In situations where Company suspects that a customer's load has a non-confirming 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-confirming, the customer will be required to pay the cost of installation and removal of VAR metering and recording equipment.

Customers found to have a non-confirming power factor or other detrimental conditions shall be required to remedy problems 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 to Company satisfaction, kVa may be substituted for kW in determining the applicable charge for billing purposes for each month in which such failure occurs.

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 Adjustment Schedule EPS-1 or successor schedules as approved by the Arizona Corporation Commission.
2. The bill is subject to the Power Supply Adjustment factor as set forth in the Company's Adjustment Schedule PSA-1 pursuant to Arizona Corporation Commission Decision No. 67744 and Arizona Corporation Commission Decision No. ~~XXXXX09005~~.
3. The bill is subject to the Transmission Cost Adjustment factor as set forth in the Company's Adjustment Schedule TCA-1 pursuant to Arizona Corporation Commission Decision No. 67744.



**RATE SCHEDULE E-34
EXTRA LARGE GENERAL SERVICE**

4. The bill is subject to the Environmental Improvement Surcharge as set forth in the Company's Adjustment Schedule EIS pursuant to Arizona Corporation Commission Decision No.

XXXXXX69663.

ADJUSTMENTS (cont)

5. The bill is subject to the Competition Rules Compliance Charge as set forth in the Company's Adjustment Schedule CRCC-1 pursuant to Arizona Corporation Commission Decision No. 67744.
6. 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 Adjustment Schedule RCDAC-1 pursuant to Arizona Corporation Commission Decision No. 67744.
7. The bill is subject to the Demand Side Management Adjustment charge as set forth in the Company's Adjustment Schedule DSMAC-1 pursuant to Arizona Corporation Commission Decision No. 67744.
8. 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.

Non-Redline

Version



**SCHEDULE EPR-2
CLASSIFIED SERVICE
PURCHASE RATES FOR QUALIFIED FACILITIES
100 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 cogeneration and small power production facilities with a nameplate continuous AC output power rating of 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's Decision No. 52345 on cogeneration and small power production facilities. Applicable only to qualifying facilities (QF's) electing to configure their systems as to require partial requirements 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).

MONTHLY PURCHASE RATE

Rate for pricing of energy, net of that for the customer's own use, that is 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 (May - October)	6.486	4.531	7.630	5.330
Winter Billing Cycles (November - April)	6.384	4.905	7.510	5.770

^{1/} On-Peak Periods: 9 a.m. to 9 p.m., weekdays or as reflected in the customer's otherwise applicable retail rate schedule

^{2/} Off-Peak Periods: All other hours

These rates are based on the Company's estimated avoided energy costs and will be updated annually.



**SCHEDULE EPR-2
CLASSIFIED SERVICE
PURCHASE RATES FOR QUALIFIED FACILITIES
100 KW OR LESS FOR PARTIAL REQUIREMENTS**

CONTRACT PERIOD

As provided for in any Supply /Purchase Agreement.

DEFINITIONS

1. Partial Requirements Service - Electric service provided to a customer that has an interconnected generation system configuration whereby the output from its electric generator(s) first supplies its own electric requirements and any excess energy (over and above its own requirements at any point in time) is then provided to the Company. The Company supplies the customer's supplemental electric requirements (those not met by their own generation facilities). This configuration may also 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).
3. Non-Firm Power - Electric power which is supplied by the Customer's generator at the Customer's option, where no firm guarantee is provided, and the power can be interrupted by the Customer at any time.
4. Firm Power - Power available, upon demand, at all times (except for forced outages) 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.

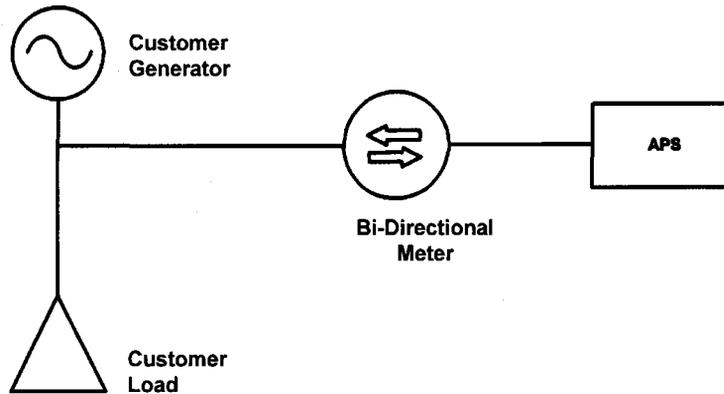
TERMS AND CONDITIONS

Service under this rate schedule is subject to the Company's Schedule 1, Terms and Conditions for Standard Offer and Direct Access Services, Schedule 2, Terms and Conditions for Energy Purchases from Qualified Cogeneration or Small Power Production Facilities, and the Company's Interconnection requirements for Distributed Generation. This schedule has 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 interconnection or Supply/Purchase agreement.



**SCHEDULE EPR-2
CLASSIFIED SERVICE
PURCHASE RATES FOR QUALIFIED FACILITIES
100 KW OR LESS FOR PARTIAL REQUIREMENTS**

METERING CONFIGURATION





**SCHEDULE SOLAR-3
CLASSIFIED SERVICE
SOLAR POWER PILOT 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. The Solar Power Pilot Program is offered as a three-year pilot program and is available to residential standard offer customers who wish to purchase electricity generated from solar sources for their homes. The Company will procure or construct new solar generation resources to provide service under Schedule Solar-3. The Company shall limit participation in Schedule Solar-3 based on the amount of solar generation resources available.

A customer may only subscribe to one green power or solar rate option. Schedule Solar-3 may not be used in conjunction with rate schedules GPS-1, GPS-2, Solar-1, Solar-2, or SP-1.

APPLICATION

Service under this schedule provides all or a portion of the customer's service from solar electric generating systems producing AC electricity and delivered via APS' electric power grid. All provisions of the Customer's current applicable rate schedule will apply, including the unbundled generation components as applied to the Customer's total monthly energy consumption. However, the charges in Schedule EIS and Adjustment Schedule EPS-1 will not apply to the Solar Power Energy (kWh) served in accordance with Schedule Solar-3, up to 100% of the customer's total monthly kWh supplied by the Company. The customer is required to subscribe for a minimum term of one year. Direct Access customers are not eligible for service under this rate schedule.

SERVICE CHARGES

The customer shall be charged a Solar Power Premium Rate for all Solar Power Energy (kWh) served under this rate schedule. The Solar Power Premium Rate shall be the Solar Power Price, which represents the Company's price for Solar Power used to serve this rate schedule credited for the Avoided Cost, which represents the Company's associated savings in generation costs. The Solar Power Premium Rate shall be applied to the Solar Power Energy on a monthly basis.

Solar Power Price:	\$0.225 per kWh
Avoided Cost Credit:	<u>\$0.059 per kWh</u>
Solar Power Premium Rate:	\$0.166 per kWh

Solar Power Energy shall be a percentage of the customer's total monthly energy (kWh) supplied by the Company. Two options are available:

- A. Solar Power shall account for 100.0% of the customer's total monthly energy supplied by the Company.
- B. Solar Power shall account for 50.0% of the customer's total monthly energy supplied by the Company.

TERMS AND CONDITIONS

Subject to Company's Schedule 1, Terms and Conditions for Standard Offer and Direct Access Services, which contain 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 GPS-1 GREEN POWER BLOCK SCHEDULE

APPLICATION

Adjustment Schedule GPS-1 ("GPS-1") shall be applied to Standard Offer customers who wish to purchase electricity generated from renewable sources for their homes and/or businesses. All provisions of the customer's current applicable rate schedule will apply in addition to this surcharge. However, the charges in Adjustment Schedule EIS and Adjustment Schedule EPS-1, or successor schedules as approved by the Arizona Corporation Commission, will not apply to the Green Power kWh served in accordance with GPS-1, up to 100% of the customer's total monthly kWh supplied by the Company.

Electricity from renewable sources shall be referred to herein as "Green Power". Green Power may be:

1. Company-owned generation using a renewable resource including, but not limited to, solar, biomass, biogas, wind, geothermal, or small hydroelectric.
2. Generation not owned by the Company, but owned by another party for which the Company has contracted including, but not limited to, solar, biomass, wind, geothermal, or small hydroelectric.

In any event, the renewable energy that is provided under this adjustment schedule is limited to those resources eligible pursuant to A.A.C. R14-2-1618 or other relevant rules approved by the Commission, as may be modified or updated from time to time.

TYPE OF SERVICE

The Company will offer electricity generated from renewable resources delivered through the Company's electric distribution system.

The customer shall subscribe for a specific number of blocks of electricity generated from renewable resources. Each block shall equal 100 kWh per month. The monthly charge is based upon the number of blocks subscribed for by the customer. The Company may assign limits to the number of kWh blocks sold per customer.

The Company shall limit the participation in GPS-1 based on the Green Power available to provide service under this rate schedule.

Customers are required to subscribe for a minimum of one year, but can commit to subscribe for a longer period at their discretion. Charges under this schedule will be adjusted annually with Commission approval. Customers may cancel GPS-1 service if the charges increase during the one year or longer commitment period.

A customer may only subscribe to one green power or solar rate option. GPS-1 may not be used in conjunction with rate schedules GPS-2, Solar-2, Solar-3, or SP-1.

SERVICE CHARGES

Service under this rate schedule shall be billed the Green Power Block rate of \$1.00 per month for each 100 kWh block of Green Power. This charge is based on the Green Power Premium rate of \$0.01 per kWh of Green Power times 100 kWh.



ADJUSTMENT SCHEDULE GPS-2 GREEN POWER PERCENT SCHEDULE

APPLICATION

Adjustment Schedule GPS-2 ("GPS-2") shall be applied to Standard Offer customers who wish to purchase electricity generated from renewable sources for their homes and/or businesses. All provisions of the customer's current applicable rate schedule will apply in addition to this surcharge. However, the charges in Adjustment Schedule EIS and Adjustment Schedule EPS-1, or successor schedules as approved by the Arizona Corporation Commission, will not apply to the Green Power kWh served in accordance with GPS-2, up to 100% of the customer's total monthly kWh consumption.

Electricity from renewable sources shall be referred to herein as "Green Power". Green Power may be:

1. Company-owned generation using a renewable source including, but not limited to, solar, biomass, biogas, wind, geothermal, or small hydroelectric.
2. Generation not owned by the Company, but owned by another party for which the Company has contracted including, but not limited to, solar, biomass, wind, geothermal, or small hydroelectric.

In any event, the renewable energy that is provided under this rate schedule is limited to those resources eligible pursuant to A.A.C. R14-2-1618 or other relevant rules approved by the Commission, as may be modified or updated from time to time.

TYPE OF SERVICE

The Company will offer Green Power through the Company's electric distribution system.

The Company shall limit the participation in GPS-2 based on the Green Power available to provide service under this rate schedule.

Customers are required to subscribe for a minimum of one year, but can commit to subscribe for a longer period at their discretion. Charges under this schedule will be adjusted annually with Commission approval. Customers may cancel GPS-2 service if the charges increase during the one year or longer commitment period.

A customer may only subscribe to one green power or solar rate option. GPS-2 may not be used in conjunction with rate schedules GPS-1, Solar-2, Solar-3, or SP-1.

SERVICE CHARGES

Four options are available. The charges hereunder represent charges to be added to energy charges (\$/kWh basis) under the customer's applicable rate schedule and applied to the customer's total monthly kWh supplied by the Company. The charges are based on the Green Power Premium rate of \$.01 per kWh of Green Power.

- A. Green Power shall account for 100.0% of the total monthly kWh supplied by the Company.
Additional Charge per kWh: \$0.01
- B. Green Power shall account for 50.0% of the total monthly kWh supplied by the Company.
Additional Charge per kWh: \$0.005
- C. Green Power shall account for 35.0% of the total monthly kWh supplied by the Company.
Additional Charge per kWh: \$0.0035
- D. Green Power shall account for 10.0% of the total monthly kWh supplied by the Company. This option is not available to residential customers.
Additional Charge per kWh: \$0.001



**RATE SCHEDULE E-34
EXTRA LARGE GENERAL 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 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:	\$ 15.297	per kW, or
Primary Service:	\$ 14.507	per kW, or
Transmission Service:	\$ 10.577	per kW

The Demand Charge for military base customers taking primary service and served directly from a Company substation shall be reduced to \$11.257 per kW.

Energy Charge:	\$ 0.03715	per kWh
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**RATE SCHEDULE E-34
EXTRA LARGE GENERAL SERVICE**

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

These daily metering charges apply to typical installations. Customers requiring specialized facilities are subject to additional metering charges that reflect the additional cost of the installation, (for example, a customer taking service at 230 kV). Adjustments to unbundled metering components will result in an adjustment to the bundled Basic Service Charge.

Meter Reading:	\$ 0.058	per day
Billing:	\$ 0.064	per day
System Benefits Charge:	\$ 0.00185	per kWh
Transmission Charge:	\$ 1.776	per kW
Delivery Charge:		
Secondary Service:	\$ 4.959	per kW
Primary Service:	\$ 4.169	per kW
Transmission Service:	\$ 0.239	per kW

The Delivery Charge for military base customers taking primary service and served directly from a Company substation shall be reduced to \$0.919 per kW.

Generation Charge:	\$ 8.562	per kW, plus
	\$ 0.03530	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.



**RATE SCHEDULE E-34
EXTRA LARGE GENERAL SERVICE**

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.

POWER FACTOR

The customer 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. Service voltage levels at 69 kV or above shall maintain a power factor of $\pm 95\%$ at all times. In situations where Company suspects that a customer's load has a non-confirming 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-confirming, the customer will be required to pay the cost of installation and removal of VAR metering and recording equipment.

Customers found to have a non-confirming power factor or other detrimental conditions shall be required to remedy problems 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 to Company satisfaction, kVa may be substituted for kW in determining the applicable charge for billing purposes for each month in which such failure occurs.

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 Adjustment Schedule EPS-1 or successor schedules as approved by the Arizona Corporation Commission.
2. The bill is subject to the Power Supply Adjustment factor as set forth in the Company's Adjustment Schedule PSA-1 pursuant to Arizona Corporation Commission Decision No. 67744 and Arizona Corporation Commission Decision No. 69663.
3. The bill is subject to the Transmission Cost Adjustment factor as set forth in the Company's Adjustment Schedule TCA-1 pursuant to Arizona Corporation Commission Decision No. 67744.
4. The bill is subject to the Environmental Improvement Surcharge as set forth in the Company's Adjustment Schedule EIS pursuant to Arizona Corporation Commission Decision No. 69663.



**RATE SCHEDULE E-34
EXTRA LARGE GENERAL SERVICE**

ADJUSTMENTS (cont)

5. The bill is subject to the Competition Rules Compliance Charge as set forth in the Company's Adjustment Schedule CRCC-1 pursuant to Arizona Corporation Commission Decision No. 67744.
6. 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 Adjustment Schedule RCDAC-1 pursuant to Arizona Corporation Commission Decision No. 67744.
7. The bill is subject to the Demand Side Management Adjustment charge as set forth in the Company's Adjustment Schedule DSMAC-1 pursuant to Arizona Corporation Commission Decision No. 67744.
8. 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.