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AZ CORP COMMISSION
DOCKET CONTROL

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June 1, 2012

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

RE: Arizona Public Service Company's Version 12 of Service Schedule 3;
Docket No. E-01345A-11-0207

In Decision No. 72684, dated November 18, 2011, the Commission ordered that:

Arizona Public Service Company shall file in Docket Control Version 12 of Service Schedule 3 consistent with the Decision in this case within 15 days of the effective date of the Decision in APS' pending general rate case (Docket No. E-01345A-11-0224).

In preparing Revision 12 of Service Schedule 3 for the compliance filing we noticed and corrected some typographical errors, as well as an inadvertent and unintended omission from Version 11, in the Schedule of Charges. Attached please find both redline and clean versions of Service Schedule 3 revision 12.

If you have any questions regarding this information, please contact David Rumolo at (602)250-3933.

Sincerely,

Jeffrey W. Johnson

JJ/cd
Attachment

Arizona Corporation Commission
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REDLINED VERSION



SERVICE SCHEDULE 3 CONDITIONS GOVERNING EXTENSIONS OF ELECTRIC DISTRIBUTION LINES AND SERVICES

Provision of electric service from Arizona Public Service Company (Company) may require construction of new facilities or the relocation and/or upgrade of existing facilities. Costs for construction depend on the applicant's location, scope of project, load size, and load characteristics. Costs include, but are not limited to, project management, coordination, engineering, design, surveys, permits, construction inspection, and support services. This schedule establishes the terms and conditions under which Company will extend, relocate, and/or upgrade its facilities in order to provide service.

All facility installations and/or upgrades shall be made in accordance with good utility construction practices, as determined by Company, and are subject to the availability of adequate capacity, voltage and Company facilities at the beginning point of an extension as determined by Company.

The following provisions govern the installation of overhead and underground electric distribution facilities to applicants whose requirements are deemed by Company to be usual and reasonable in nature.

1. DEFINITIONS

- 1.1. **APS Approved Electrical Distribution Contractor** means an electrical contractor who is licensed in the State of Arizona and properly qualified to install electric distribution facilities in accordance with Company standards and good utility construction practices as determined by Company.
- 1.2. **Conduit Only Design** means the conduit layout design for the installation of underground Extension Facilities that will be required when the Extension Facilities are to be installed at a later date.
- 1.3. **Corporate Business and Industrial Development** means a tract of land which has been divided into contiguous lots in which a developer offers improved lots for sale and the purchaser of the lot is responsible for construction of buildings for commercial and/or industrial use.
- 1.4. **Doubtful Permanency** means a customer who in the opinion of the Company is neither Permanent nor Temporary. Service which, in the opinion of the Company, is for operations of a speculative character is considered Doubtfully Permanent.
- 1.5. **Economic Feasibility** means a determination by Company that the estimated annual revenue based on Company's then currently effective rate for delivery service (excluding taxes, regulatory assessment and other adjustments) less the cost of service provides an adequate rate of return on the investment made by Company to serve the applicant.
- 1.6. **Execution Date** means the date Company signs the agreement after the applicant has signed the agreement and money has been collected by company.
- 1.7. **Extension Facilities** means the electrical facilities, including conductors, cables, transformers, and related equipment installed solely to serve an individual applicant, or groups of applicants. For example, the Extension Facilities to serve a Residential Subdivision would consist of the line extension required to connect the subdivision to Company's existing system, as well as Company's electrical facilities constructed within the subdivision which would include primary and service lines, and transformers.
- 1.8. **High Rise and/or Mixed-Use Development** means a building built with four or more floors (usually using elevators for accessing floors) or any mixed use development that may consist of either residential or non-residential use or both, such as a building where the first level is for commercial purposes and the upper floors are residential.
- 1.9. **Irrigation** means water pumping service.



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- 1.10. **Line Extension Agreement** means the contractual agreement between Company and applicant that defines applicant payment requirements, terms of refund, scope of project, estimated costs, and construction responsibilities for Company and the applicant. Line Extension Agreements may be assigned to applicants successors in interest with Company approval, which approval shall not be unreasonably withheld.
- 1.11. **Master Planned Community Development** means a development that consists of a number of separately subdivided parcels for different Residential Subdivisions. The development may also incorporate a variety of uses including multi-family, non-residential, and public use facilities.
- 1.12. **Permanent** means a customer who is a tenant or owner of a service location who applies for and receives electric service, which, in the opinion of the Company, is of a permanent and established character. The use of electricity may be continuous, intermittent, or seasonal in nature. Permanency at the service location may be established by such things as city/county/state permits, a permanent water system, an approved sewer/septic system, or other permanent structures.
- 1.13. **Project-Specific Cost Estimate** means cost estimates that are developed recognizing the unique characteristics of large or special projects to which the Schedule of Charges is not applicable. A Project-Specific Cost Estimate provided to an applicant is valid for a period of up to six (6) months from the date the estimate is provided to the applicant.
- 1.14. **Residential "Lot Sale" Development** means a tract of land that has been divided into four (4) or more contiguous lots in which a developer offers improved lots for sale and the purchaser of the lot is responsible for construction of a residential home.
- 1.15. **Residential Multi-Family Development** means a development consisting of apartments, condominiums, or townhouses.
- 1.16. **Residential Single Family** means a house, or a manufactured or mobile home Permanently affixed to a lot or site.
- 1.17. **Residential Subdivision** means a tract of land which has been divided into four (4) or more contiguous lots with an average size of one acre or less in which the developer is responsible for the construction of residential homes or permanent manufactured or mobile home sites.
- 1.18. **Schedule of Charges** means the list of charges that is used to determine the applicant's cost responsibility for the Extension Facilities. An applicant requesting an extension will be provided a sketch showing the Extension Facilities and an itemized cost quote based on the Schedule of Charges or other applicable details. When the Schedule of Charges is not applicable, charges for Extension Facilities shall be determined by the Company based on Project-Specific Cost Estimates. The Schedule of Charges is attached to this Service Schedule as Attachment 1. The Schedule of Charges will be reviewed and updated from time to time by Company with the Arizona Corporation Commission.

The Schedule of Charges is not applicable for the following:

- 1.18.1. Extension Facilities requiring modifications, removal, relocations or conversions of existing facilities in conjunction with a new extension or existing customer requested upgrade. The removal, replacement, conversion, and new Extension Facilities charges will be determined by a combination of Schedule of Charges and a Project-Specific Cost Estimate depending on the scope of the project and may include residual value costs as computed in accordance with the method described in A.R.S 40-347.



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- 1.18.2. Extension Facilities required for modifications, relocations or conversions of existing facilities not in conjunction with a new extension or existing customer upgrade.
- 1.18.3. Extension Facilities for General Service applicants with estimated demand loads of three (3) megawatts or greater, or that require in aggregate 3,000 kVA of transformer capacity or greater.
- 1.18.4. Extension Facilities that require three phase transformer installations greater than the sizes noted in the Schedule of Charges.
- 1.18.5. Extension Facilities required for High Rise and/or Mixed-Use Developments or Temporary service.
- 1.18.6. Extension Facilities involving spot networks, vault installations, primary metering, or specialized or additional equipment for enhanced reliability.
- 1.19. **Temporary** means premises or enterprises which are temporary in character, or where it is known in advance that the Extension Facilities will be of limited duration.

2. RESIDENTIAL

2.1. SINGLE FAMILY HOMES

Extension Facilities will be installed to new Permanent residential applicants or groups of new Permanent residential applicants under the following conditions:

- 2.1.1. Free footage basis extensions are made under the following conditions:
 - 2.1.1.1. The total footage of the Extension Facilities (primary, secondary, service) does not exceed 750 feet per applicant, or \$10,000; or
 - 2.1.1.2. The total cost of the Extension Facilities as determined by Company is less than \$10,000 per applicant.
- 2.1.2. All additional construction costs over \$10,000 per applicant will be paid by applicant(s) as a non-refundable contribution in aid of construction.
- 2.1.3. Applicants who combine to form a group may also combine their allowance as specified in Sections 2.1.1.1 and 2.1.1.2.
- 2.1.4. The cost of extending service to applicant will be determined in accordance with the Schedule of Charges or combination of Schedule of Charges and a Project-Specific Cost Estimate depending on the scope of the project which shall exclude the cost of the transformer(s). Construction costs in excess of the allowances as described in 2.1.1.1 and 2.1.1.2 shall be paid by the applicant prior to the Company installing facilities. Payment is due at the time the Line Extension Agreement is signed by the applicant.
- 2.1.5. The applicant(s) signs a Line Extension Agreement.
- 2.1.6. The site plan has been approved and recorded in the county having jurisdiction.
- 2.1.7. The footage allowance of 750 feet and cap of \$10,000 shall be reviewed from time to time with the Arizona Corporation Commission.



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2.1.8. Examples of the application of 2.1.1 and 2.1.2 can be found in Attachment 2 – Free Footage Illustrative Example.

2.2. RESIDENTIAL SUBDIVISION DEVELOPMENTS

Extension Facilities will be installed to Residential Subdivision developments of four (4) or more homes in advance of application for service by Permanent customers under the following conditions:

2.2.1. The applicant(s) signs a Line Extension Agreement.

2.2.2. The subdivision development plat has been approved and recorded in the county having jurisdiction.

2.2.3. The cost of extending service to applicant will be determined in accordance with the Schedule of Charges or combination of Schedule of Charges and a Project-Specific Cost Estimate depending on the scope of the project.

2.2.4. A signed Line Extension Agreement and advance payment of all project costs are required prior to the start of construction by the Company. Payment is due at the time the Line Extension Agreement is signed by the applicant.

2.2.4.1. A portion of the project cost shall be designated as a refundable advance and will be eligible for refund based on the “per lot” allowance provisions of Section 2.2.5 and in accordance with Section 5.

2.2.4.2. In lieu of a cash payment for the refundable advance amount, the Company shall reserve the right to accept an alternative financial instrument, such as a Letter of Credit or Surety Bond based on the financial condition, or organizational structure of developer.

2.2.4.3. That portion of the project cost in excess of the refundable advance shall be non-refundable in addition to any other non-standard construction charges such as street lights.

2.2.5. The refundable advance will be eligible for refund based on a “per lot” allowance of \$3,500 for each Permanently connected residential customer over a five (5) year period. Refunds of refundable advances shall be governed by Section 5. The refund eligibility period shall be five (5) years which will start three (3) months from the date Company executes the Line Extension Agreement with the applicant. A review of the project will be conducted annually to determine subdivision buildout, and if the qualifications have been met for any refunds.

2.2.6. Examples of the application of 2.2.4 can be found in Attachment 3 – Residential Subdivision Illustrative Example.

2.3. RESIDENTIAL “LOT SALE” DEVELOPMENTS

Extension Facilities will be installed to residential “lot sale” developments in advance of application for service by Permanent applicants under the following conditions:

2.3.1. The applicant(s) signs a Line Extension Agreement.

2.3.2. The development plat has been approved and recorded in the county having jurisdiction.



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- 2.3.3. The cost of extending service to applicant will be determined in accordance with the Schedule of Charges or combination of Schedule of Charges and a Project-Specific Cost Estimate depending on the scope of the project. A signed Line Extension Agreement and advance payment of all project costs are required prior to the start of Company construction. Payment is due at the time the Line Extension Agreement is signed by the applicant.
- 2.3.4. The applicant shall pay the total project estimated cost as a non-refundable contribution in aid of construction in addition to costs for street lights and other non-standard construction charges.
- 2.3.5. Company will provide a "Conduit Only Design" provided applicant makes a payment in the amount equal to the estimated cost of the preparation of the design, in addition to the costs for any materials, field survey and inspections that may be required.
- 2.3.6. Extension Facilities will be installed to individual applicants in accordance with provisions listed in Section 2.1.

2.4. MASTER PLANNED COMMUNITY DEVELOPMENTS

Extension Facilities will be installed to Master Planned Community Developments in advance of application for service by Permanent applicants under the following conditions:

- 2.4.1. The applicant(s) signs a Line Extension Agreement.
- 2.4.2. The site development plan has been approved and recorded in the county having jurisdiction.
- 2.4.3. The cost of extending service to applicant will be determined by a Project-Specific Cost Estimate based on the scope of the project. A signed Line Extension Agreement and advance payment of all project costs are required prior to the start of Company construction. Payment is due at the time the Line Extension Agreement is signed by the applicant.
- 2.4.4. The applicant shall pay the total project estimated cost as a non-refundable contribution in aid of construction in addition to costs for street lights and other non-standard construction charges.
- 2.4.5. Extension Facilities will be installed to each subdivided tract within the planned development in accordance with the applicable sections of this Service Schedule 3.

2.5. RESIDENTIAL MULTI-FAMILY DEVELOPMENTS

Extension Facilities will be installed to Residential Multi-Family Developments in advance of application for service by Permanent customers under the following conditions:

- 2.5.1. The applicant signs a Line Extension Agreement.
- 2.5.2. The site development plan has been approved and recorded in the county having jurisdiction.
- 2.5.3. The cost of extending service to applicant will be determined in accordance with the Schedule of Charges or combination of Schedule of Charges and a Project-Specific Cost estimate depending on the scope of the project.



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- 2.5.4. A signed Line Extension Agreement and advance payment of all project costs are required prior to the start of Company construction. Payment is due at the time the Line Extension Agreement is signed by the applicant.
- 2.5.4.1. A portion of the project cost shall be designated as a refundable advance and will be eligible for refund based on the "per unit" refundable allowance provisions of Section 2.5.4 and in accordance with Section 5.
- 2.5.4.2. In lieu of a cash payment for the refundable advance amount, the Company shall reserve the right to accept an alternative financial instrument, such as a Letter of Credit or Surety Bond based on the financial condition, or organizational structure of applicant.
- 2.5.4.3. That portion of the project cost in excess of the refundable advance shall be non-refundable in addition to any other non-standard construction charges such as street lights etc.
- 2.5.5. The refundable advance will be eligible for refund based on a "per unit" allowance of \$1,000 for each new meter installed over a five (5) year period. Refunds of refundable advances shall be governed by Section 5. The refund eligibility period shall be five (5) years which will start three (3) months from the date Company executes the Line Extension Agreement. A review of the project will be conducted annually to determine buildout and if the qualifications have been met for any refunds.

3. GENERAL SERVICE INCLUDING IRRIGATION

3.1. GENERAL PROVISIONS

- 3.1.1. Extension Facilities that do not meet the requirements under Section 2 Residential will be considered General Service and will be installed to all applicants who meet the qualifications under Sections 3 and 4 of this Service Schedule 3.
- 3.1.2. The project costs for General Service Extension Facilities installations will be determined in accordance with the Schedule of Charges or combination of Schedule of Charges and a Project-Specific Cost Estimate depending on the scope of the project. A signed Line Extension Agreement and any required payment as determined by an Economic Feasibility analysis are required prior to the start of Company construction. Payment is due at the time the Line Extension Agreement is signed by the applicant. The site development plan for the project for which the Line Extension has been requested must be approved and recorded in the county having jurisdiction prior to signing the Line Extension Agreement.
- 3.1.3. The cost for Extension Facilities installed for applicants with estimated demand loads of less than three (3) megawatts or less than 3,000 kVA of transformer capacity, will be determined in accordance with the Schedule of Charges or combination of Schedule of Charges and a Project-Specific Cost Estimate depending on the scope of the project. A signed Line Extension Agreement and any required payment as determined by an Economic Feasibility analysis are required prior to the start of Company construction. Payment is due at the time the Line Extension Agreement is signed by the applicant.
- 3.1.4. The cost for Extension Facilities installed for applicants with projected loads of three (3) megawatts or greater, requiring transformer capacity of 3,000 kVA and greater, special requests involving primary metering, or specialized/additional equipment for enhanced reliability shall be determined by the Company based on Project-Specific Cost Estimates. A signed Line Extension Agreement and any required payment as determined by an Economic Feasibility analysis are required prior to the start of Company construction. Payment is due at the time the Line Extension Agreement is signed by the applicant.



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3.1.5. Economic Feasibility analysis for General Service applicants:

- 3.1.5.1. Economic Feasibility for projects where the applicant's Extension Facilities cost (excluding non-refundable applicant contributions such as street lights and other non-standard construction charges) is \$25,000 or less shall be established where the estimated annual revenue based on Company's then currently effective rate for delivery service (excluding taxes, regulatory assessment and other adjustments) multiplied by six (6) is equal to or greater than the cost of the applicant's Extension Facilities.
- 3.1.5.2. Economic Feasibility for projects where the applicant's Extension Facilities cost (excluding non-refundable applicant contributions such as street lights and other non-standard construction charges) is greater than \$25,000 shall be established where the estimated annual revenue based on Company's then currently effective rate for delivery service (excluding taxes, regulatory assessment and other adjustments), less the cost of service, provides an adequate rate of return on the investment made by Company to serve the applicant.
- 3.1.5.3. Applicants whose Extension Facilities are installed on the basis of an Economic Feasibility analysis which determines that the estimated installation cost of the Extension Facilities is not supported by the applicant's estimated delivery service revenue may be required to advance sufficient funds to make installation of the Extension Facilities economically feasible. Company reserves the right to collect a full advance from the applicant based on the project scope, location, applicant's financial condition or organizational structure of the applicant.

Applicants whose Economic Feasibility analysis results in the requirement for a payment in advance of construction may be eligible for a refund of such advance over the term of the Line Extension Agreement's five-year period if the actual annual delivery service revenue for the applicant's project exceeds the estimated delivery service revenue used in the Economic Feasibility analysis.

The Economic Feasibility analysis for the Extension Facilities will be reviewed at the end of the third and fifth year of the Line Extension Agreement based on actual delivery service revenue for the preceding year and to the degree that actual revenue supports the Extension Facilities cost, all or a portion of the applicant's construction advance may be refunded. In no case will refunds exceed the unrefunded balance of the applicant's advance.

Any unrefunded balance remaining five years from the date of the Company's executed Line Extension Agreement shall become a non-refundable contribution in aid of construction.

- 3.1.5.4. Company may include a capacity factor component, as determined by Company, to the Economic Feasibility Analysis for applicants that request excess or redundant system capacity.

3.2. HIGH RISE AND/OR MIXED-USE DEVELOPMENTS

Extension Facilities will be installed to High Rise and/or Mixed-Use Developments in advance of application for service by Permanent applicants under the following conditions:

- 3.2.1. The residential units are privately owned and either individually metered or master metered in accordance with Section 7.10.
- 3.2.2. Extension Facilities will be installed to designated points of delivery and it is the applicant's responsibility to provide and maintain the electrical facilities within the building.



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- 3.2.3. The applicant signs a Line Extension Agreement.
- 3.2.4. The site development plan has been approved and recorded in the county or city having jurisdiction.
- 3.2.5. The charges for Extension Facilities will be determined based on a Project-Specific Cost Estimate, and shall be paid by the applicant prior to Company installing facilities.
- 3.2.6. Prior to the ordering of specialized materials or equipment required to provide service applicant will be required to make an advance payment to the Company for the estimated cost of the material or equipment in accordance with Section 7.13 of this Service Schedule 3.
- 3.2.7. A signed Line Extension Agreement and any required advance payment are required prior to the start of Company construction. Payment is due at the time the Line Extension Agreement is signed by the applicant.

3.3. CORPORATE BUSINESS & INDUSTRIAL PARK DEVELOPMENTS

Extension Facilities will be made to Corporate Business and Industrial Park Developments in advance of application for service by Permanent customer under the following conditions:

- 3.3.1. The applicant signs a Line Extension Agreement.
- 3.3.2. The site development plan has been approved and recorded in the county or city having jurisdiction.
- 3.3.3. The cost of installing Extension Facilities will be determined in accordance with the Schedule of Charges or combination of Schedule of Charges and a project-specific cost estimate depending on the scope of the project.
- 3.3.4. The applicant shall pay the total project estimated cost as a non-refundable contribution in aid of construction in addition to costs for street lights and other non-standard construction charges.
- 3.3.5. Payment of all project costs is required prior to the start of Company construction. Payment is due at the time the Line Extension Agreement is signed by the applicant.
- 3.3.6. Company will provide a "Conduit Only Design" provided applicant makes a payment in the amount equal to the estimated cost of the preparation of the design, in addition to the costs for any materials, field survey and inspections that may be required.
- 3.3.7. Extension Facilities will be installed to individual lots (at the request of an applicant) within the Corporate Business and Industrial Park Development in accordance with the applicable sections of this Service Schedule 3.

4. OTHER CONDITIONS

4.1. TEMPORARY APPLICANTS

- 4.1.1. Where Temporary Extension Facilities are required to provide service to the applicant, the applicant shall make a non-refundable payment in advance of installation or construction equal to the cost of installing and removing of the facilities required in providing Temporary service, less the salvage value of such facilities. Charges will be determined by Company based on a Project-Specific Cost Estimate. Payment is due at the time the Line Extension Agreement is signed by the applicant.



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4.1.2. When use of the Temporary service is discontinued or service is terminated, Company may dismantle and remove its facilities, and the materials and equipment provided by Company will remain Company property.

4.2. DOUBTFUL PERMANENCY CUSTOMERS

When, in the opinion of Company, permanency of the applicant's residence or operation is doubtful, the applicant will be required to pay the total cost of the Extension Facilities. The cost of extending service to applicant will be determined in accordance with the Schedule of Charges or combination of Schedule of Charges and a Project-Specific Cost Estimate. The applicant shall pay the total project estimated cost as a non-refundable contribution in aid of construction in addition to costs for street lights and other non-standard construction charges.

4.2.1. Payment of all project costs is required prior to the start of Company construction. Payment is due at the time the Line Extension Agreement is signed by the applicant.

4.3. MUNICIPALITIES AND OTHER GOVERNMENTAL AGENCIES

Relocation of existing facilities and/or Extension Facility installations required to serve loads of municipalities or other governmental agencies may be constructed prior to the receipt of a signed Line Extension Agreement. However, this does not relieve the municipality or governmental agency of the responsibility for payment of the Extension Facilities costs in accordance with the applicable sections of this Service Schedule 3.

The effective date for projects enacted under this provision for purposes of Section 5 shall be the date the municipality or agency provided written approval to the Company to proceed with construction.

5. REFUNDS

5.1. GENERAL REFUND CONDITIONS

5.1.1. No refund will be made to any applicant for an amount more than the un-refunded balance of the applicant's refundable advance.

5.1.2. Company reserves the right to withhold refunds to any applicant who is delinquent on any account, agreement, or invoice, including the payment of electric service, and may apply these refund amounts to past due bills.

5.1.3. The refund eligibility period shall be five (5) years from the date Company executes the Line Extension Agreement with the applicant. Any un-refunded advance balance shall become a non-refundable contribution in aid of construction five (5) years from the Execution Date of the agreement.

5.1.4. Refunds will be mailed to the applicant of record noted on the executed agreement no later than 60-days from the annual review date.

6. UNDERGROUND CONSTRUCTION

6.1. GENERAL UNDERGROUND CONSTRUCTION POLICY

With respect to all underground installations pursuant to a Line Extension Agreement, Company will install underground facilities only if all of the following conditions are met:



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- 6.1.1. The Extension Facilities meet all requirements as specified in Sections 1, 2, 3, or 4 of this Service Schedule 3.
- 6.1.2. The applicant provides all earth-work including, but not limited to, trenching, boring or punching, backfill, compaction, and surface restoration in accordance with Company specifications, and signs a trench agreement.
- 6.1.3. The applicant provides installation of equipment pads, pull-boxes, manholes, conduits, and appurtenances as required and in accordance with Company specifications.
- 6.1.4. In lieu of applicant providing these services and equipment, the applicant may pay Company to provide these services and equipment as a non-refundable contribution in aid of construction. The payment will equal the cost of such work plus any administrative or inspection fees incurred by Company. Applicants electing this option will be required to sign an agreement indemnifying and holding Company harmless against claims, liabilities, losses or damage (Claims) asserted by a person or entity other than Company's contractors, which Claims arise out of the trenching and conduit placement, provided the Claims are not attributable to the Company's gross negligence or intentional misconduct.

7. GENERAL CONDITIONS

7.1. VOLTAGE

- 7.1.1. All Extension Facility installations will be designed and constructed for operation at standard voltages used by Company in the area in which the Extension Facilities are located. At the request of applicant, Company may, at its option, deliver service for special applications of non-standard or higher voltages with prior approval from Company's Engineering Department. Applicant will be required to pay the costs of any required studies as a non-refundable payment.
- 7.1.2. Extension Facilities installed at higher voltages will be limited to serving an applicant operating as one integral unit under the same name and as part of the same business on adjacent and contiguous sites not separated by private property owned by another party or separated by public property or public right-of-way.

7.2. POINT OF DELIVERY

- 7.2.1. For overhead service, the point of delivery shall be where Company's service conductors terminate at the applicant's weatherhead or bus riser.
- 7.2.2. For underground service, the point of delivery shall be where Company's service conductors terminate in the applicant's or development's service equipment. The applicant shall furnish, install and maintain any risers, raceways and/or termination cabinets necessary for the installation of Company's underground service conductors.
- 7.2.3. For special applications where service is provided at voltages higher than the standard voltages specified in the APS Electric Service Requirements Manual, Company and applicant shall mutually agree upon the designated point of delivery.

7.3. EASEMENTS

All suitable easements or rights-of-way required by Company for any portion of the extension which is either on premises owned, leased or otherwise controlled by the applicant or other property required for the



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Extension Facilities, shall be provided to the Company in Company's name by the applicant without cost to or condemnation by Company prior to commencement of Company's construction of Extension Facilities. All easements or rights-of-way obtained on behalf of Company shall contain such terms and conditions as are acceptable to Company.

7.4. GRADE MODIFICATIONS

If after construction of Extension Facilities, the final grade of the property established by the applicant is changed in such a way as to require relocation of Company facilities, or the applicant's actions or those of his contractor results in damage to such facilities, the cost of replacement, relocation and/or resulting repairs shall be borne by applicant as a non-refundable contribution in aid of construction.

7.5. OWNERSHIP

Except for applicant owned facilities, all Extension Facilities installed in accordance with this Service Schedule 3 will be owned, operated, and maintained by Company.

7.6. MEASUREMENT AND LOCATION

7.6.1. Measurement must be along the proposed route of construction.

7.6.2. Construction will be on public streets, roadways, highways, or easements acceptable to Company.

7.6.3. The Extension Facilities must be a branch from, the continuation of, or an addition to, Company's existing distribution facilities.

7.7. UNUSUAL CIRCUMSTANCES

In unusual circumstances as determined by Company, when the application and provisions of this Service Schedule 3 appear impractical, or in case of extension of lines to be operated on voltages other than specified in the applicable rate schedule, or when applicant's estimated demand load will exceed 3,000 kW, Company may make a special study of the conditions to determine the basis on which service may be provided. Additionally, Company may require special contract arrangements as provided for in the Company's Service Schedule 1, Terms and Conditions for Standard Offer and Direct Access Service.

7.8. ABNORMAL LOADS

Company, at its option, may install Extension Facilities to serve certain abnormal loads (such as: transformer type welders, x-ray machines, wind machines, excess capacity for test purposes and loads of unusual characteristics) and the costs of any distribution system modifications or enhancements required to serve the applicant will be included in the payment described in previous sections of this Service Schedule 3.

7.9. UPGRADES, RELOCATIONS AND/OR CONVERSIONS

7.9.1. Company will upgrade, relocate or convert from overhead to underground its facilities for the applicant's convenience or aesthetics. The cost of upgrades, relocations or conversions not in conjunction with a new extension or existing customer upgrade will be determined by a Project-Specific Cost Estimate and may include residual value costs as computed in accordance with the method described in A.R.S Section 40-347.



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7.9.2. When the relocation of Company facilities involves "prior rights" conditions, the applicant will be required to make payment equal to the estimated cost of relocation as determined by a Project-Specific Cost Estimate. In addition applicant shall be required to provide similar "rights" for the relocated facilities.

7.10. MASTER METERING

7.10.1. Mobile Home Parks

Company shall refuse service to all new construction and/or expansion of existing Permanent residential mobile home parks unless the construction and/or expansion are individually metered by Company.

7.10.2. Residential Apartment Complexes, Condominiums

Company shall refuse service to all new construction of apartment complexes and condominiums which are master metered unless the builder or developer can demonstrate that the installation meets the provisions of R14-2-205 of the Arizona Corporation Commission's Rules and Regulations or the requirements discussed in 7.10.3 below. This section is not applicable to Senior Care/Nursing Centers registered with the State of Arizona with independent living units which provide packaged services such as housing, food, and nursing care.

7.10.3. Multi-Unit High Rise Residential Developments

7.10.3.1. Company will allow master metering for high rise residential units where the residential units are privately owned provided the building will be served by a centralized heating, ventilation and/or air conditioning system, and each residential unit shall be individually sub-metered and responsible for energy consumption of that unit.

7.10.3.2. Sub-metering shall be provided and maintained by the builder or homeowners association.

7.10.3.3. Responsibility and methodology for determining each unit's energy billing shall be clearly specified in the original bylaws of the homeowners association, a copy of which must be provided to Company prior to Company installing Extension Facilities.

7.10.3.4. Company will convert its facilities from a master metered system to a Permanent individually metered system at the applicant's request provided the applicant makes a non-refundable contribution in aid of construction equal to the residual value plus the removal costs less salvage of the master meter facilities to be removed. The new facilities to serve the individual meters will be extended on the basis specified in Section 1 of this Service Schedule 3. Applicant is responsible for all costs related to the installation of new service entrance equipment.

7.11. CHANGE IN APPLICANT'S SERVICE REQUIREMENTS

Company will rebuild, modify, or upgrade its existing facilities to meet the applicant's added load or change in service requirements on the basis specified in Section 2, 3, or 4. Charges for such changes will be in accordance with the Schedule of Charges and/or a Project-Specific Cost Estimate determined by the Company based on project-specific requirements.



**SERVICE SCHEDULE 3
CONDITIONS GOVERNING EXTENSIONS OF
ELECTRIC DISTRIBUTION LINES AND SERVICES**

7.12. STUDY AND DESIGN AGREEMENT

Any applicant requesting Company to prepare special studies or detailed plans, specifications, or cost estimates will be required to make a payment to Company in an amount equal to the estimated cost of preparation. When the applicant authorizes Company to proceed with construction of the Extension Facilities, the payment will be credited to the cost of the Extension Facilities otherwise the payment shall be non-refundable. Company will prepare, without charge, a preliminary sketch and rough estimate of the cost to be paid by the applicant upon request.

7.13. MATERIAL ORDER AGREEMENT

Any applicant requesting Company to enter into a Line Extension Agreement, or relocation agreement which requires either large quantities of material or material and equipment which the Company does not keep in stock will be required to make a payment to Company prior to the material being ordered in an amount equal to the material/equipment's estimated cost. When the applicant authorizes Company to proceed with construction of the extension, the payment will be credited to the cost of the extension; otherwise the payment shall be non-refundable.

7.14. INTEREST

All refundable advances made by the applicant to the Company shall be non-interest bearing.

7.15. APPLICANT CONSTRUCTION OF COMPANY DISTRIBUTION FACILITIES

- 7.15.1. Applicant may provide construction related labor only services associated with the installation of new distribution line facilities (21 kV and below) to serve the applicant's new or added load provided the applicant receives written approval from Company prior to performing any such services and uses electrical contractors who are qualified and licensed in the State of Arizona to construct such facilities and designated as an APS Approved Electrical Distribution Contractor.

This option is not available for the following:

- 7.15.1.1. Replacement, modifications, upgrades, relocation, or conversions of existing systems.
- 7.15.1.2. Where all or a portion of the distribution line facilities are to be constructed on or installed on existing distribution line or transmission lines.
- 7.15.2. All construction services provided by the applicant shall be subject to inspection by a duly authorized Company representative and shall comply with Company designs, construction standards, and other requirements which may be in effect at the time of construction. Any work found to be substandard in the sole opinion of the Company must be corrected by applicant prior to energization by Company.
- 7.15.3. Applicant shall reimburse Company for all inspection and project coordination costs as a non-refundable contribution in aid of construction. Estimated costs for inspection and project coordination will be identified in the construction agreement executed by Company and applicant.
- 7.15.4. Costs for Extension Facilities for applicants who provide construction of Company distribution facilities shall be based on a Project-Specific Cost Estimate.



**SERVICE SCHEDULE 3
CONDITIONS GOVERNING EXTENSIONS OF
ELECTRIC DISTRIBUTION LINES AND SERVICES**

- 7.15.5. A signed agreement and advance payment of all project costs are required prior to the start of applicant construction. Payment is due at the time the agreement is signed by the applicant.
- 7.15.6. For applicants that are not served by the terms in Section 3 of this document, Company shall provide a Project-Specific Cost Estimate. Applicants may submit an invoice detailing costs of Extension Facilities and apply any allowance provided in Section 2 to these costs. At no point shall these costs exceed the Company's Project-Specific Cost Estimate.
- 7.15.7. Applicants served by the terms in Section 3 of this document shall be subject to the rules set forth in Sections 3 and 5.

7.16. SETTLEMENT OF DISPUTES

Any dispute between the applicant or prospective applicant and Company regarding the interpretation of these "Conditions Governing Extensions of Electric Distribution Lines and Services" may, by either party, be referred to the Arizona Corporation Commission or a designated representative or employee thereof for determination.

7.17. LINE EXTENSION AGREEMENTS

All facility installations or equipment upgrades requiring payment by an applicant shall be in writing and signed by both the applicant and Company.

7.18. ADDITIONAL PRIMARY FEED OR SPECIALIZED EQUIPMENT

When specifically requested by an applicant to provide an alternate primary feed or specialized equipment (excluding transformation), Company will perform a special study to determine the feasibility of the request. The applicant will be required to pay for the cost of the additional feed requested as a non-refundable contribution in aid of construction. Installation cost will be based on a Project-Specific Cost Estimate. Payment for the installation of Extension Facilities is due at the time the Line Extension Agreement is signed by the applicant.

7.19. GRANDFATHERING

An applicant that has entered into a Line Extension Agreement with the Company under a previous revision of this Service Schedule 3 may at applicant's request cancel the agreement, provided the Company has not installed any facilities pursuant to the agreement, and provided that applicant reimburses Company for the costs and expenses it has incurred to date, as a non-refundable contribution in aid of construction. The applicant may then enter into a new Line Extension Agreement with the Company under this revision of Service Schedule 3.



**SERVICE SCHEDULE 3
CONDITIONS GOVERNING EXTENSIONS OF
ELECTRIC DISTRIBUTION LINES AND SERVICES**

**Attachment 1
Schedule of Charges – Single Phase**

**APS Schedule 3, Line Extension Schedule of Charges
Single Phase Extension Costs**

Single Phase	OH Primary		UG Primary			OH Secondary		UG Secondary	
	Cost per Circuit Foot	Cost per Circuit Foot	Pull Box	Pad Mount Junction Cabinet	OH/UG Transition	Secondary Pole	OH/UG Secondary Transition	J Box	
	\$15.00	\$6.00	\$705	\$2,682	\$1,183	\$2,339	\$681.00	\$98.54	
OVERHEAD Single Phase	SES Size	Transformer Size,	Service wire/Linear Ft						
	200 Amp	25kVA	\$3,657	\$4.89					
	200 Amp	50kVA	\$4,439	\$9.02					
	400 Amp	50kVA	\$4,439	\$9.02					
	600 Amp	75kVA	\$5,475	\$18.23					
	800 Amp	100kVA	\$7,699	\$18.23					
UNDERGROUND Single Phase	SES Size	Transformer Size,	Service wire/Linear Ft						
	200 Amp	25kVA	\$3,764	\$3.65					
	200 Amp	50kVA	\$4,498	\$4.36					
	400 Amp	50kVA	\$4,498	\$4.36					
	600 Amp	75kVA	\$5,266	\$8.71					
	800 Amp	100kVA	\$6,270	\$16.68					

- 1) Extension Facilities that do not qualify for the Schedule of Charges will be determined by a project specific cost estimate.
- 2) Cost per foot charges will be determined from termination at the source to the next device in the circuit. Linear footage for each circuit will be summed to determine charges.
- 3) Pad Mount Junction Cabinet is a single phase termination cabinet.
- 4) Primary OH cost per foot is for one phase and a neutral or two phases and no neutral, includes poles, framing, 2R conductor.
- 5) Charges for services are based on linear footage from Transformer to SES regardless of the number of sets. J Boxes not included in footage cost.
- 6) All footages to be calculated by linear footages.
- 7) Transition is from the OH line to the UG line: includes wire down pole and accessories. Pole NOT included.

ARIZONA PUBLIC SERVICE COMPANY
Phoenix, Arizona
Filed by: David J. Rumolo
Title: Manager, Regulation and Pricing
Original Effective Date: January 31, 1954

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Effective: XXXXXX July 1, 2012



**SERVICE SCHEDULE 3
CONDITIONS GOVERNING EXTENSIONS OF
ELECTRIC DISTRIBUTION LINES AND SERVICES**

**Attachment 1
Schedule of Charges – Three Phase**

APS Schedule 3 Rev 12, Line Extension Schedule of Charges

FEEDER Three Phase	Overhead				Underground				Cost per Circuit Foot 1100A Cable (3-1100)	Cost per Circuit Foot 1100A Cable (6-1100)
	Cost per Circuit Foot (3-750)	Pull Box (3-750)	Manhole (3-750)	Cost per Circuit Foot (3-750)	Cost per Circuit Foot (6-750)	Pull Box (6-750)	Manhole (6-750)	Pad Mount Switch Gear		
	\$31.34	\$3,575	\$10,522	\$48.06	\$6,164	\$14,033	\$16,648	\$32.35	\$64.70	
OH/UG Transition	Each Installation \$6,701			Each Installation \$6,290				Each Installation \$7,050	Each Installation \$8,987	
PRIMARY Three Phase	Overhead				Underground					
	Cost per Circuit Foot \$21.24	Cost per Circuit Foot (3-40T) \$28.81	Pull Box \$1,257	Pad Mount Switch Gear \$16,648						
OH/UG Transition	Each Installation \$2,786	Each Installation \$2,933								
OVERHEAD Three Phase	Overhead				Underground					
	SES Size	Transformer Size	Service wire/Linear R	SES Size	Transformer Size	Service wire/Linear R	SES Size	Transformer Size	Service wire/Linear R	
	200 Amp	3-25kVA	\$9,979	200 Amp	3-50kVA	\$13,215	200 Amp	112.5kVA	\$11,862	
	200 Amp	3-50kVA	\$12,728	400 Amp	3-75kVA	\$15,844	400 Amp	150kVA	\$12,213	
	400 Amp	3-50kVA	\$12,728	600 Amp	3-100kVA	\$18,945	600 Amp	225kVA	\$14,804	
	600 Amp	3-50kVA	\$12,728	600 Amp	3-167kVA	\$24,002	600 Amp	300kVA	\$17,539	
UNDERGROUND Three Phase	Underground				Underground					
	SES Size	Transformer Size	Service wire/Linear R	SES Size	Transformer Size	Service wire/Linear R	SES Size	Transformer Size	Service wire/Linear R	
	200 Amp	112.5kVA	\$11,746	200 Amp	112.5kVA	\$11,862	200 Amp	112.5kVA	\$11,862	
	400 Amp	150kVA	\$13,316	400 Amp	150kVA	\$15,022	400 Amp	150kVA	\$12,213	
	600 Amp	225kVA	\$15,022	600 Amp	225kVA	\$18,110	600 Amp	225kVA	\$12,66	
	800 Amp	300kVA	\$18,110	800 Amp	300kVA	\$21,198	800 Amp	300kVA	\$12,66	
	1000 Amp	500kVA	\$22,432	1000 Amp	500kVA	\$27,129	1000 Amp	500kVA	\$31,07	
	1200 Amp	500kVA	\$22,432	1200 Amp	500kVA	\$27,129	1200 Amp	500kVA	\$31,07	
	1600 Amp	750kVA	\$28,233	1600 Amp	750kVA	\$33,07	1600 Amp	750kVA	\$46,61	
	2500 Amp	750kVA	\$28,233	2500 Amp	750kVA	\$33,07	2500 Amp	750kVA	\$46,61	
	3000 Amp	1000kVA	\$37,272	3000 Amp	1000kVA	\$42,414	3000 Amp	1000kVA	\$62,15	

- 1) Extension Facilities that do not qualify for the Schedule of Charges will be determined by a project specific cost estimate.
- 2) Cost per foot charges will be determined from termination at the source to the next device in the circuit. Linear footage for each circuit will be summed to determine charges.
- 3) For Multiple services out of one three phase transformer, the service cost will be determined by each SES and the transformer cost will be determined from the combined total of each SES size in amps, rounded up to the nearest SES size, limited to a combined maximum of 3,000 amps.
- 4) Overhead feeder cost per foot is for 30 and above, including 477 & 795 conductors.
- 5) UG Primary circuit footage is 3 cables making up 3 phase; 2 circuits is parallel conductors.
- 6) Charges for services are based on linear footage from transformer to SES regardless for the number of sets.
- 7) All footages to be calculated by linear footages.
- 8) Transition is from the OH line to the UG line, includes wire down pole and accessories. Pole NOT included.

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Phoenix, Arizona
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**SERVICE SCHEDULE 3
CONDITIONS GOVERNING EXTENSIONS OF
ELECTRIC DISTRIBUTION LINES AND SERVICES**

**Examples to Section 2.1*
Free Footage Illustrative Example**

Scenario 1	Primary		Service		Total		Customer Payment
	Footage	Cost	Footage	Cost	Footage	Cost	
	500	\$15.00	50	\$ 4.89	550	\$ 7,744.50	\$ -

APS \$7,744.50**	← Total 550' →	Customer Payment \$0
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Scenario 2	Primary		Service		Total		Customer Payment
	Footage	Cost	Footage	Cost	Footage	Cost	
	620	\$ 15.00	135	\$ 4.89	755	\$ 9,960.15	\$ -

APS \$9,960.15**	← Total 755' →	Customer Payment \$0
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Scenario 3	Primary		Service		Total		Customer Payment
	Footage	Cost	Footage	Cost	Footage	Cost	
	675	\$ 15.00	50	\$ 4.89	725	\$ 10,369.50	\$ 369.50

APS \$10,000.00**	← Total 725' →	Customer Payment \$369.50
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Scenario 4	Primary		Service		Total		Customer Payment
	Footage	Cost	Footage	Cost	Footage	Cost	
	660	\$ 15.00	90	\$ 4.89	750	\$ 10,340.10	\$ 340.10

APS \$10,000.00**	← Total 750' →	Customer Payment \$340.10
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Scenario 5	Primary		Service		Total		Customer Payment
	Footage	Cost	Footage	Cost	Footage	Cost	
	700	\$ 15.00	100	\$ 4.89	800	\$ 10,989.00	\$ 989.00

APS \$10,000.00**	← Total 800' →	Customer Payment \$989.00
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*Scenarios do not reflect all components required for a complete project.

**APS portion does not include cost of transformer.

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**SERVICE SCHEDULE 3
CONDITIONS GOVERNING EXTENSIONS OF
ELECTRIC DISTRIBUTION LINES AND SERVICES**

**Attachment 3
Residential Subdivision Illustrative Example**

Scenario 1	
Number of Planned Homes	100
Estimated Construction Cost	\$ 350,000
Total Potential Refundable Allowance	\$ 350,000
Non-Refundable Contribution	\$ -
Number of Homes Completed	100
Credited Allowance	\$ 350,000
Potential Remaining Allowance	\$ -

Scenario 2	
Number of Planned Homes	100
Estimated Construction Cost	\$ 400,000
Total Potential Refundable Allowance	\$ 350,000
Non-Refundable Contribution	\$ 50,000
Number of Homes Completed	100
Credited Allowance	\$ 350,000
Potential Remaining Allowance	\$ -

Scenario 3	
Number of Planned Homes	100
Estimated Construction Cost	\$ 350,000
Total Potential Refundable Allowance	\$ 350,000
Non-Refundable Contribution	\$ -
Number of Homes Completed	45
Credited Allowance	\$ 157,500
Potential Remaining Allowance	\$ 192,500

Scenario 4	
Number of Planned Homes	100
Estimated Construction Cost	\$ 400,000
Total Potential Refundable Allowance	\$ 350,000
Non-Refundable Contribution	\$ 50,000
Number of Homes Completed	45
Credited Allowance	\$ 157,500
Potential Remaining Allowance	\$ 192,500

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**NON -REDLINED
VERSION**



**SERVICE SCHEDULE 3
CONDITIONS GOVERNING EXTENSIONS OF
ELECTRIC DISTRIBUTION LINES AND SERVICES**

Provision of electric service from Arizona Public Service Company (Company) may require construction of new facilities or the relocation and/or upgrade of existing facilities. Costs for construction depend on the applicant's location, scope of project, load size, and load characteristics. Costs include, but are not limited to, project management, coordination, engineering, design, surveys, permits, construction inspection, and support services. This schedule establishes the terms and conditions under which Company will extend, relocate, and/or upgrade its facilities in order to provide service.

All facility installations and/or upgrades shall be made in accordance with good utility construction practices, as determined by Company, and are subject to the availability of adequate capacity, voltage and Company facilities at the beginning point of an extension as determined by Company.

The following provisions govern the installation of overhead and underground electric distribution facilities to applicants whose requirements are deemed by Company to be usual and reasonable in nature.

1. **DEFINITIONS**

- 1.1. **APS Approved Electrical Distribution Contractor** means an electrical contractor who is licensed in the State of Arizona and properly qualified to install electric distribution facilities in accordance with Company standards and good utility construction practices as determined by Company.
- 1.2. **Conduit Only Design** means the conduit layout design for the installation of underground Extension Facilities that will be required when the Extension Facilities are to be installed at a later date.
- 1.3. **Corporate Business and Industrial Development** means a tract of land which has been divided into contiguous lots in which a developer offers improved lots for sale and the purchaser of the lot is responsible for construction of buildings for commercial and/or industrial use.
- 1.4. **Doubtful Permanency** means a customer who in the opinion of the Company is neither Permanent nor Temporary. Service which, in the opinion of the Company, is for operations of a speculative character is considered Doubtfully Permanent.
- 1.5. **Economic Feasibility** means a determination by Company that the estimated annual revenue based on Company's then currently effective rate for delivery service (excluding taxes, regulatory assessment and other adjustments) less the cost of service provides an adequate rate of return on the investment made by Company to serve the applicant.
- 1.6. **Execution Date** means the date Company signs the agreement after the applicant has signed the agreement and money has been collected by company.
- 1.7. **Extension Facilities** means the electrical facilities, including conductors, cables, transformers, and related equipment installed solely to serve an individual applicant, or groups of applicants. For example, the Extension Facilities to serve a Residential Subdivision would consist of the line extension required to connect the subdivision to Company's existing system, as well as Company's electrical facilities constructed within the subdivision which would include primary and service lines, and transformers.
- 1.8. **High Rise and/or Mixed-Use Development** means a building built with four or more floors (usually using elevators for accessing floors) or any mixed use development that may consist of either residential or non-residential use or both, such as a building where the first level is for commercial purposes and the upper floors are residential.
- 1.9. **Irrigation** means water pumping service.



**SERVICE SCHEDULE 3
CONDITIONS GOVERNING EXTENSIONS OF
ELECTRIC DISTRIBUTION LINES AND SERVICES**

- 1.10. **Line Extension Agreement** means the contractual agreement between Company and applicant that defines applicant payment requirements, terms of refund, scope of project, estimated costs, and construction responsibilities for Company and the applicant. Line Extension Agreements may be assigned to applicants successors in interest with Company approval, which approval shall not be unreasonably withheld.
- 1.11. **Master Planned Community Development** means a development that consists of a number of separately subdivided parcels for different Residential Subdivisions. The development may also incorporate a variety of uses including multi-family, non-residential, and public use facilities.
- 1.12. **Permanent** means a customer who is a tenant or owner of a service location who applies for and receives electric service, which, in the opinion of the Company, is of a permanent and established character. The use of electricity may be continuous, intermittent, or seasonal in nature. Permanency at the service location may be established by such things as city/county/state permits, a permanent water system, an approved sewer/septic system, or other permanent structures.
- 1.13. **Project-Specific Cost Estimate** means cost estimates that are developed recognizing the unique characteristics of large or special projects to which the Schedule of Charges is not applicable. A Project-Specific Cost Estimate provided to an applicant is valid for a period of up to six (6) months from the date the estimate is provided to the applicant.
- 1.14. **Residential "Lot Sale" Development** means a tract of land that has been divided into four (4) or more contiguous lots in which a developer offers improved lots for sale and the purchaser of the lot is responsible for construction of a residential home.
- 1.15. **Residential Multi-Family Development** means a development consisting of apartments, condominiums, or townhouses.
- 1.16. **Residential Single Family** means a house, or a manufactured or mobile home Permanently affixed to a lot or site.
- 1.17. **Residential Subdivision** means a tract of land which has been divided into four (4) or more contiguous lots with an average size of one acre or less in which the developer is responsible for the construction of residential homes or permanent manufactured or mobile home sites.
- 1.18. **Schedule of Charges** means the list of charges that is used to determine the applicant's cost responsibility for the Extension Facilities. An applicant requesting an extension will be provided a sketch showing the Extension Facilities and an itemized cost quote based on the Schedule of Charges or other applicable details. When the Schedule of Charges is not applicable, charges for Extension Facilities shall be determined by the Company based on Project-Specific Cost Estimates. The Schedule of Charges is attached to this Service Schedule as Attachment 1. The Schedule of Charges will be reviewed and updated from time to time by Company with the Arizona Corporation Commission.

The Schedule of Charges is not applicable for the following:

- 1.18.1. Extension Facilities requiring modifications, removal, relocations or conversions of existing facilities in conjunction with a new extension or existing customer requested upgrade. The removal, replacement, conversion, and new Extension Facilities charges will be determined by a combination of Schedule of Charges and a Project-Specific Cost Estimate depending on the scope of the project and may include residual value costs as computed in accordance with the method described in A.R.S 40-347.



**SERVICE SCHEDULE 3
CONDITIONS GOVERNING EXTENSIONS OF
ELECTRIC DISTRIBUTION LINES AND SERVICES**

- 1.18.2. Extension Facilities required for modifications, relocations or conversions of existing facilities not in conjunction with a new extension or existing customer upgrade.
 - 1.18.3. Extension Facilities for General Service applicants with estimated demand loads of three (3) megawatts or greater, or that require in aggregate 3,000 kVA of transformer capacity or greater.
 - 1.18.4. Extension Facilities that require three phase transformer installations greater than the sizes noted in the Schedule of Charges.
 - 1.18.5. Extension Facilities required for High Rise and/or Mixed-Use Developments or Temporary service.
 - 1.18.6. Extension Facilities involving spot networks, vault installations, primary metering, or specialized or additional equipment for enhanced reliability.
- 1.19. **Temporary** means premises or enterprises which are temporary in character, or where it is known in advance that the Extension Facilities will be of limited duration.

2. RESIDENTIAL

2.1. SINGLE FAMILY HOMES

Extension Facilities will be installed to new Permanent residential applicants or groups of new Permanent residential applicants under the following conditions:

- 2.1.1. Free footage basis extensions are made under the following conditions:
 - 2.1.1.1. The total footage of the Extension Facilities (primary, secondary, service) does not exceed 750 feet per applicant, or \$10,000; or
 - 2.1.1.2. The total cost of the Extension Facilities as determined by Company is less than \$10,000 per applicant.
- 2.1.2. All additional construction costs over \$10,000 per applicant will be paid by applicant(s) as a non-refundable contribution in aid of construction.
- 2.1.3. Applicants who combine to form a group may also combine their allowance as specified in Sections 2.1.1.1 and 2.1.1.2.
- 2.1.4. The cost of extending service to applicant will be determined in accordance with the Schedule of Charges or combination of Schedule of Charges and a Project-Specific Cost Estimate depending on the scope of the project which shall exclude the cost of the transformer(s). Construction costs in excess of the allowances as described in 2.1.1.1 and 2.1.1.2 shall be paid by the applicant prior to the Company installing facilities. Payment is due at the time the Line Extension Agreement is signed by the applicant.
- 2.1.5. The applicant(s) signs a Line Extension Agreement.
- 2.1.6. The site plan has been approved and recorded in the county having jurisdiction.
- 2.1.7. The footage allowance of 750 feet and cap of \$10,000 shall be reviewed from time to time with the Arizona Corporation Commission.



**SERVICE SCHEDULE 3
CONDITIONS GOVERNING EXTENSIONS OF
ELECTRIC DISTRIBUTION LINES AND SERVICES**

2.1.8. Examples of the application of 2.1.1 and 2.1.2 can be found in Attachment 2 – Free Footage Illustrative Example.

2.2. RESIDENTIAL SUBDIVISION DEVELOPMENTS

Extension Facilities will be installed to Residential Subdivision developments of four (4) or more homes in advance of application for service by Permanent customers under the following conditions:

2.2.1. The applicant(s) signs a Line Extension Agreement.

2.2.2. The subdivision development plat has been approved and recorded in the county having jurisdiction.

2.2.3. The cost of extending service to applicant will be determined in accordance with the Schedule of Charges or combination of Schedule of Charges and a Project-Specific Cost Estimate depending on the scope of the project.

2.2.4. A signed Line Extension Agreement and advance payment of all project costs are required prior to the start of construction by the Company. Payment is due at the time the Line Extension Agreement is signed by the applicant.

2.2.4.1. A portion of the project cost shall be designated as a refundable advance and will be eligible for refund based on the “per lot” allowance provisions of Section 2.2.5 and in accordance with Section 5.

2.2.4.2. In lieu of a cash payment for the refundable advance amount, the Company shall reserve the right to accept an alternative financial instrument, such as a Letter of Credit or Surety Bond based on the financial condition, or organizational structure of developer.

2.2.4.3. That portion of the project cost in excess of the refundable advance shall be non-refundable in addition to any other non-standard construction charges such as street lights.

2.2.5. The refundable advance will be eligible for refund based on a “per lot” allowance of \$3,500 for each Permanently connected residential customer over a five (5) year period. Refunds of refundable advances shall be governed by Section 5. The refund eligibility period shall be five (5) years which will start three (3) months from the date Company executes the Line Extension Agreement with the applicant. A review of the project will be conducted annually to determine subdivision buildout, and if the qualifications have been met for any refunds.

2.2.6. Examples of the application of 2.2.4 can be found in Attachment 3 – Residential Subdivision Illustrative Example.

2.3. RESIDENTIAL “LOT SALE” DEVELOPMENTS

Extension Facilities will be installed to residential “lot sale” developments in advance of application for service by Permanent applicants under the following conditions:

2.3.1. The applicant(s) signs a Line Extension Agreement.

2.3.2. The development plat has been approved and recorded in the county having jurisdiction.



**SERVICE SCHEDULE 3
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- 2.3.3. The cost of extending service to applicant will be determined in accordance with the Schedule of Charges or combination of Schedule of Charges and a Project-Specific Cost Estimate depending on the scope of the project. A signed Line Extension Agreement and advance payment of all project costs are required prior to the start of Company construction. Payment is due at the time the Line Extension Agreement is signed by the applicant.
- 2.3.4. The applicant shall pay the total project estimated cost as a non-refundable contribution in aid of construction in addition to costs for street lights and other non-standard construction charges.
- 2.3.5. Company will provide a "Conduit Only Design" provided applicant makes a payment in the amount equal to the estimated cost of the preparation of the design, in addition to the costs for any materials, field survey and inspections that may be required.
- 2.3.6. Extension Facilities will be installed to individual applicants in accordance with provisions listed in Section 2.1.

2.4. MASTER PLANNED COMMUNITY DEVELOPMENTS

Extension Facilities will be installed to Master Planned Community Developments in advance of application for service by Permanent applicants under the following conditions:

- 2.4.1. The applicant(s) signs a Line Extension Agreement.
- 2.4.2. The site development plan has been approved and recorded in the county having jurisdiction.
- 2.4.3. The cost of extending service to applicant will be determined by a Project-Specific Cost Estimate based on the scope of the project. A signed Line Extension Agreement and advance payment of all project costs are required prior to the start of Company construction. Payment is due at the time the Line Extension Agreement is signed by the applicant.
- 2.4.4. The applicant shall pay the total project estimated cost as a non-refundable contribution in aid of construction in addition to costs for street lights and other non-standard construction charges.
- 2.4.5. Extension Facilities will be installed to each subdivided tract within the planned development in accordance with the applicable sections of this Service Schedule 3.

2.5. RESIDENTIAL MULTI-FAMILY DEVELOPMENTS

Extension Facilities will be installed to Residential Multi-Family Developments in advance of application for service by Permanent customers under the following conditions:

- 2.5.1. The applicant signs a Line Extension Agreement.
- 2.5.2. The site development plan has been approved and recorded in the county having jurisdiction.
- 2.5.3. The cost of extending service to applicant will be determined in accordance with the Schedule of Charges or combination of Schedule of Charges and a Project-Specific Cost estimate depending on the scope of the project.



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- 2.5.4. A signed Line Extension Agreement and advance payment of all project costs are required prior to the start of Company construction. Payment is due at the time the Line Extension Agreement is signed by the applicant.
- 2.5.4.1. A portion of the project cost shall be designated as a refundable advance and will be eligible for refund based on the "per unit" refundable allowance provisions of Section 2.5.4 and in accordance with Section 5.
- 2.5.4.2. In lieu of a cash payment for the refundable advance amount, the Company shall reserve the right to accept an alternative financial instrument, such as a Letter of Credit or Surety Bond based on the financial condition, or organizational structure of applicant.
- 2.5.4.3. That portion of the project cost in excess of the refundable advance shall be non-refundable in addition to any other non-standard construction charges such as street lights etc.
- 2.5.5. The refundable advance will be eligible for refund based on a "per unit" allowance of \$1,000 for each new meter installed over a five (5) year period. Refunds of refundable advances shall be governed by Section 5. The refund eligibility period shall be five (5) years which will start three (3) months from the date Company executes the Line Extension Agreement. A review of the project will be conducted annually to determine buildout and if the qualifications have been met for any refunds.

3. GENERAL SERVICE INCLUDING IRRIGATION

3.1. GENERAL PROVISIONS

- 3.1.1. Extension Facilities that do not meet the requirements under Section 2 Residential will be considered General Service and will be installed to all applicants who meet the qualifications under Sections 3 and 4 of this Service Schedule 3.
- 3.1.2. The project costs for General Service Extension Facilities installations will be determined in accordance with the Schedule of Charges or combination of Schedule of Charges and a Project-Specific Cost Estimate depending on the scope of the project. A signed Line Extension Agreement and any required payment as determined by an Economic Feasibility analysis are required prior to the start of Company construction. Payment is due at the time the Line Extension Agreement is signed by the applicant. The site development plan for the project for which the Line Extension has been requested must be approved and recorded in the county having jurisdiction prior to signing the Line Extension Agreement.
- 3.1.3. The cost for Extension Facilities installed for applicants with estimated demand loads of less than three (3) megawatts or less than 3,000 kVA of transformer capacity, will be determined in accordance with the Schedule of Charges or combination of Schedule of Charges and a Project-Specific Cost Estimate depending on the scope of the project. A signed Line Extension Agreement and any required payment as determined by an Economic Feasibility analysis are required prior to the start of Company construction. Payment is due at the time the Line Extension Agreement is signed by the applicant.
- 3.1.4. The cost for Extension Facilities installed for applicants with projected loads of three (3) megawatts or greater, requiring transformer capacity of 3,000 kVA and greater, special requests involving primary metering, or specialized/additional equipment for enhanced reliability shall be determined by the Company based on Project-Specific Cost Estimates. A signed Line Extension Agreement and any required payment as determined by an Economic Feasibility analysis are required prior to the start of Company construction. Payment is due at the time the Line Extension Agreement is signed by the applicant.



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3.1.5. Economic Feasibility analysis for General Service applicants:

- 3.1.5.1. Economic Feasibility for projects where the applicant's Extension Facilities cost (excluding non-refundable applicant contributions such as street lights and other non-standard construction charges) is \$25,000 or less shall be established where the estimated annual revenue based on Company's then currently effective rate for delivery service (excluding taxes, regulatory assessment and other adjustments) multiplied by six (6) is equal to or greater than the cost of the applicant's Extension Facilities.
- 3.1.5.2. Economic Feasibility for projects where the applicant's Extension Facilities cost (excluding non-refundable applicant contributions such as street lights and other non-standard construction charges) is greater than \$25,000 shall be established where the estimated annual revenue based on Company's then currently effective rate for delivery service (excluding taxes, regulatory assessment and other adjustments), less the cost of service, provides an adequate rate of return on the investment made by Company to serve the applicant.
- 3.1.5.3. Applicants whose Extension Facilities are installed on the basis of an Economic Feasibility analysis which determines that the estimated installation cost of the Extension Facilities is not supported by the applicant's estimated delivery service revenue may be required to advance sufficient funds to make installation of the Extension Facilities economically feasible. Company reserves the right to collect a full advance from the applicant based on the project scope, location, applicant's financial condition or organizational structure of the applicant.

Applicants whose Economic Feasibility analysis results in the requirement for a payment in advance of construction may be eligible for a refund of such advance over the term of the Line Extension Agreement's five-year period if the actual annual delivery service revenue for the applicant's project exceeds the estimated delivery service revenue used in the Economic Feasibility analysis.

The Economic Feasibility analysis for the Extension Facilities will be reviewed at the end of the third and fifth year of the Line Extension Agreement based on actual delivery service revenue for the preceding year and to the degree that actual revenue supports the Extension Facilities cost, all or a portion of the applicant's construction advance may be refunded. In no case will refunds exceed the unrefunded balance of the applicant's advance.

Any unrefunded balance remaining five years from the date of the Company's executed Line Extension Agreement shall become a non-refundable contribution in aid of construction.

- 3.1.5.4. Company may include a capacity factor component, as determined by Company, to the Economic Feasibility Analysis for applicants that request excess or redundant system capacity.

3.2. HIGH RISE AND/OR MIXED-USE DEVELOPMENTS

Extension Facilities will be installed to High Rise and/or Mixed-Use Developments in advance of application for service by Permanent applicants under the following conditions:

- 3.2.1. The residential units are privately owned and either individually metered or master metered in accordance with Section 7.10.
- 3.2.2. Extension Facilities will be installed to designated points of delivery and it is the applicant's responsibility to provide and maintain the electrical facilities within the building.



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- 3.2.3. The applicant signs a Line Extension Agreement.
- 3.2.4. The site development plan has been approved and recorded in the county or city having jurisdiction.
- 3.2.5. The charges for Extension Facilities will be determined based on a Project-Specific Cost Estimate, and shall be paid by the applicant prior to Company installing facilities.
- 3.2.6. Prior to the ordering of specialized materials or equipment required to provide service applicant will be required to make an advance payment to the Company for the estimated cost of the material or equipment in accordance with Section 7.13 of this Service Schedule 3.
- 3.2.7. A signed Line Extension Agreement and any required advance payment are required prior to the start of Company construction. Payment is due at the time the Line Extension Agreement is signed by the applicant.

3.3. CORPORATE BUSINESS & INDUSTRIAL PARK DEVELOPMENTS

Extension Facilities will be made to Corporate Business and Industrial Park Developments in advance of application for service by Permanent customer under the following conditions:

- 3.3.1. The applicant signs a Line Extension Agreement.
- 3.3.2. The site development plan has been approved and recorded in the county or city having jurisdiction.
- 3.3.3. The cost of installing Extension Facilities will be determined in accordance with the Schedule of Charges or combination of Schedule of Charges and a project-specific cost estimate depending on the scope of the project.
- 3.3.4. The applicant shall pay the total project estimated cost as a non-refundable contribution in aid of construction in addition to costs for street lights and other non-standard construction charges.
- 3.3.5. Payment of all project costs is required prior to the start of Company construction. Payment is due at the time the Line Extension Agreement is signed by the applicant.
- 3.3.6. Company will provide a "Conduit Only Design" provided applicant makes a payment in the amount equal to the estimated cost of the preparation of the design, in addition to the costs for any materials, field survey and inspections that may be required.
- 3.3.7. Extension Facilities will be installed to individual lots (at the request of an applicant) within the Corporate Business and Industrial Park Development in accordance with the applicable sections of this Service Schedule 3.

4. OTHER CONDITIONS

4.1. TEMPORARY APPLICANTS

- 4.1.1. Where Temporary Extension Facilities are required to provide service to the applicant, the applicant shall make a non-refundable payment in advance of installation or construction equal to the cost of installing and removing of the facilities required in providing Temporary service, less the salvage value of such facilities. Charges will be determined by Company based on a Project-Specific Cost Estimate. Payment is due at the time the Line Extension Agreement is signed by the applicant.



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4.1.2. When use of the Temporary service is discontinued or service is terminated, Company may dismantle and remove its facilities, and the materials and equipment provided by Company will remain Company property.

4.2. DOUBTFUL PERMANENCY CUSTOMERS

When, in the opinion of Company, permanency of the applicant's residence or operation is doubtful, the applicant will be required to pay the total cost of the Extension Facilities. The cost of extending service to applicant will be determined in accordance with the Schedule of Charges or combination of Schedule of Charges and a Project-Specific Cost Estimate. The applicant shall pay the total project estimated cost as a non-refundable contribution in aid of construction in addition to costs for street lights and other non-standard construction charges.

4.2.1. Payment of all project costs is required prior to the start of Company construction. Payment is due at the time the Line Extension Agreement is signed by the applicant.

4.3. MUNICIPALITIES AND OTHER GOVERNMENTAL AGENCIES

Relocation of existing facilities and/or Extension Facility installations required to serve loads of municipalities or other governmental agencies may be constructed prior to the receipt of a signed Line Extension Agreement. However, this does not relieve the municipality or governmental agency of the responsibility for payment of the Extension Facilities costs in accordance with the applicable sections of this Service Schedule 3.

The effective date for projects enacted under this provision for purposes of Section 5 shall be the date the municipality or agency provided written approval to the Company to proceed with construction.

5. REFUNDS

5.1. GENERAL REFUND CONDITIONS

5.1.1. No refund will be made to any applicant for an amount more than the un-refunded balance of the applicant's refundable advance.

5.1.2. Company reserves the right to withhold refunds to any applicant who is delinquent on any account, agreement, or invoice, including the payment of electric service, and may apply these refund amounts to past due bills.

5.1.3. The refund eligibility period shall be five (5) years from the date Company executes the Line Extension Agreement with the applicant. Any un-refunded advance balance shall become a non-refundable contribution in aid of construction five (5) years from the Execution Date of the agreement.

5.1.4. Refunds will be mailed to the applicant of record noted on the executed agreement no later than 60-days from the annual review date.

6. UNDERGROUND CONSTRUCTION

6.1. GENERAL UNDERGROUND CONSTRUCTION POLICY

With respect to all underground installations pursuant to a Line Extension Agreement, Company will install underground facilities only if all of the following conditions are met:



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- 6.1.1. The Extension Facilities meet all requirements as specified in Sections 1, 2, 3, or 4 of this Service Schedule 3.
- 6.1.2. The applicant provides all earth-work including, but not limited to, trenching, boring or punching, backfill, compaction, and surface restoration in accordance with Company specifications, and signs a trench agreement.
- 6.1.3. The applicant provides installation of equipment pads, pull-boxes, manholes, conduits, and appurtenances as required and in accordance with Company specifications.
- 6.1.4. In lieu of applicant providing these services and equipment, the applicant may pay Company to provide these services and equipment as a non-refundable contribution in aid of construction. The payment will equal the cost of such work plus any administrative or inspection fees incurred by Company. Applicants electing this option will be required to sign an agreement indemnifying and holding Company harmless against claims, liabilities, losses or damage (Claims) asserted by a person or entity other than Company's contractors, which Claims arise out of the trenching and conduit placement, provided the Claims are not attributable to the Company's gross negligence or intentional misconduct.

7. GENERAL CONDITIONS

7.1. VOLTAGE

- 7.1.1. All Extension Facility installations will be designed and constructed for operation at standard voltages used by Company in the area in which the Extension Facilities are located. At the request of applicant, Company may, at its option, deliver service for special applications of non-standard or higher voltages with prior approval from Company's Engineering Department. Applicant will be required to pay the costs of any required studies as a non-refundable payment.
- 7.1.2. Extension Facilities installed at higher voltages will be limited to serving an applicant operating as one integral unit under the same name and as part of the same business on adjacent and contiguous sites not separated by private property owned by another party or separated by public property or public right-of-way.

7.2. POINT OF DELIVERY

- 7.2.1. For overhead service, the point of delivery shall be where Company's service conductors terminate at the applicant's weatherhead or bus riser.
- 7.2.2. For underground service, the point of delivery shall be where Company's service conductors terminate in the applicant's or development's service equipment. The applicant shall furnish, install and maintain any risers, raceways and/or termination cabinets necessary for the installation of Company's underground service conductors.
- 7.2.3. For special applications where service is provided at voltages higher than the standard voltages specified in the APS Electric Service Requirements Manual, Company and applicant shall mutually agree upon the designated point of delivery.

7.3. EASEMENTS

All suitable easements or rights-of-way required by Company for any portion of the extension which is either on premises owned, leased or otherwise controlled by the applicant or other property required for the



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Extension Facilities, shall be provided to the Company in Company's name by the applicant without cost to or condemnation by Company prior to commencement of Company's construction of Extension Facilities. All easements or rights-of-way obtained on behalf of Company shall contain such terms and conditions as are acceptable to Company.

7.4. GRADE MODIFICATIONS

If after construction of Extension Facilities, the final grade of the property established by the applicant is changed in such a way as to require relocation of Company facilities, or the applicant's actions or those of his contractor results in damage to such facilities, the cost of replacement, relocation and/or resulting repairs shall be borne by applicant as a non-refundable contribution in aid of construction.

7.5. OWNERSHIP

Except for applicant owned facilities, all Extension Facilities installed in accordance with this Service Schedule 3 will be owned, operated, and maintained by Company.

7.6. MEASUREMENT AND LOCATION

7.6.1. Measurement must be along the proposed route of construction.

7.6.2. Construction will be on public streets, roadways, highways, or easements acceptable to Company.

7.6.3. The Extension Facilities must be a branch from, the continuation of, or an addition to, Company's existing distribution facilities.

7.7. UNUSUAL CIRCUMSTANCES

In unusual circumstances as determined by Company, when the application and provisions of this Service Schedule 3 appear impractical, or in case of extension of lines to be operated on voltages other than specified in the applicable rate schedule, or when applicant's estimated demand load will exceed 3,000 kW, Company may make a special study of the conditions to determine the basis on which service may be provided. Additionally, Company may require special contract arrangements as provided for in the Company's Service Schedule 1, Terms and Conditions for Standard Offer and Direct Access Service.

7.8. ABNORMAL LOADS

Company, at its option, may install Extension Facilities to serve certain abnormal loads (such as: transformer type welders, x-ray machines, wind machines, excess capacity for test purposes and loads of unusual characteristics) and the costs of any distribution system modifications or enhancements required to serve the applicant will be included in the payment described in previous sections of this Service Schedule 3.

7.9. UPGRADES, RELOCATIONS AND/OR CONVERSIONS

7.9.1. Company will upgrade, relocate or convert from overhead to underground its facilities for the applicant's convenience or aesthetics. The cost of upgrades, relocations or conversions not in conjunction with a new extension or existing customer upgrade will be determined by a Project-Specific Cost Estimate and may include residual value costs as computed in accordance with the method described in A.R.S Section 40-347.



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7.9.2. When the relocation of Company facilities involves "prior rights" conditions, the applicant will be required to make payment equal to the estimated cost of relocation as determined by a Project-Specific Cost Estimate. In addition applicant shall be required to provide similar "rights" for the relocated facilities.

7.10. MASTER METERING

7.10.1. Mobile Home Parks

Company shall refuse service to all new construction and/or expansion of existing Permanent residential mobile home parks unless the construction and/or expansion are individually metered by Company.

7.10.2. Residential Apartment Complexes, Condominiums

Company shall refuse service to all new construction of apartment complexes and condominiums which are master metered unless the builder or developer can demonstrate that the installation meets the provisions of R14-2-205 of the Arizona Corporation Commission's Rules and Regulations or the requirements discussed in 7.10.3 below. This section is not applicable to Senior Care/Nursing Centers registered with the State of Arizona with independent living units which provide packaged services such as housing, food, and nursing care.

7.10.3. Multi-Unit High Rise Residential Developments

7.10.3.1. Company will allow master metering for high rise residential units where the residential units are privately owned provided the building will be served by a centralized heating, ventilation and/or air conditioning system, and each residential unit shall be individually sub-metered and responsible for energy consumption of that unit.

7.10.3.2. Sub-metering shall be provided and maintained by the builder or homeowners association.

7.10.3.3. Responsibility and methodology for determining each unit's energy billing shall be clearly specified in the original bylaws of the homeowners association, a copy of which must be provided to Company prior to Company installing Extension Facilities.

7.10.3.4. Company will convert its facilities from a master metered system to a Permanent individually metered system at the applicant's request provided the applicant makes a non-refundable contribution in aid of construction equal to the residual value plus the removal costs less salvage of the master meter facilities to be removed. The new facilities to serve the individual meters will be extended on the basis specified in Section 1 of this Service Schedule 3. Applicant is responsible for all costs related to the installation of new service entrance equipment.

7.11. CHANGE IN APPLICANT'S SERVICE REQUIREMENTS

Company will rebuild, modify, or upgrade its existing facilities to meet the applicant's added load or change in service requirements on the basis specified in Section 2, 3, or 4. Charges for such changes will be in accordance with the Schedule of Charges and/or a Project-Specific Cost Estimate determined by the Company based on project-specific requirements.



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ELECTRIC DISTRIBUTION LINES AND SERVICES**

7.12. STUDY AND DESIGN AGREEMENT

Any applicant requesting Company to prepare special studies or detailed plans, specifications, or cost estimates will be required to make a payment to Company in an amount equal to the estimated cost of preparation. When the applicant authorizes Company to proceed with construction of the Extension Facilities, the payment will be credited to the cost of the Extension Facilities otherwise the payment shall be non-refundable. Company will prepare, without charge, a preliminary sketch and rough estimate of the cost to be paid by the applicant upon request.

7.13. MATERIAL ORDER AGREEMENT

Any applicant requesting Company to enter into a Line Extension Agreement, or relocation agreement which requires either large quantities of material or material and equipment which the Company does not keep in stock will be required to make a payment to Company prior to the material being ordered in an amount equal to the material/equipment's estimated cost. When the applicant authorizes Company to proceed with construction of the extension, the payment will be credited to the cost of the extension; otherwise the payment shall be non-refundable.

7.14. INTEREST

All refundable advances made by the applicant to the Company shall be non-interest bearing.

7.15. APPLICANT CONSTRUCTION OF COMPANY DISTRIBUTION FACILITIES

- 7.15.1. Applicant may provide construction related labor only services associated with the installation of new distribution line facilities (21 kV and below) to serve the applicant's new or added load provided the applicant receives written approval from Company prior to performing any such services and uses electrical contractors who are qualified and licensed in the State of Arizona to construct such facilities and designated as an APS Approved Electrical Distribution Contractor.

This option is not available for the following:

- 7.15.1.1. Replacement, modifications, upgrades, relocation, or conversions of existing systems.
- 7.15.1.2. Where all or a portion of the distribution line facilities are to be constructed on or installed on existing distribution line or transmission lines.
- 7.15.2. All construction services provided by the applicant shall be subject to inspection by a duly authorized Company representative and shall comply with Company designs, construction standards, and other requirements which may be in effect at the time of construction. Any work found to be substandard in the sole opinion of the Company must be corrected by applicant prior to energization by Company.
- 7.15.3. Applicant shall reimburse Company for all inspection and project coordination costs as a non-refundable contribution in aid of construction. Estimated costs for inspection and project coordination will be identified in the construction agreement executed by Company and applicant.
- 7.15.4. Costs for Extension Facilities for applicants who provide construction of Company distribution facilities shall be based on a Project-Specific Cost Estimate.



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- 7.15.5. A signed agreement and advance payment of all project costs are required prior to the start of applicant construction. Payment is due at the time the agreement is signed by the applicant.
- 7.15.6. For applicants that are not served by the terms in Section 3 of this document, Company shall provide a Project-Specific Cost Estimate. Applicants may submit an invoice detailing costs of Extension Facilities and apply any allowance provided in Section 2 to these costs. At no point shall these costs exceed the Company's Project-Specific Cost Estimate.
- 7.15.7. Applicants served by the terms in Section 3 of this document shall be subject to the rules set forth in Sections 3 and 5.

7.16. SETTLEMENT OF DISPUTES

Any dispute between the applicant or prospective applicant and Company regarding the interpretation of these "Conditions Governing Extensions of Electric Distribution Lines and Services" may, by either party, be referred to the Arizona Corporation Commission or a designated representative or employee thereof for determination.

7.17. LINE EXTENSION AGREEMENTS

All facility installations or equipment upgrades requiring payment by an applicant shall be in writing and signed by both the applicant and Company.

7.18. ADDITIONAL PRIMARY FEED OR SPECIALIZED EQUIPMENT

When specifically requested by an applicant to provide an alternate primary feed or specialized equipment (excluding transformation), Company will perform a special study to determine the feasibility of the request. The applicant will be required to pay for the cost of the additional feed requested as a non-refundable contribution in aid of construction. Installation cost will be based on a Project-Specific Cost Estimate. Payment for the installation of Extension Facilities is due at the time the Line Extension Agreement is signed by the applicant.

7.19. GRANDFATHERING

An applicant that has entered into a Line Extension Agreement with the Company under a previous revision of this Service Schedule 3 may at applicant's request cancel the agreement, provided the Company has not installed any facilities pursuant to the agreement, and provided that applicant reimburses Company for the costs and expenses it has incurred to date, as a non-refundable contribution in aid of construction. The applicant may then enter into a new Line Extension Agreement with the Company under this revision of Service Schedule 3.



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**Attachment 1
Schedule of Charges – Single Phase**

**APS Schedule 3, Line Extension Schedule of Charges
Single Phase Extension Costs**

Single Phase	OH Primary		UG Primary			OH Secondary		UG Secondary	
	Cost per Circuit Foot	Cost per Circuit Foot	Pull Box	Pad Mount Junction Cabinet	OH/UG Transition	Secondary Pole	OH/UG Secondary Transition	J Box	
	\$15.00	\$6.00	\$705	\$2,682	\$1,183	\$2,339	\$681.00	\$98.54	
OVERHEAD Single Phase	SES Size	Transformer Size,	Service wire/Linear Ft						
	200 Amp	25KVA	\$3,657	\$4.89					
	200 Amp	50KVA	\$4,439	\$9.02					
	400 Amp	50KVA	\$4,439	\$9.02					
	600 Amp	75KVA	\$5,475	\$18.23					
	800 Amp	100KVA	\$6,791	\$18.23					
UNDERGROUND Single Phase	SES Size	Transformer Size,	Service wire/Linear Ft						
	200 Amp	25KVA	\$3,764	\$3.65					
	200 Amp	50KVA	\$4,498	\$4.36					
	400 Amp	50KVA	\$4,498	\$4.36					
	600 Amp	75KVA	\$5,266	\$8.71					
	800 Amp	100KVA	\$6,270	\$16.68					

- 1) Extension Facilities that do not qualify for the Schedule of Charges will be determined by a project specific cost estimate.
- 2) Cost per foot charges will be determined from termination at the source to the next device in the circuit. Linear footage for each circuit will be summed to determine charges.
- 3) Pad Mount Junction Cabinet is a single phase termination cabinet.
- 4) Primary OH cost per foot is for one phase and a neutral or two phases and no neutral; includes poles, framing, 2R conductor.
- 5) Charges for services are based on linear footage from Transformer to SES regardless of the number of sets. J Boxes not included in footage cost.
- 6) All footages to be calculated by linear footages.
- 7) Transition is from the OH line to the UG line; includes wire down pole and accessories. Pole NOT included.

ARIZONA PUBLIC SERVICE COMPANY
Phoenix, Arizona
Filed by: David J. Rumolo
Title: Manager, Regulation and Pricing
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Service Schedule 3
Revision No. 12
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**SERVICE SCHEDULE 3
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**Attachment 1
Schedule of Charges – Three Phase**

APS Schedule 3 Rev 12, Line Extension Schedule of Charges

FEEDER Three Phase	Overhead				Underground				Cost per Circuit Foot 1100A Cable (3-1100)	Each Installation	Cost per Circuit Foot 1100A Cable (6-1100)
	Cost per Circuit Foot (3-750)	Each Installation	Manhole (3-750)	Pull Box (3-750)	Cost per Circuit Foot (6-750)	Each Installation	Manhole (6-750)	Pull Box (6-750)			
	\$31.24	\$24.03	\$10,522	\$3,575	\$48.06	\$6,164	\$14,033	\$16,648	\$32.35	\$7,050	\$64.70
OH/UG Transition		\$6,701			\$8,290					\$8,987	
PRIMARY Three Phase	Overhead				Underground						
	\$21.24	\$17.97	\$28.81	\$2,833	\$16,648						
OH/UG Transition		\$2,786									
OVERHEAD Three Phase	Overhead				Overhead						
	SES Size	Transformer Size	120/208 Volts	Service wire/Linear R	SES Size	Transformer Size	277/480 Volts	Service wire/Linear R			
	200 Amp	3-25KVA	\$9,979	\$5.41	200 Amp	3-50KVA	\$13,215	\$5.41			
	200 Amp	3-50KVA	\$12,728	\$5.41							
	400 Amp	3-50KVA	\$9,87	\$9.87	400 Amp	3-75KVA	\$15,844	\$9.87			
	600 Amp	3-50KVA	\$12,728	\$19.75	600 Amp	3-100KVA	\$18,945	\$19.75			
	800/1000 Amp	3-75KVA	\$15,825	\$31.07	600 Amp	3-167KVA	\$24,002	\$19.75			
UNDERGROUND Three Phase	Underground				Underground						
	SES Size	Transformer Size	120/208 Volts	Service wire/Linear R	SES Size	Transformer Size	277/480 Volts	Service wire/Linear R			
	200 Amp	112.5KVA	\$11,746	\$6.33	200 Amp	112.5KVA	\$11,862	\$6.33			
	400 Amp	112.5KVA	\$11,746	\$12.66	400 Amp	150KVA	\$12,213	\$12.66			
	600 Amp	150KVA	\$13,316	\$15.54	400 Amp	225KVA	\$14,804	\$12.66			
	800 Amp	225KVA	\$15,022	\$31.07	600 Amp	300KVA	\$17,539	\$12.66			
	1000 Amp	225KVA	\$15,022	\$31.07	800 Amp	500KVA	\$19,519	\$31.07			
	1200 Amp	300KVA	\$18,110	\$31.07	1000 Amp	500KVA	\$19,519	\$31.07			
	1600 Amp	500KVA	\$22,432	\$62.15	1200 Amp	750KVA	\$25,392	\$46.61			
	2000 Amp	500KVA	\$22,432	\$62.15	1600 Amp	1000KVA	\$27,129	\$62.15			
	2500 Amp	750KVA	\$28,233	\$108.72	2000 Amp	1000KVA	\$27,129	\$62.15			
	3000 Amp	750KVA	\$28,233	\$108.72	2500 Amp	1500KVA	\$42,414	\$93.22			
			\$37,272	\$139.86	3000 Amp	1500KVA	\$42,414	\$93.22			
					3000 Amp	2000KVA	\$52,748	\$139.86			

- 1) Extension Facilities that do not qualify for the Schedule of Charges will be determined by a project specific cost estimate.
- 2) Cost per foot charges will be determined from termination at the source to the next device in the circuit. Linear footage for each circuit will be summed to determine charges.
- 3) For Multiple services out of one three phase transformer, the service cost will be determined by each SES and the transformer cost will be determined from the combined total of each SES size in amps, rounded up to the nearest SES size, limited to a combined maximum of 3,000 amps.
- 4) Overhead feeder cost per foot is for 3/0 and above, including 477 & 795 conductors.
- 5) UG Primary circuit footage is 3 cables making up 3 phase; 2 circuits is parallel conductors.
- 6) Charges for services are based on linear footage from transformer to SES regardless of the number of sets.
- 7) All footages to be calculated by linear footages.
- 8) Transition is from the OH line to the UG line; includes wire down pole and accessories. Pole NOT included.

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Service Schedule 3
Revision No. 12
Effective: July 1, 2012



**SERVICE SCHEDULE 3
CONDITIONS GOVERNING EXTENSIONS OF
ELECTRIC DISTRIBUTION LINES AND SERVICES**

**Examples to Section 2.1*
Free Footage Illustrative Example**

Scenario 1	Primary		Service		Total		Customer Payment
	Footage	Cost	Footage	Cost	Footage	Cost	
	500	\$15.00	50	\$ 4.89	550	\$ 7,744.50	\$ -

APS \$7,744.50**
←
Total 550'
→
Customer Payment \$0

Scenario 2	Primary		Service		Total		Customer Payment
	Footage	Cost	Footage	Cost	Footage	Cost	
	620	\$ 15.00	135	\$ 4.89	755	\$ 9,960.15	\$ -

APS \$9,960.15**
←
Total 755'
→
Customer Payment \$0

Scenario 3	Primary		Service		Total		Customer Payment
	Footage	Cost	Footage	Cost	Footage	Cost	
	675	\$ 15.00	50	\$ 4.89	725	\$ 10,369.50	\$ 369.50

APS \$10,000.00**
←
Total 725'
→
Customer Payment \$369.50

Scenario 4	Primary		Service		Total		Customer Payment
	Footage	Cost	Footage	Cost	Footage	Cost	
	660	\$ 15.00	90	\$ 4.89	750	\$ 10,340.10	\$ 340.10

APS \$10,000.00**
←
Total 750'
→
Customer Payment \$340.10

Scenario 5	Primary		Service		Total		Customer Payment
	Footage	Cost	Footage	Cost	Footage	Cost	
	700	\$ 15.00	100	\$ 4.89	800	\$ 10,989.00	\$ 989.00

APS \$10,000.00**
←
Total 800'
→
Customer Payment \$989.00

*Scenarios do not reflect all components required for a complete project.

**APS portion does not include cost of transformer.

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**SERVICE SCHEDULE 3
CONDITIONS GOVERNING EXTENSIONS OF
ELECTRIC DISTRIBUTION LINES AND SERVICES**

**Attachment 3
Residential Subdivision Illustrative Example**

Scenario 1	
Number of Planned Homes	100
Estimated Construction Cost	\$ 350,000
Total Potential Refundable Allowance	\$ 350,000
Non-Refundable Contribution	\$ -
Number of Homes Completed	100
Credited Allowance	\$ 350,000
Potential Remaining Allowance	\$ -

Scenario 2	
Number of Planned Homes	100
Estimated Construction Cost	\$ 400,000
Total Potential Refundable Allowance	\$ 350,000
Non-Refundable Contribution	\$ 50,000
Number of Homes Completed	100
Credited Allowance	\$ 350,000
Potential Remaining Allowance	\$ -

Scenario 3	
Number of Planned Homes	100
Estimated Construction Cost	\$ 350,000
Total Potential Refundable Allowance	\$ 350,000
Non-Refundable Contribution	\$ -
Number of Homes Completed	45
Credited Allowance	\$ 157,500
Potential Remaining Allowance	\$ 192,500

Scenario 4	
Number of Planned Homes	100
Estimated Construction Cost	\$ 400,000
Total Potential Refundable Allowance	\$ 350,000
Non-Refundable Contribution	\$ 50,000
Number of Homes Completed	45
Credited Allowance	\$ 157,500
Potential Remaining Allowance	\$ 192,500