

ORIGINAL

NEW APPLICATION



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BEFORE THE ARIZONA CORPORATION C

2 COMMISSIONERS

RECEIVED

Arizona Corporation Commission

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3 KRISTIN K. MAYES, Chairman
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2010 JUN 24 P 4: 21

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AZ CORP COMMISSION
DOCKET CONTROL

DOCKETED BY ne

E-01345A-10-0249

7 IN THE MATTER OF THE APPLICATION OF
8 ARIZONA PUBLIC SERVICE COMPANY
9 FOR APPROVAL OF REVISED APS
10 PARTIAL REQUIREMENTS RATE
11 SCHEDULES EPR-2, EPR-6, AND SC-S

DOCKET NO. E-01345A-10-_____

APPLICATION

12 Arizona Public Service Company ("APS" or "Company") hereby submits this
13 application for approval of revisions to the Company's partial requirements rate schedules
14 EPR-2, EPR-6, and SC-S ("Schedules"). These Schedules provide options for customers with
15 qualifying renewable and combined heat and power generators to sell back or net meter their
16 excess generation on their monthly bill.

17 The revised purchase rates for excess generation are pursuant to Decision No. 52345
18 (July 27, 1981). In relevant part, Decision No. 52345 stated:

19 Rate and other contract provisions covering sales to and purchases
20 from QF's, including rates for supplementary, back-up, interruptible and
21 maintenance power, shall be subject to changes from time to time as filed
22 with and prescribed by the Arizona Corporation Commission. Adjustments to the purchase rates may be permitted as often as quarterly to reflect variations in fuel and purchased power costs.

23 See Cogeneration and Small Power Production Policy attached to Decision No.
24 52345 at 9.

25 The Company proposes that the monthly purchase rates, which historically were
26 updated annually, be approved for a three-year period, January 2011 through December 2013.
27 APS believes that a three-year average purchase rate will provide more stability and
28 predictability for customers as they make their decisions to purchase a renewable generator.

1 The proposed purchase rates reflect the average of the Company's forecasted avoided
2 generation costs for this time period.

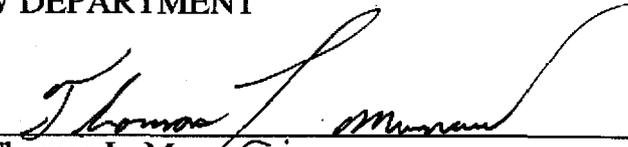
3 APS also proposes: a revision to the metering requirements for the Schedules.
4 Specifically, the Schedules eliminate the requirement of bi-directional metering for customers
5 having certain service delivery configurations for which a bi-directional meter is not currently
6 available. There is also a revision to Schedule EPR-6 that prescribes how the existing
7 eligibility limit for the generator capacity, which is 125% of the customer's load, will be
8 determined; and finally, minor non-substantive modifications of some verbiage to clarify
9 other provisions of the rates.

10 In addition, APS proposes to incorporate the provisions of the SC-S Retail Electric
11 Supply/Purchase Agreement into Schedule SC-S, which the Company believes will better
12 facilitate customer enrollment and participation. Currently a customer with solar generation
13 that does not qualify for net metering must subscribe to Schedule SC-S and execute a separate
14 but standardized contract for energy supply and purchase. Each such standardized contract is
15 required to be filed with the Arizona Corporation Commission ("Commission") for its review
16 and concurrence. The proposed revisions will enable the customer to simply enroll in
17 Schedule SC-S just like any other rate schedule. The customer would still execute an electric
18 supply agreement, which specifies certain information about the customer's expected
19 generation output and their capacity requirements from APS.

20 The revised Schedules are provided as Attachments A, B, and C. The Company is
21 seeking specific Commission approval of these partial requirement rate schedules and the
22 other changes thereto discussed above. Therefore, APS will waive any requirement that the
23 Commission take action within a thirty-day period, as prescribed by A.R.S. § 40-367.

1
2 RESPECTFULLY SUBMITTED this 24th day of June 2010.

3
4 PINNACLE WEST CAPITAL CORPORATION
LAW DEPARTMENT

5
6 By: 
7 Thomas L. Mumaw
Attorney for Arizona Public Service Company

8
9 ORIGINAL and thirteen (13) copies
10 of the foregoing filed this 24th day of
June 2010, with:

11 Docket Control
12 ARIZONA CORPORATION COMMISSION
13 1200 West Washington Street
Phoenix, Arizona 85007

14 COPY of the foregoing hand delivered/e-mailed or mailed this
15 24th day of June 2010 to:

16 Lyn Farmer
17 Chief Administrative Law Judge
Hearing Division
18 ARIZONA CORPORATION COMMISSION
19 1200 West Washington
Phoenix, Arizona 85007

20 Janice Alward, Chief Counsel
21 Legal Division
22 ARIZONA CORPORATION COMMISSION
23 1200 West Washington Street
Phoenix, Arizona 85007

24 Steve Olea, Director
25 Utilities Division
26 ARIZONA CORPORATION COMMISSION
27 1200 West Washington Street
Phoenix, Arizona 85007

28 

ATTACHMENT A

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 customers served by a retail rate schedule with metered kWh usage with a cogeneration or small power production facility 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 electing to configure their systems as to require partial requirements service from the Company in order to meet their electric requirements.

Participation under this schedule is subject to the availability of required metering equipment compatible with the customer's applicable retail rate schedule and electrical service configuration.

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 Qualifying Facility will be responsible for all incremental costs incurred to accommodate such an arrangement.

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 customer's applicable retail rate schedule.

PURCHASE OF EXCESS GENERATION

The Company shall issue a credit on the customer's monthly bill for the monthly Excess Generation, based on the relevant monthly purchase rates, which are based on avoided energy costs and shall be updated every three years.

For customers with a 9 a.m. to 9 p.m. on-peak rate:

	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)	4.550	4.165	5.829	4.403
Winter Billing Cycles (November - April)	4.351	4.104	4.351	4.104

^{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



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

(Purchase of Excess Generation Con't)

For customers with a 12 p.m. to 7 p.m. on-peak rate:

	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)	4.724	4.195	6.967	4.387
Winter Billing Cycles (November - April)	4.388	4.142	4.388	4.142

^{1/} On-Peak Periods: 12 p.m. to 7 p.m., weekdays or as reflected in the customer's otherwise applicable retail rate schedule

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

For customers with an 11 a.m. to 9 p.m. on-peak rate:

	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)	4.648	4.156	6.182	4.373
Winter Billing Cycles (November - April)	4.348	4.127	4.348	4.127

^{1/} On-Peak Periods: 11 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

For residential customers served under a standard (non time-of-use) rate, the monthly purchase rate will equal the rate for customers served on a 12 p.m. to 7 p.m. on-peak rate. For all other customers served under a standard rate, the monthly purchase rate will equal the rate for customers served on an 11 a.m. to 9 p.m. on-peak rate.

CONTRACT PERIOD

As provided for in any Supply /Purchase Agreement.



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

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 Generation (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. Excess Generation - Equals the customer's generation (kWh) in excess of their load at any point in time as metered by the Company. Excess Generation is computed for on-peak and off-peak billing periods.
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).
4. 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.
5. 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.
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 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.

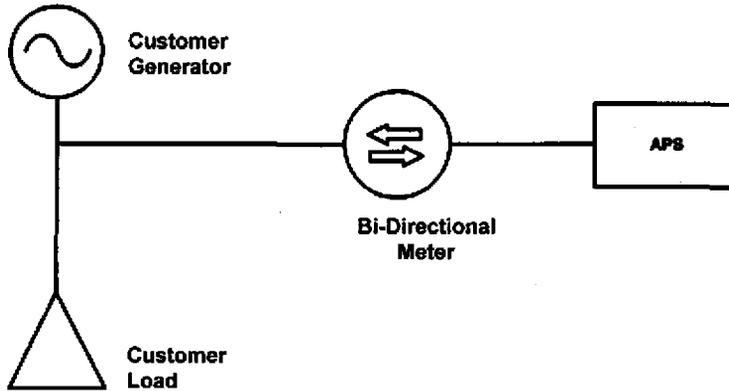
METERING

Customers served under this rate schedule will require a bi-directional meter that will register and accumulate the net electrical requirements of the customer. The bi-directional meter shall be provided at no additional cost to the customer. A bi-directional meter may not be required if the generating capacity of the Net Metering Facility is less than 20% of the customer's lowest billing demand over the 12 months prior to requesting enrollment in Schedule EPR-2, or as otherwise determined by the Company through available information, or if the customer agrees that they do not intend to be compensated for any Excess Generation.



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

METERING CONFIGURATION



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 customers served by a retail rate schedule with metered kWh usage with aall 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 electing to configure their systems as to require partial requirements service from the Company in order to meet their electric requirements.

Participation under this schedule is subject to the availability of required metering equipment compatible with the customer's applicable retail rate schedule and electrical service configuration.

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 Qualifying Facility 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 customer's applicable retail rate schedule~~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 OF FOR EXCESS GENERATION

The Company shall issue a credit on the customer's monthly bill for the monthly Excess Generation, based on the relevant monthly purchase rates, which are based on avoided energy costs and shall be updated every three years.

For customers with a 9 a.m. to 9 p.m. on-peak rate:

	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)	4.5504-236	4.1653-734	5.8295-447	4.4033-957
Winter Billing Cycles (November - April)	4.3513-432	4.1043-622	4.3513-432	4.1043-622

ARIZONA PUBLIC SERVICE COMPANY
Phoenix, Arizona
Filed by: David J. Rumolo
Title: Manager, Regulation and Pricing
Original Effective Date: October 25, 1981

A.C.C. XXXX5752
Canceling A.C.C. No. 57502
Rate Schedule EPR-2
Revision No. 165
Effective: XXXXJanuary 1, 2010



**SCHEDULE EPR-2
CLASSIFIED SERVICE**

**PURCHASE RATES FOR QUALIFIED FACILITIES
100 KW OR LESS FOR PARTIAL REQUIREMENTS**

^{1/} On-Peak Periods: 12 p.m. to 7 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.~~

(Purchase of Excess Generation Con't)

For customers with a 12 p.m. to 7 p.m. on-peak rate:

	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)	4.7244-473	4.1953-766	6.9676-548	4.3873-947
Winter Billing Cycles (November - April)	4.3883-224	4.1423-641	4.3883-224	4.1423-641

^{1/} On-Peak Periods: 12 p.m. to 7 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.~~

For customers with an 11 a.m. to 9 p.m. on-peak rate:

	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)	4.6484-405	4.1563-705	6.1825-857	4.3733-910
Winter Billing Cycles (November - April)	4.3483-361	4.1273-636	4.3483-361	4.1273-636

^{1/} On-Peak Periods: 11 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.~~

For residential customers served under a standard (non time-of-use) rate, the monthly purchase rate will equal the rate for customers served on a 12 p.m. to 7 p.m. on-peak rate. For all other customers served under a standard rate, the monthly purchase rate will equal the rate for customers served on an 11 a.m. to 9 p.m on-peak rate.



CONTRACT PERIOD

**SCHEDULE EPR-2
CLASSIFIED SERVICE**

**PURCHASE RATES FOR QUALIFIED FACILITIES
100 KW OR LESS FOR PARTIAL REQUIREMENTS**

As provided for in any Supply /Purchase Agreement.



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

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 Generation (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. **Excess Generation** - Equals the customer's generation (kWh) in excess of their load at any point in time as metered by the Company. Excess Generation is computed for on-peak and off-peak billing periods.
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).
4. **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.
5. **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.
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 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.

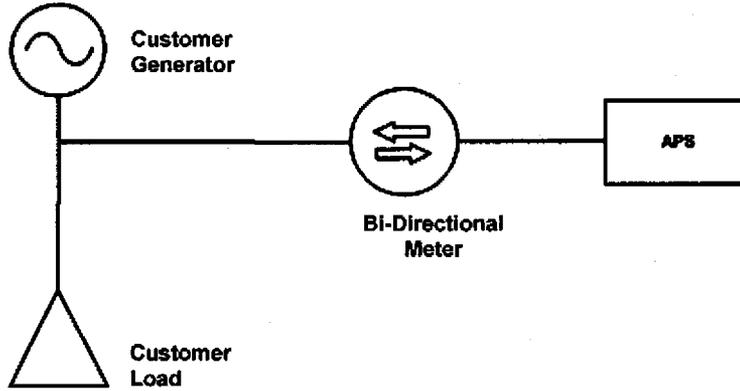
METERING

Customers served under this rate schedule will require a bi-directional meter that will register and accumulate the net electrical requirements of the customer. The bi-directional meter shall be provided at no additional cost to the customer. A bi-directional meter may not be required if the generating capacity of the Net Metering Facility is less than 20% of the customer's lowest billing demand over the 12 months prior to requesting enrollment in Schedule EPR-2, or as otherwise determined by the Company through available information, or if the customer agrees that they do not intend to be compensated for any Excess Generation.



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

METERING CONFIGURATION



ATTACHMENT B

NON-REDLINE VERSION



**RATE SCHEDULE EPR-6 (NET METERING)
CLASSIFIED SERVICE
RATES FOR RENEWABLE RESOURCE FACILITIES
FOR 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 customers served by a retail rate schedule with metered kWh usage with a Net Metering Facility that uses Renewable Resources, a fuel cell, or combined heat and power (CHP) to produce electricity. Definitions are pursuant to A.A.C. R14-2-2302. Participation under this schedule is subject to the availability of required metering equipment compatible with the customer's applicable retail rate schedule and electrical service configuration.

DEFINITIONS

1. **Combined Heat and Power (CHP)** - A system that generates electricity and useful thermal energy in a single, integrated system such that the useful power output of the facility plus one-half the useful thermal energy output during any 12-month period must be no less than 42.5 percent of the total energy input of fuel to the facility.
2. **Customer Supply** - Energy (kWh) from a customer-owned Net Metering Facility that exceeds the customer's load at a point in time and is fed back into the Company's electric system, as metered by the Company.
3. **Customer Purchase** - Energy (kWh) that is provided from the Company to the customer to serve the load that is not being served by a customer-owned Net Metering Facility, as metered by the Company.
4. **Excess Generation** - Equals the Customer Supply (kWh) less the Customer Purchase (kWh) over a monthly billing period. For time-of-use rates the Excess Generation corresponding to the on and off peak periods is computed for on-peak and off-peak periods over the monthly billing period. (Not to be less than zero).
5. **Fuel Cell** - A device that converts the chemical energy of a fuel directly into electricity without intermediate combustion or thermal cycles. For purposes of this rate schedule, the source of the chemical reaction must be derived from Renewable Resources.
6. **Net Metering Facility** - A facility for the production of electricity that:
 - a) Is operated by or on behalf of a Net Metering customer and is located on the net metering customer's premises and;
 - b) Is intended primarily to provide part or all of the net metering customer's requirement for electricity at the single point of electrical service where the generator is installed and;
 - c) Uses Renewable Resources, a fuel cell, or CHP to generate electricity and;
 - d) Has a generating capacity less than or equal to 125% of the net metering customer's Total Connected Load (kW), or in the absence of customer load data, capacity less than or equal to the customer's electric service drop capacity and;
 - e) Is interconnected with and can operate in parallel and in phase with the Company's existing distribution system.



**RATE SCHEDULE EPR-6 (NET METERING)
CLASSIFIED SERVICE
RATES FOR RENEWABLE RESOURCE FACILITIES
FOR PARTIAL REQUIREMENTS**

DEFINITIONS (cont)

7. Partial Requirements Service – Electric service provided to a customer that has an interconnected Net Metering Facility 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.
8. Renewable Resources – Natural resources that can be replenished by natural processes, including; biogas, biomass, geothermal, hydroelectric, solar, or wind.
9. 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.
10. 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.
11. 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. On-peak and off-peak time periods will be determined by the applicable Standard Retail Rate Schedule.
12. Total Connected Load – The maximum potential demand (kW) measured or calculated at the electrical service entrance section serving the Net Metering Facility.

TYPE OF SERVICE

Electric sales to the Company must be single phase or three phase, 60 Hertz, at one standard voltage as may be selected by customer (subject to availability at the premises).

BILLING

A. During the billing period for:

1. Customer Purchases in excess of Customer Supply:

Company shall bill the customer for the net kWh supplied by the Company in accordance with the applicable retail rate schedule.

2. Customer Supply in excess of Customer Purchases (Excess Generation):

Company shall credit the customer the Excess Generation kWh in subsequent billing periods.

B. For customers taking service under time-of-use rates, Customer Supply and Customer Purchases will be segmented by on-peak and off-peak periods. Excess Generation kWh credits will be applied to the time-of-use periods in which the kWh were generated by the customer.



**RATE SCHEDULE EPR-6 (NET METERING)
CLASSIFIED SERVICE
RATES FOR RENEWABLE RESOURCE FACILITIES
FOR PARTIAL REQUIREMENTS**

BILLING (cont)

- C. Basic Service Charges and Demand charges (either metered or contract) will continue to apply in full.
- D. For the last billing period of each calendar year or for the last billing period at the time the customer discontinues taking service under this rate schedule;

The Company shall issue a billing credit to the customer for any remaining Excess Generation balance. In the event the customer's electric service is terminated, after applying a billing credit for any Excess Generation up to the amount the customers owes the Company, the Company shall issue a check for the remaining value of the Excess Generation balance. The payment or credit will be determined at the Company's annual avoided costs (Annual Purchase Rate), which are updated every three years and as specified below:

Annual Purchase Rates (¢/kWh)

Non-Firm			Firm		
On-peak	Off-peak	Total	On-peak	Off-peak	Total
4.452	4.135	4.248	5.098	4.254	4.555

DETERMINATION OF TOTAL CONNECTED LOAD

The generating capacity (kW) of the Net Metering Facility shall be determined by the Company to be less than or equal to 125% of the customer's Total Connected Load (kW) if it is:

1. Less than or equal to 30 kW or
2. Less than or equal to 125% times the customer's maximum metered demand prior to installing the Net Metering Facility, using available billing information at the time a customer requests enrollment in schedule EPR-6. If metered demand information is not available, it may be estimated by multiplying monthly metered energy times a conversion factor of 0.00342 (kW per kWh), which is derived from a 40% load factor and 730 hours per month, or
3. Less than or equal to 125% times the maximum demand (kW) specified in an electric supply agreement, or
4. Less than or equal to 125% times the Total Connected Load (kW), which shall be determined from certified detailed load information supplied by the customer and approved by the Company, or
5. Less than or equal to the customer's service run capacity as determined by APS, prior to any upgrade to accommodate the customer's Net Metering Facility. Condition 5 shall only apply if metered load and Total Connected Load (kW) information is not able to be calculated.

CONTRACT PERIOD

Any applicable contract period(s) will be set forth in an Agreement between the customer and the Company.



**RATE SCHEDULE EPR-6 (NET METERING)
CLASSIFIED SERVICE
RATES FOR RENEWABLE RESOURCE FACILITIES
FOR PARTIAL REQUIREMENTS**

METERING

Customers served under this rate schedule will require a bi-directional meter that will register and accumulate the net electrical requirements of the customer. The bi-directional meter shall be provided at no additional cost to the customer. A bi-directional meter may not be required if the generating capacity of the Net Metering Facility is less than 20% of the customer's lowest billing demand over the 12 months prior to requesting enrollment in Schedule EPR-6, or as otherwise determined by the Company through available information, or if the customer agrees that they do not intend to net any Excess Generation on their monthly bill.

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, Schedule 3 Conditions Governing Extensions of Electrical Distribution Lines and Services, and the Company's Interconnection Requirements for Distributed Generation.

REDLINE VERSION



**RATE SCHEDULE EPR-6 (NET METERING)
CLASSIFIED SERVICE
RATES FOR RENEWABLE RESOURCE FACILITIES
FOR 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 offered to customers served by a retail rate schedule with metered kWh usage with a Net Metering Facility that uses Renewable Resources, a fuel cell, or combined heat and power (CHP) to produce electricity. Definitions are pursuant to A.A.C. R14-2-2302. ~~Participation under this schedule is subject to availability of enhanced metering and billing system upgrades.~~

Participation under this schedule is subject to the availability of required metering equipment compatible with the customer's applicable retail rate schedule and electrical service configuration.

DEFINITIONS

1. Combined Heat and Power (CHP) - A system that generates electricity and useful thermal energy in a single, integrated system such that the useful power output of the facility plus one-half the useful thermal energy output during any 12-month period must be no less than 42.5 percent of the total energy input of fuel to the facility.
2. Customer Supply - Energy (kWh) from a customer-owned Net Metering Facility that exceeds the customer's load at a point in time and is fed back into the Company's electric system, as metered by the Company.
3. Customer Purchase - Energy (kWh) that is provided from the Company to the customer to serve the load that is not being served by a customer-owned Net Metering Facility, as metered by the Company.
4. Excess Generation - Equals the Customer Supply (kWh) less the Customer Purchase (kWh) over a monthly billing period. For time-of-use rates the Excess Generation corresponding to the on and off peak periods is computed for on-peak and off-peak periods over the monthly billing period. (Not to be less than zero).
5. Fuel Cell - A device that converts the chemical energy of a fuel directly into electricity without intermediate combustion or thermal cycles. For purposes of this rate schedule, the source of the chemical reaction must be derived from Renewable Resources.
6. Net Metering Facility - A facility for the production of electricity that:
 - a) Is operated by or on behalf of a Net Metering customer and is located on the net metering customer's premises and;
 - b) Is intended primarily to provide part or all of the net metering customer's requirement for electricity at the single point of electrical service where the generator is installed and;
 - c) Uses Renewable Resources, a fuel cell, or CHP to generate electricity and;
 - d) Has a generating capacity less than or equal to 125% of the net metering customer's Ttotal Conected Load (kW), or in the absence of customer load data, capacity less than or equal to the customer's electric service drop capacity and;
 - e) Is interconnected with and can operate in parallel and in phase with the Company's existing distribution system.

ARIZONA PUBLIC SERVICE COMPANY
Phoenix, Arizona
Filed by: David J. Rumolo
Title: Manager, Regulation and Pricing
Original Effective Date: July 7, 2009

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**RATE SCHEDULE EPR-6 (NET METERING)
CLASSIFIED SERVICE
RATES FOR RENEWABLE RESOURCE FACILITIES
FOR PARTIAL REQUIREMENTS**

DEFINITIONS (cont)

7. Partial Requirements Service – Electric service provided to a customer that has an interconnected Net Metering Facility 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.
8. Renewable Resources – Natural resources that can be replenished by natural processes, including; biogas, biomass, geothermal, hydroelectric, solar, or wind.
9. 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.
10. 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.
- ~~10. Standard Retail Rate Schedule – Any of the Company's retail rate schedules with metered kWh charges.~~
- ~~12.11. 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. On-peak and off-peak time periods will be determined by the applicable Standard Retail Rate Schedule.~~
12. Total Connected Load – The maximum potential demand (kW) measured or calculated at the electrical service entrance section serving the Net Metering Facility.

TYPE OF SERVICE

Electric sales to the Company must be single phase or three phase, 60 Hertz, at one standard voltage as may be selected by customer (subject to availability at the premises).

BILLING

A. During the billing period for:

1. Customer Purchases in excess of Customer Supply:

Company shall bill the customer for the net kWh supplied by the Company in accordance with the applicable Standard Retail Rate Schedule.

2. Customer Supply in excess of Customer Purchases (Excess Generation):

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**RATE SCHEDULE EPR-6 (NET METERING)
CLASSIFIED SERVICE
RATES FOR RENEWABLE RESOURCE FACILITIES
FOR PARTIAL REQUIREMENTS**

Company shall credit the customer the Excess Generation kWh in subsequent billing periods.

- B. For customers taking service under time-of-use rates, Customer Supply and Customer Purchases will be segmented by on-peak and off-peak periods. Excess Generation kWh credits will be applied to the time-of-use periods in which the kWh were generated by the customer.

BILLING (cont)

- C. Basic Service Charges and Demand charges (either metered or contract) will continue to apply in full.

BILLING (cont)

- D. For the last billing period of each calendar year or for the last billing period at the time the customer discontinues taking service under this rate schedule;

The Company shall issue a billing credit to the customer for any remaining Excess Generation balance. In the event the customer's electric service is terminated, after applying a billing credit for any Excess Generation up to the amount the customer owes the Company, the Company shall issue a check for the remaining value of the Excess Generation balance. The payment or credit will be determined at the Company's annual avoided costs (Annual Purchase Rate), which are updated every three years annually and as specified below:

Annual Purchase Rates (\$/kWh)

<u>Non-Firm</u>			<u>Firm</u>		
<u>On-peak</u>	<u>Off-peak</u>	<u>Total</u>	<u>On-peak</u>	<u>Off-peak</u>	<u>Total</u>
6.5904.452	5.9634.135	6.1874.248	7.7145.098	6.1724.254	6.7224.555

DETERMINATION OF TOTAL CONNECTED LOAD

The generating capacity (kW) of the Net Metering Facility shall be determined by the Company to be less than or equal to 125% of the customer's Total Connected Load (kW) if it is:

1. Less than or equal to 30 kW or
2. Less than or equal to 125% times the customer's maximum metered demand prior to installing the Net Metering Facility, using available billing information at the time a customer requests enrollment in schedule EPR-6. If metered demand information is not available, it may be estimated by multiplying monthly metered energy times a conversion factor of 0.00342 (kW per kWh), which is derived from a 40% load factor and 730 hours per month, or
3. Less than or equal to 125% times the maximum demand (kW) specified in an electric supply agreement, or

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**RATE SCHEDULE EPR-6 (NET METERING)
CLASSIFIED SERVICE
RATES FOR RENEWABLE RESOURCE FACILITIES
FOR PARTIAL REQUIREMENTS**

4. Less than or equal to 125% times the Total Connected Load (kW), which shall be determined from certified detailed load information supplied by the customer and approved by the Company, or
5. Less than or equal to the customer's service run capacity as determined by APS, prior to any upgrade to accommodate the customer's Net Metering Facility. Condition 5 shall only apply if metered load and Total Connected Load (kW) information is not able to be calculated.

CONTRACT PERIOD

Any applicable contract period(s) will be set forth in an Agreement between the customer and the Company.

METERING

Customers served under this rate schedule will require a bi-directional meter that will register and accumulate the net electrical requirements of the customer. ~~The Company will install such a meter at the customer's Net Metering Facility if proper metering is not already present. The incremental metering costs for bidirectional metering and the facility meter will be incurred by the Company.~~ The bi-directional meter shall be provided at no additional cost to the customer. A bi-directional meter may not be required if the generating capacity of the Net Metering Facility is less than 240% of the customer's lowest billing demand over the previous 12 months prior to requesting enrollment in Schedule EPR-6, or as otherwise determined by the Company through available information, ~~and or~~ if the customer agrees that they do not intend to net any Excess Generation on their monthly bill.

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, Schedule 3 Conditions Governing Extensions of Electrical Distribution Lines and Services, and the Company's Interconnection Requirements for Distributed Generation.

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ATTACHMENT C

NON-REDLINE VERSION



**RATE 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

This partial requirements rate schedule is applicable to standard offer customers served under a retail rate schedule with metered kWh usage and a Qualifying Solar Facility with a generating capacity greater than 100 kW. Participation under this schedule is subject to the availability of required metering equipment compatible with the customer's applicable retail rate schedule and electrical service configuration.

DEFINITIONS

1. Qualifying Solar Facility – A facility for the production of electricity that:
 - a) Is operated by or on behalf of the participating customer and is located on their premises and;
 - b) Is intended primarily to provide part or all of the customer's requirement for electricity at the single point of electrical service where the generator is installed and;
 - c) Uses solar photovoltaic technology and;
 - d) Has a nameplate capacity continuous AC service rating of greater than 100 kW and;
 - e) Is interconnected with and can operate in parallel and in phase with the Company's existing distribution system.
2. Partial Requirements Service - Electric service provided to a customer that has an interconnected generator, where the generation output first supplies the customer's 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.
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 - Electric power which is supplied by the customer's generator with an expected or demonstrated reliability which is greater than or equal to the average reliability of the Company's firm power sources.
5. Excess Generation - Equals the customer's generation (kWh) in excess of their load at any point in time as metered by the Company. Excess Generation is computed for on-peak and off-peak billing periods.
6. Supplemental Service - Demand and energy provided by the Company to the customer to augment the power and energy provided by customer's generation facility.
7. Standby Service: - Demand and energy provided by the Company to the customer to backup the power and energy from the customer's generation facility.
8. Supply Meter: - Equipment which measures the demand and energy provided by the Company to the customer and may also measure the excess generation flowing from the customer generator back to the Company's electrical distribution grid.



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

DEFINITIONS (cont)

9. Generator Meter Equipment; - Equipment which measures the demand and energy output of the customer's generator. For customers with multiple generators, such equipment will consist of one meter for each generator.

DETERMINATION OF SUPPLEMENTAL SERVICE

Supplemental Service shall be provided at three phase at approximately 60 Hertz with a delivery voltage of specified in the Electric Supply Agreement.

Supplemental demand and energy shall be determined according to the customer's applicable retail rate schedule.

DETERMINATION OF STANDBY SERVICE

For each specific customer generating unit for which the Company is providing Standby Service:

Standby Demand shall be the simultaneous 15 minute integrated kW demand as recorded on the Generator Meter Equipment at the time the customer's Supply Meter registers the highest 15 minute integrated kW demand during the billing month. For customers served under a time-of-use rate, Standby Demand shall be determined for the applicable on-peak and off-peak periods.

Standby Energy shall be the kWh measured on the Generator Meter Equipment during the billing month.

RATES

Supplemental Service: Shall be billed according to the customer's applicable retail rate schedule.

Standby Service:

Shall be the unbundled delivery demand charge contained in the customer's applicable retail rate schedule multiplied by the Standby Demand. For customers served under a time-of-use rate, this amount shall be calculated for the applicable on-peak and off-peak periods; plus

The unbundled delivery energy charge (if applicable) multiplied by the Standby Energy.

PURCHASES FROM CUSTOMER

The Company will pay the Customer for any Excess Generation at the applicable per kWh seasonal non-firm purchase rates provided in Rate Schedule EPR-2.

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 a meter at each point of output from each of the customer's generators (Generator Meter Equipment). All meters will record integrated demand and energy on the same 15- minute interval basis as specified by the Company. A bi-directional meter may not be required if the generating capacity of the Qualifying Solar Facility is less than 20% of the customer's lowest billing demand over the 12 months prior to seeking enrollment in Schedule SC-S, or as otherwise determined by the Company through available information, or if the customer agrees that they do not intend to be compensated for any Excess Generation.



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

CONTRACT

Required Agreements include:

An Electric Supply Agreement between Company and Customer which specifies, among other details, the minimum and maximum expected kW of generation and the delivery voltage from the Qualifying Solar Facility, and the minimum and maximum expected Supplemental Demand; and

An Agreement for the Interconnection of Customer's GF to the APS Distribution System with APS ("Interconnection Agreement"), which must be executed prior to paralleling its GF with the APS 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, Schedule 2 Terms and Conditions for Energy Purchases from Qualified Cogeneration or Small Power Production Facilities, Schedule 3 Conditions Governing Extensions of Electrical Distribution Lines and Services, and the Company's Interconnection Requirements for Distributed Generation.

REDLINE VERSION



**RATE 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 partial requirements rate schedule is applicable to standard offer customers served under a retail rate schedule with metered kWh usage and having a Qualifying Solar Facility solar/photovoltaic generation equipment with a generating capacity greater than 100 kW nameplate service continuous rating of greater than 100 kW capable of supplying all or a portion of its power requirements. Participation under this schedule is subject to the availability of required metering equipment compatible with the customer's applicable retail rate schedule and electrical service configuration.~~

DEFINITIONS

1. Qualifying Solar Facility – A facility for the production of electricity that:
 - a) Is operated by or on behalf of the participating customer and is located on their premises and;
 - b) Is intended primarily to provide part or all of the customer's requirement for electricity at the single point of electrical service where the generator is installed and;
 - c) Uses solar photovoltaic technology and;
 - d) Has a nameplate capacity continuous AC service rating of greater than 100 kW and;
 - e) Is interconnected with and can operate in parallel and in phase with the Company's existing distribution system.
2. Partial Requirements Service - Electric service provided to a customer that has an interconnected generator, where the generation output first supplies the customer's 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.
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 - Electric power which is supplied by the customer's generator with an expected or demonstrated reliability which is greater than or equal to the average reliability of the Company's firm power sources.
5. Excess Generation - Equals the customer's generation (kWh) in excess of their load at any point in time as metered by the Company. Excess Generation is computed for on-peak and off-peak billing periods.
6. Supplemental Service - Demand and energy provided by the Company to the customer to augment the power and energy provided by customer's generation facility.
7. Standby Service: - Demand and energy provided by the Company to the customer to backup the power and energy from the customer's generation facility.



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

8. Supply Meter: - Equipment which measures the demand and energy provided by the Company to the customer and may also measure the excess generation flowing from the customer generator back to the Company's electrical distribution grid.

DEFINITIONS (cont)

9. Generator Meter Equipment: - Equipment which measures the demand and energy output of the customer's generator. For customers with multiple generators, such equipment will consist of one meter for each generator.

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

DETERMINATION OF SUPPLEMENTAL SERVICE

Supplemental Service shall be provided at three phase at approximately 60 Hertz with a delivery voltage of specified in the Electric Supply Agreement.

Supplemental demand and energy shall be determined according to the customer's applicable retail rate schedule.

DETERMINATION OF STANDBY SERVICE

For each specific customer generating unit for which the Company is providing Standby Service:

Standby Demand shall be the simultaneous 15 minute integrated kW demand as recorded on the Generator Meter Equipment at the time the customer's Supply Meter registers the highest 15 minute integrated kW demand during the billing month. For customers served under a time-of-use rate, Standby Demand shall be determined for the applicable on-peak and off-peak periods.

Standby Energy shall be the kWh measured on the Generator Meter Equipment during the billing month.

RATES

Supplemental Service: Shall be billed according to the customer's applicable retail rate schedule.

Standby Service:

Shall be the unbundled delivery demand charge contained in the customer's applicable retail rate schedule multiplied by the Standby Demand. For customers served under a time-of-use rate, this amount shall be calculated for the applicable on-peak and off-peak periods; plus

The unbundled delivery energy charge (if applicable) multiplied by the Standby Energy.

PURCHASES FROM CUSTOMER

The Company will pay the Customer for any Excess Generation at the applicable per kWh seasonal non-firm purchase rates provided in Rate Schedule EPR-2.

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 a meter(s) at each the point(s) of output from each of the customer's generators (Generator Meter Equipment). All meters will record integrated demand and energy on the same 15- minute interval basis as specified



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

by the Company. A bi-directional meter may not be required if the generating capacity of the Qualifying Solar Facility is less than 20% of the customer's lowest billing demand over the 12 months prior to seeking enrollment in Schedule SC-S, or as otherwise determined by the Company through available information, or if the customer agrees that they do not intend to be compensated for any Excess Generation.



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CLASSIFIED SERVICE
PARTIAL REQUIREMENTS STANDARD CONTRACT - SOLAR**

CONTRACT PERIOD

Required Agreements include:

An As provided in the SC-S Electric Supply/Purchase Agreement between Company and Customer which specifies, among other details, the minimum and maximum expected kW of generation and the delivery voltage from the Qualifying Solar Facility, and the minimum and maximum expected Supplemental Demand; and-

An Agreement for the Interconnection of Customer's GF to the APS Distribution System with APS ("Interconnection Agreement"), which must be executed prior to paralleling its GF with the APS 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, Schedule 2 Terms and Conditions for Energy Purchases from Qualified Cogeneration or Small Power Production Facilities, Schedule 3 Conditions Governing Extensions of Electrical Distribution Lines and Services, and the Company's Interconnection Requirements for Distributed Generation.

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.