



OPEN MEETING AGENDA ITEM



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February 4, 2008

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) was ordered to file an SC-S partial requirements rate within 15 days of the final order. Enclosed please find both redline and non-redline versions of the approved, amended Rate Schedule SC-S pursuant to Decision Mo. 70130 (January 23, 2008).

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
Parties of Record

Arizona Corporation Commission
DOCKETED

FEB - 4 2008

DOCKETED BY
nr

Copies of the foregoing emailed or mailed
This 4th day of February 2008 to:

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Lieutenant Colonel Karen S. White
Chief, Air Force Utility Litigation Team
AFLSA/JACL-ULT
139 Barnes Drive
Tyndall AFB, FL 32403

Red-Line
Version



**SCHEDULE SC-S
CLASSIFIED SERVICE
PARTIAL REQUIREMENTS STANDARD CONTRACT - SOLAR**

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 and when all applicable provisions described herein have been met.

APPLICATION

Customers taking service under this rate schedule will be served in accordance with the attached template SC-S Electric Supply/Purchase Agreement between Company and Customer, which is incorporated herein by reference. This rate schedule is applicable to ~~any general service customers~~ having solar/photovoltaic generation equipment with a nameplate service continuous rating of greater than 100 kW capable of supplying all or a portion of its power requirements. Direct access customers are not eligible for service under this rate schedule.

METERING

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

CONTRACT PERIOD

As provided in the SC-S Electric Supply/Purchase Agreement between Company and Customer.

TERMS AND CONDITIONS

Customer must enter into an Interconnection Agreement and the SC-S Electric Supply/Purchase Agreement to establish all pertinent details related to interconnection and other required service standards. APS will file the executed Electric Supply/Purchase Agreement in compliance with A.C.C. Decision No. ~~XXXX~~70130.

ARIZONA PUBLIC SERVICE COMPANY
SC-S COMMERCIAL RETAIL ELECTRIC SUPPLY/PURCHASE AGREEMENT

1. PARTIES

This Agreement for the purchase of electric power and energy from Customer's Generating Facility (GF) and/or the sale of power and energy to the Customer is entered into as of the ___ day of _____, ___ by and between ARIZONA PUBLIC SERVICE COMPANY, an Arizona Corporation ("APS" or "Company") and _____, ("Customer"), collectively ("the Parties").

2. RECITALS

This Agreement is entered into in respect to the following facts and considerations, all of which are considered to be an essential part of the terms and conditions which follow:

- 2.1 Customer intends to operate its Generation Facility (GF), consisting of a photovoltaic system with a ___ kW AC rated inverter, in electrical parallel with APS' distribution system and has entered into, or will enter into, an Agreement for the Interconnection of Customer's GF to the APS Distribution System with APS ("Interconnection Agreement"), prior to paralleling its GF with the APS system.
- 2.2 Customer desires to operate this GF in such a manner that Customer shall purchase its electrical power requirements from APS in accordance with the terms of this Agreement and attachments hereto.
- 2.3 APS and Customer intend to interconnect their respective facilities and systems in order that Customer may operate its GF under certain conditions for displacing electric power purchases from APS.
- 2.4 Electrical purchases from APS shall be three phase at approximately 60 Hertz with a delivery voltage of approximately _____.
- 2.5 The GF shall be permanently located at _____.

3. AGREEMENT

In consideration of the services to be performed by APS, and in consideration of the mutual agreements herinafter, it is agreed as follows:

4. SALES TO CUSTOMER

- 4.1 APS shall sell, and Customer shall purchase and pay for, all electric power delivered and accepted by Customer in accordance with the terms of this Agreement, including but not limited to the Terms and Conditions for the Standard Offer and Direct Access Services ("Schedule 1") and the standard APS retail Rate Schedule E-__ and Rate Schedule SC-S as they may change from time to time. Changes made shall thereafter automatically amend and apply to this Agreement to the same extent as though they had been originally incorporated as a part of this Agreement. *Copies of the Rate Schedules and Terms and Conditions now in effect are attached to and made a part of this Agreement.*
- 4.2 This Agreement will become effective upon execution by the Parties, subject to any regulatory approvals required. The Customer agrees to take service in accordance with Rate Schedule SC-S and acknowledges that the ACC may approve, reject, or modify the terms and conditions of Rate Schedule SC-S. If the terms and conditions of Rate Schedule SC-S are changed or modified, the Customer will have the option of taking service under the Rate Schedule SC-S as modified, or under another applicable rate schedule offered by APS.

- 4.3 Billing and collection shall be made in accordance with Section 4 of APS Service Schedule 1.
- 4.4 The maximum electric service demand drawn by the Customer shall not exceed ____ kW, subject to the physical limitation of APS' system and further subject to the provisions of Section 4.6 hereof.
- 4.5 The minimum billing demand for purposes of establishing a minimum bill shall be ____ kW each month.
- 4.6 Customer agrees to provide APS with 30 days advance written notification of any increased electric demand over and above the maximum kW specified in Section 4.4, above, the Company will inform Customer if additional capacity is available. In any event, the Customer shall be liable, upon demand by APS, to the extent of any damage resulting through an increase in demand prior to Company authorization.
- 4.7 The electric service supplied hereunder may be interrupted or curtailed in accordance with APS Service Schedule 5.

5. DETERMINATION OF SUPPLEMENTAL SERVICE

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

- 5.1 *Supplemental Demand:* Supplemental demand shall be the highest 15-minute integrated kW demand as recorded on the Supply Meter during the billing period.
- 5.2 *Supplemental Energy:* Supplemental energy shall be equal to all energy supplied to Customer as determined from readings of the Supply Meter.

6. DETERMINATION OF CONTRACT STANDBY CAPACITY

For each specific customer generating unit for which the Company is providing Standby Service, monthly Contract Standby Capacity shall be the simultaneous 15 minute integrated kW demand as recorded on the Generator Meter(s) at the time the customer's Supply Meter registers the highest 15 minute integrated kW demand during the billing period.

7. RATES

The Company shall bill the customer the sum of the amounts computed under 7.1, 7.2, 7.3 and 7.4 below:

- 7.1 **Basic Service:** The Basic Service and Revenue Cycle Service Charges included in the customer's applicable ~~General Service~~ rate schedule will continue to apply.
- 7.2 **Supplemental Service:** Supplemental service will be provided in accordance with the rate levels contained in the customer's applicable ~~General Service~~ rate schedule, excluding the monthly Basic Service and Revenue Cycle Service Charges.
- 7.3 **Standby Service:** The monthly charge for standby service shall equal the sum of the sections 7.3.1 and 7.3.2:
 - 7.3.1 The unbundled delivery demand charge contained in the customer's applicable ~~General Service~~ rate schedule which is multiplied by the 15 minute integrated kW measured on the Generator Meter during the customer's monthly peak demand.
 - 7.3.2 The unbundled delivery energy charge (if applicable) multiplied by the kWh measured on the Generator Meter during the customers billing month.
- 7.4 **Adjustments:** Applicable adjustments included in the customer's applicable ~~general service~~ rate schedule.

8. PURCHASES FROM CUSTOMER

The Company will pay the Customer for any energy purchased at the per kWh seasonal non-firm purchase rates as shown in the applicable version of APS Rate Schedule EPR-2 that is effective at the time of purchase.

9. METERING PROVISIONS AND BILLING PERIODS

In accordance with Sections 3, 4.8 and 4.11 of APS Service Schedule 2.

10. TERM OF AGREEMENT

This Agreement shall remain in effect for a period of (5) five years unless (a) it is terminated by mutual agreement of the Parties, (b) it is replaced by another electric supply/purchase agreement, (c) upon thirty (30) day's advance written notice given by either party the Customer, (d) a Commission approved rate schedule is available that provides essentially the same service, (e) it is terminated pursuant to Section 7 (Termination of Service) specified in Schedule 1 attached hereto, or (f) the Interconnection Agreement is terminated.

In addition, should Customer cease to operate his generation unit(s) for 60 consecutive days during periods other than planned scheduled maintenance periods, Company reserves the option to terminate the Agreement for service under this rate schedule by providing the customer with thirty (30) days written notice.

11. ENTIRE AGREEMENT

11.1 This Agreement and the documents attached hereto constitute the entire Agreement between the Parties relating to the subject matter hereof, there being no other agreements or understandings, written or oral, other than those contained in this Agreement and the attachments hereto. In the event of a conflict among the provisions of this Agreement and an attached document, the Agreement shall govern. This Agreement does not modify, change or impact any other agreement between the Parties such as that relating to the interconnection of Customer's GF.

11.2 The Parties may amend this Agreement but such amendment may only be effective and enforceable if it is set forth in a written instrument signed by both Parties.

12. ACCELERATION

In addition to any other rights and remedies of APS, any breach or default by Customer necessitating cancellation of the Agreement shall cause all amounts for service, which are independent of kilowatt-hours delivered, to become immediately due and payable to APS.

13. SERVICE RENDERED UNDER SPECIAL AGREEMENT

In accordance with Section 5 of APS Service Schedule 2

14. REGULATORY AUTHORITY

In accordance with Section 6 of APS Service Schedule 2

15. INDEMNITY

In accordance with Section 7 of APS Service Schedule 2

16. UNCONTROLLABLE FORCES

In accordance with Section 8 of APS Service Schedule 2

17 NOTICES

All written notices pursuant to this Agreement shall be delivered personally or forwarded by registered or certified mail including express overnight courier service, postage prepaid, return receipt requested to APS or Customer, as the case may be, at the address of that Party set forth below as follows:

To APS:

Arizona Public Service
Attn: APS Solar Partners Incentive Program
Mail Station: 3874
P.O. Box 53933
Phoenix, AZ 85072-3933
Telephone: 602-328-1924

To Customer:

Attn: _____

Telephone: _____

Changes in such designation may be made by notice similarly given.

18. CONFLICTS

In accordance with Section 10 of APS Service Schedule 2

19. SUCCESSORS AND ASSIGNS

In accordance with Section 11 of APS Service Schedule 2

20. DEPOSITS

In accordance with Section 2 of APS Service Schedule 1

21. GENERAL PROVISIONS

- 21.1 In the event that either party shall successfully bring suit to compel performance or for breach of this Agreement, that party shall be entitled to recover reasonable attorney's fees in addition to the amount of judgment and costs.
- 21.2 A waiver of any default of the other party or any other matter arising in connection with this Agreement, at any time by either party, shall not be construed a waiver of any subsequent default or matter.
- 21.3 THERE ARE NO UNDERSTANDINGS, AGREEMENTS, REPRESENTATIONS, OR WARRANTIES, EXPRESS OR IMPLIED (INCLUDING ANY WARRANTIES OR MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE), NOT SPECIFIED IN THIS AGREEMENT, THE REFERENCED SCHEDULES, ANY OTHER REFERENCED OR ATTACHED DOCUMENTS, OR IN THE APPLICABLE RULES OF THE ARIZONA CORPORATION COMMISSION CONCERNING THE SALE AND DELIVERY OF ELECTRICITY BY APS TO CUSTOMER. THIS AGREEMENT, INCLUDING THE REFERENCED SCHEDULES, ANY OTHER REFERENCED OR ATTACHED DOCUMENTS, AND THE APPLICABLE RULES OF THE ARIZONA CORPORATION COMMISSION, STATES THE ENTIRE OBLIGATION OF APS IN CONNECTION WITH SUCH SALES AND DELIVERIES.

22. ATTACHMENTS

The following additional documents are attached to and made part of this Agreement:

- 22.1 Terms and Conditions for Standard Offer and Direct Access Services (Service Schedule 1)
- 22.2 Terms and Conditions for Energy Purchases from Qualified Cogeneration and Small Power Production Facilities (Service Schedule 2)
- 22.3 Guidelines for Electric Curtailment (Service Schedule 5)
- 22.4 APS Partial Requirements Special Contract - Solar Rate Schedule SC-S
- 22.5 APS _____ Rate Schedule E-_____
- 22.6 APS Purchase Rates for Qualified Facilities Under 100 kW for Partial Requirements Service Rate Schedule EPR-2.

23. EXECUTION

This Agreement has been executed by the duly authorized representatives of the parties, as set forth below:

ARIZONA PUBLIC SERVICE COMPANY

Signature: _____

Name: _____

Title: _____

Date Signed: _____

CUSTOMER

Signature: _____

Name: _____

Title: _____

Date Signed: _____

Non-
Red-Line
Version



**SCHEDULE SC-S
CLASSIFIED SERVICE
PARTIAL REQUIREMENTS STANDARD CONTRACT - SOLAR**

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 and when all applicable provisions described herein have been met.

APPLICATION

Customers taking service under this rate schedule will be served in accordance with the attached template SC-S Electric Supply/Purchase Agreement between Company and Customer, which is incorporated herein by reference. This rate schedule is applicable to customers having solar/photovoltaic generation equipment with a nameplate service continuous rating of greater than 100 kW capable of supplying all or a portion of its power requirements. Direct access customers are not eligible for service under this rate schedule.

METERING

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

CONTRACT PERIOD

As provided in the SC-S Electric Supply/Purchase Agreement between Company and Customer.

TERMS AND CONDITIONS

Customer must enter into an Interconnection Agreement and the SC-S Electric Supply/Purchase Agreement to establish all pertinent details related to interconnection and other required service standards. APS will file the executed Electric Supply/Purchase Agreement in compliance with A.C.C. Decision No. 70130.

**ARIZONA PUBLIC SERVICE COMPANY
SC-S RETAIL ELECTRIC SUPPLY/PURCHASE AGREEMENT**

1. PARTIES

This Agreement for the purchase of electric power and energy from Customer's Generating Facility (GF) and/or the sale of power and energy to the Customer is entered into as of the ___ day of _____, ___ by and between ARIZONA PUBLIC SERVICE COMPANY, an Arizona Corporation ("APS" or "Company") and _____, ("Customer"), collectively ("the Parties").

2. RECITALS

This Agreement is entered into in respect to the following facts and considerations, all of which are considered to be an essential part of the terms and conditions which follow:

- 2.1 Customer intends to operate its Generation Facility (GF), consisting of a photovoltaic system with a ___ kW AC rated inverter, in electrical parallel with APS' distribution system and has entered into, or will enter into, an Agreement for the Interconnection of Customer's GF to the APS Distribution System with APS ("Interconnection Agreement"), prior to paralleling its GF with the APS system.
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- 2.4 Electrical purchases from APS shall be three phase at approximately 60 Hertz with a delivery voltage of approximately _____.
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- 4.3 Billing and collection shall be made in accordance with Section 4 of APS Service Schedule 1.
- 4.4 The maximum electric service demand drawn by the Customer shall not exceed ____ kW, subject to the physical limitation of APS' system and further subject to the provisions of Section 4.6 hereof.
- 4.5 The minimum billing demand for purposes of establishing a minimum bill shall be ____ kW each month.
- 4.6 Customer agrees to provide APS with 30 days advance written notification of any increased electric demand over and above the maximum kW specified in Section 4.4, above, the Company will inform Customer if additional capacity is available. In any event, the Customer shall be liable, upon demand by APS, to the extent of any damage resulting through an increase in demand prior to Company authorization.
- 4.7 The electric service supplied hereunder may be interrupted or curtailed in accordance with APS Service Schedule 5.

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

- 5.1 *Supplemental Demand:* Supplemental demand shall be the highest 15-minute integrated kW demand as recorded on the Supply Meter during the billing period.
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 - 7.3.1 The unbundled delivery demand charge contained in the customer's applicable rate schedule which is multiplied by the 15 minute integrated kW measured on the Generator Meter during the customer's monthly peak demand.
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- 7.4 **Adjustments:** Applicable adjustments included in the customer's applicable rate schedule.

8. PURCHASES FROM CUSTOMER

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9. METERING PROVISIONS AND BILLING PERIODS

In accordance with Sections 3, 4.8 and 4.11 of APS Service Schedule 2.

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11. ENTIRE AGREEMENT

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11.2 The Parties may amend this Agreement but such amendment may only be effective and enforceable if it is set forth in a written instrument signed by both Parties.

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13. SERVICE RENDERED UNDER SPECIAL AGREEMENT

In accordance with Section 5 of APS Service Schedule 2

14. REGULATORY AUTHORITY

In accordance with Section 6 of APS Service Schedule 2

15. INDEMNITY

In accordance with Section 7 of APS Service Schedule 2

16. UNCONTROLLABLE FORCES

In accordance with Section 8 of APS Service Schedule 2

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To APS:

Arizona Public Service
Attn: APS Solar Partners Incentive Program
Mail Station: 3874
P.O. Box 53933
Phoenix, AZ 85072-3933
Telephone: 602-328-1924

To Customer:

Attn: _____

Telephone: _____

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18. CONFLICTS

In accordance with Section 10 of APS Service Schedule 2

19. SUCCESSORS AND ASSIGNS

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20. DEPOSITS

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21. GENERAL PROVISIONS

- 21.1 In the event that either party shall successfully bring suit to compel performance or for breach of this Agreement, that party shall be entitled to recover reasonable attorney's fees in addition to the amount of judgment and costs.
- 21.2 A waiver of any default of the other party or any other matter arising in connection with this Agreement, at any time by either party, shall not be construed a waiver of any subsequent default or matter.
- 21.3 THERE ARE NO UNDERSTANDINGS, AGREEMENTS, REPRESENTATIONS, OR WARRANTIES, EXPRESS OR IMPLIED (INCLUDING ANY WARRANTIES OR MERCHANT ABILITY OR FITNESS FOR A PARTICULAR PURPOSE), NOT SPECIFIED IN THIS AGREEMENT, THE REFERENCED SCHEDULES, ANY OTHER REFERENCED OR ATTACHED DOCUMENTS, OR IN THE APPLICABLE RULES OF THE ARIZONA CORPORATION COMMISSION CONCERNING THE SALE AND DELIVERY OF ELECTRICITY BY APS TO CUSTOMER. THIS AGREEMENT, INCLUDING THE REFERENCED SCHEDULES, ANY OTHER REFERENCED OR ATTACHED DOCUMENTS, AND THE APPLICABLE RULES OF THE ARIZONA CORPORATION COMMISSION, STATES THE ENTIRE OBLIGATION OF APS IN CONNECTION WITH SUCH SALES AND DELIVERIES.

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23. EXECUTION

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ARIZONA PUBLIC SERVICE COMPANY

Signature: _____

Name: _____

Title: _____

Date Signed: _____

CUSTOMER

Signature: _____

Name: _____

Title: _____

Date Signed: _____