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Tucson Electric Power Company
h Street, Post Office Box 711
Tucson, Arizona 85702
520-884-3683

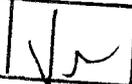
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September 5, 2000

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Arizona Corporation Commission
DOCKETED

SEP 06 2000

DOCKETED BY 

ARIZONA CORPORATION COMMISSION
Utilities Division
1200 West Washington Street
Phoenix, AZ 85007-2996

Re: TEP rate reduction updated tariffs PRS 107 & 108,
Decision No. 62103

Docket Control:

Enclosed please find 10 copies plus one original of Tucson Electric Power Company's bundled tariffs PRS 107 & 108 required in Decision No. 62103. Please use these copies to replace the versions sent to Docket Control August 24, 2000. Barbara Keene in the Utilities Division discovered a few items in the tariff requiring correction.

If you have any questions or comments please feel free to contact me.

Sincerely,


David Couture
Director, Regulatory Affairs

Cc: Patrick Williams, Manager, Compliance and Enforcement
Crystal Brown
Barbara Keene
Brad Decker, TEP



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**Pricing Plan PRS-107
Optional Backup Energy Service for
Self-Generation Facilities over 3 MW**

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AVAILABILITY

Available throughout Company's entire electric service area where the facilities of the Company are of adequate capacity and are adjacent to the premises.

APPLICABILITY

To any self-generation facility when all energy or capacity is supplied by Company at one point of delivery and through one metered service to replace energy ordinarily generated by a facility's own self-generation equipment during an unscheduled outage of the facility.

CHARACTER OF SERVICE

Single or three phase, 60 Hertz, and at one standard nominal voltage as mutually agreed and subject to availability at point of delivery. Primary metering may be used by mutual agreement.

RATES

*Service Charge: To be charged to the customer depending on metering facilities required, per contract with TEP. (*Not applicable if billed under the Optional Maintenance Self-generation Service schedule.)

Reservation Charge:

1. For customers who take service at voltage levels greater than 46 kV, the monthly reservation charge shall be in accordance with sections a., b., c., and d. below:
 - a. For customers with alternate supply resources demonstrating a capacity factor of 95 percent or greater during the billing month, \$1.52 per kW of contract standby capacity.
 - b. For customers with alternate supply resources demonstrating a capacity factor of between 90 percent and 94.9 percent during the billing month, \$2.43 per kW of contract standby capacity.
 - c. For customers with alternate supply resources demonstrating a capacity factor of between 80 percent and 89.9 percent during the billing month, \$4.32 per kW of contract standby capacity.
 - d. For customers with alternate supply resources demonstrating a capacity factor lower than 80 percent, \$19.92 per kW of contract standby capacity.

The cost per kW in sections a, b, c, and d above reflect the likelihood that the Company will have to supply the customer's power needs due to a forced outage of the customer's self-generation facility during the billing month, and the Company's cost to supply such power. The customer's charge for reservation capacity during the billing month is the product of the customer's contract standby capacity and the applicable charge per kW. The cost per kW in sections a, b, c, and d above include firm transmission capacity reserved by the Company for the customer and charged consistent with the Company's FERC-approved Open Access Transmission Tariff.

Filed By: Steven J. Glaser
Title: Vice President, Rates and Regulatory Support
District: Entire Electric Service Area

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Effective: July 1, 2000
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**Pricing Plan PRS-107
Optional Backup Energy Service for
Self-Generation Facilities over 3 MW**

2. For customers who take service at voltage levels of 46 kV or less, the monthly reservation charge shall be in accordance with sections a, b, c, and d below:
 - a. For customers with alternate supply resources demonstrating a capacity factor of 95 percent or greater during the billing month, \$4.43 per kW of contract standby capacity.
 - b. For customers with alternate supply resources demonstrating a capacity factor of between 90 percent and 94.9 percent during the billing month, \$5.41 per kW of contract standby capacity.
 - c. For customers with alternate supply resources demonstrating a capacity factor of between 80 percent and 89.9 percent during the billing month, \$7.12 per kW of contract standby capacity.
 - d. For customers with alternate supply resources demonstrating a capacity factor lower than 80 percent, \$22.38 per kW of contract standby capacity.

The cost per kW in sections a, b, c, and d above reflect the likelihood that the Company will have to supply the customer's power needs due to a forced outage of the customer's self-generation facility during the billing month, and the Company's cost to supply such power. The customer's charge for reservation capacity during the billing month is the product of the customer's contract standby capacity and the applicable charge per kW. The cost per kW in sections a, b, c, and d above include firm transmission capacity reserved by the Company for the customer and charged consistent with the Company's FERC-approved Open Access Transmission Tariff, and all non-direct-assigned distribution charges.

Direct-assigned Transmission and Distribution Charge: Any transmission- and distribution-related facilities directly assigned to the customer shall be billed in accordance with the Company's Rules and Regulations.

Standby Energy Charge: All kWh @ 2.214¢ per kWh.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added 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 the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

TERMS AND CONDITIONS

1. The self-generation customer shall reimburse Company upon receipt of statement from Company for all interconnection costs.
2. The customer shall operate its electric generating equipment in accordance with Company rules, regulations, and service requirements.
3. The Company may require a written contract and a minimum term of contract.

Filed By: Steven J. Glaser
Title: Vice President, Rates and Regulatory Support
District: Entire Electric Service Area

Tariff No.: PRS-107
Effective: July 1, 2000
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Pricing Plan PRS-107
Optional Backup Energy Service for
Self-Generation Facilities over 3 MW

4. The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this rate schedule.
5. The requirement for service shall not exceed the nameplate capacity of the customer's self-generation facilities.
6. The frequency and duration of service may be limited so that the rates remain compensatory by ensuring that usage retains the characteristics of partial requirements service.
7. A detented meter will be used for service supplied under this schedule.
8. A contribution in aid of construction will be required for any investment in metering equipment in excess of \$1,800.
9. Rates are inclusive of any stranded cost charges associated with this service.
10. Capacity Factor.

For purposes of this rate schedule, the calculation of the capacity factor will be based on an 18-month rolling average as shown in the formula below. The calculation of capacity factor shall not reflect any period of time during a billing month that Company-authorized Maintenance Service was being utilized.

Capacity Factor is equal to the average over the past 18 months of:

$$\frac{(\text{Contract standby capacity} \times \text{hours in month}) - (\text{Standby energy purchased in month})}{\text{Contract standby capacity} \times \text{hours in month}}$$

If customer has less than 18 months of billing history under Backup Service, the capacity factor will be calculated using the months that Backup Service has been taken to date.



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Pricing Plan PRS-108
Optional Maintenance Energy Service for
Self-Generation Facilities over 3 MW

AVAILABILITY

Available throughout Company's entire electric service area where the facilities of the Company are of adequate capacity and are adjacent to the premises.

APPLICABILITY

To any self-generator when all energy and capacity are supplied by Company at one point of delivery and through one metered service to replace generation from a facility when such facility is out of service for scheduled maintenance.

CHARACTER OF SERVICE

Single or three phase, 60 Hertz, and at one standard nominal voltage as mutually agreed and subject to availability at point of delivery. Primary metering may be used by mutual agreement.

RATE

Service Charge: To be charged to the customer depending on metering facilities required, per contract with TEP.

Energy Charge:

- All kWh @ 5.228¢ per kWh**.
- All kWh @ 3.70 cents per kWh if this service is taken in conjunction with Optional Self-generation Backup Service.

** Not applicable if billed under the Optional Self-generation Backup Service schedule.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added 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 the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

TERMS AND CONDITIONS

1. The customer shall reimburse Company upon receipt of statement from Company for all interconnection costs in excess of the normal interconnection costs of a retail customer similarly served and situated.
2. The customer shall operate its electric generating equipment in accordance with Company rules, regulations, and service requirements.
3. The Company may require a written contract and a minimum term of contract.
4. The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this rate schedule.

Filed By: Steven J. Glaser
Title: Vice President, Rates and Regulatory Support
District: Entire Electric Service Area

Tariff No.: PRS-108
Effective: July 1, 2000
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**Pricing Plan PRS-108
Optional Maintenance Energy Service for
Self-Generation Facilities over 3 MW**

5. The requirement for service shall not exceed the nameplate capacity of the QF.
6. The frequency and duration of service may be limited so that the rates remain compensatory by ensuring that usage retains the characteristics of partial requirements service.
7. The performance of scheduled maintenance during certain peak hours or months shall be subject to prohibitions to avoid impairing the Company's ability to serve its full requirements customers.
8. Maintenance schedules shall be submitted to the Company for a 12-month period at least 60 days prior to the beginning of such period.
9. A detented meter will be used for service supplied under this schedule.
10. A contribution in aid of construction will be required for any investment in metering equipment in excess of \$1,800.
11. Rates are inclusive of any stranded cost charges associated with this service.