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ARIZONA CORPORATION COMMISSION  
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Federal and State Compliance

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February 21, 2014

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

ORIGINAL

RE: Arizona Public Service Company Rate Schedules EPR-2 and EPR-6  
Docket No. E-01345A-13-0442

On December 13, 2013, Arizona Public Service Company ("APS") submitted an Application for approval of revisions to the Company's partial requirements rate schedules EPR-2 and EPR-6 pursuant to Decision No. 52345. Subsequent to the filing, APS discovered that the EPR-6 Firm On-Peak and Total Annual Purchase Rates for Excess Generation were incorrect. Therefore, APS is submitting a revised Proposed Rate Schedule EPR-6.

If you have any questions regarding this information, please contact Chuck Miessner at (602)250-3081.

Sincerely,

Lisa Malagon

LM/cd  
Attachment

cc: Barbara Keene  
Jeff Pasquinelli

Arizona Corporation Commission

DOCKETED

FEB 21 2014

DOCKETED BY

**REDLINE VERSION**



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

AVAILABILITY

This rate rider schedule is available in all territory served by the Company at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the sites served.

APPLICATION

This rate rider schedule is applicable to customers served by a retail rate schedule with metered kWh usage with a Net Metering Facility that uses Renewable Resources, a fuel cell, or combined heat and power (CHP) to produce electricity. Definitions are pursuant to A.A.C. R14-2-2302. Participation under this schedule is subject to the availability of required metering equipment compatible with the customer's retail rate schedule and electrical service configuration. All provisions of the customer's retail rate schedule will continue to apply except as noted below.

DEFINITIONS

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



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

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DEFINITIONS (Cont)

7. Partial Requirements Service: Electric service provided to a customer that has an interconnected Net Metering Facility whereby the output from its electric generator(s) first supplies its own electric requirements and any excess energy (over and above its own requirements at any point in time) is then provided to the Company. The Company supplies the customer's supplemental electric requirements (those not met by their own generation facilities). This configuration may also be referred to as the "parallel mode" of operation.
8. Renewable Resources: Natural resources that can be replenished by natural processes, including biogas, biomass, geothermal, hydroelectric, solar or wind.
9. Non-Firm Power: Electric power which is supplied by the Customer's generator at the Customer's option, where no firm guarantee is provided and the power can be interrupted by the Customer at any time.
10. Firm Power: Power available, upon demand, at all times (except for forced outages) during the period covered by the Purchase Agreement from the customer's facilities with an expected or demonstrated reliability which is greater than or equal to the average reliability of the Company's firm power sources. Determination of Firm Power will be in accordance with Rate Schedule EPR-2.
11. Time Periods: Mountain Standard Time shall be used in the application of this rate schedule. Because of potential differences of the timing devices, there may be a variation of up to 15 minutes in timing for the pricing periods. On-peak and off-peak time periods will be determined by the customer's retail rate schedule.
12. Total Connected Load: The maximum potential demand (kW) measured or calculated at the electrical service entrance section serving the Net Metering Facility.

TYPE OF SERVICE

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

BILLING

A. During the billing period for:

1. Customer Purchases in excess of Customer Supply:

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

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

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

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ARIZONA PUBLIC SERVICE COMPANY  
Phoenix, Arizona  
Filed by: Charles A. Miessner  
Title: Pricing Manager  
Original Effective Date: July 7, 2009  
27, 2013

A.C.C. No. XXXX5824  
Cancelling A.C.C. No. 58245742  
Rate Schedule EPR-6  
Revision No. 24  
Effective: XXXX June



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

**BILLING (Cont)**

- B. For customers taking service under time-of-use rates, Customer Supply and Customer Purchases will be segmented by on-peak and off-peak periods. Excess Generation kWh credits will be applied to the time-of-use periods in which the kWh were generated by the customer. If necessary, a super off-peak period may be combined with an off-peak period for netting purposes, or for determining the pricing amounts for Excess Generation. Likewise, a peak period may be combined with a super-peak or shoulder period for netting purposes, or for determining the pricing amounts for Excess Generation. In either case, netting shall occur from the lowest price period first.
- C. Basic Service Charges and Demand charges (either metered or contract) will continue to apply in full.
- D. For the last billing period of each calendar year, or for the last billing period at the time the customer discontinues taking service under this rate rider scheduler:

The Company shall issue a billing credit to the customer for any remaining Excess Generation balance. In the event the customer's electric service is terminated, after applying a billing credit for any Excess Generation up to the amount the customers owes the Company, the Company shall issue a check for the remaining value of the Excess Generation balance. The credit will be determined by the Annual Purchase Rates for Excess Generation which are based on the Company's avoided costs and updated annually.

The annual billing credit for customers served under a time-of-use rate shall be based on the on-peak and off-peak Annual Purchase Rates applied to the remaining kWh bank balance for the on-peak and off-peak periods. The billing credit for customers served under a non-time-of-use rate shall be based on the total Annual Purchase Rate applied to the total remaining kWh bank balance.

**Annual Purchase Rates for Excess Generation (¢/kWh)**

	Non-Firm Power			Firm Power		
	On-peak	Off-peak	Total	On-peak	Off-peak	Total
Time-of-use rates	2.9432-890	2.8682-733		3.3203-220	2.9382-795	
Other rates			2.8952-789			3.0752-947

**DETERMINATION OF TOTAL CONNECTED LOAD**

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

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

ARIZONA PUBLIC SERVICE COMPANY  
Phoenix, Arizona  
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Original Effective Date: July 7, 2009  
27, 2013

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**RATE RIDER SCHEDULE EPR-6 (NET METERING)  
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FOR PARTIAL REQUIREMENTS**

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3. Less than or equal to 125% times the maximum demand (kW) specified in an electric supply agreement, or

**DETERMINATION OF TOTAL CONNECTED LOAD (Cont)**

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

**CONTRACT PERIOD**

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

**METERING**

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

**TERMS AND CONDITIONS**

Service under this rate schedule is subject to the Company's Schedule 1 Terms and Conditions for Standard Offer and Direct Access Services, Schedule 2 Terms and Conditions for Energy Purchases from Qualified Cogeneration or Small Power Production Facilities, Schedule 3 Conditions Governing Extensions of Electrical Distribution Lines and Services, and the Company's Interconnection Requirements for Distributed Generation.

**NON-REDLINE VERSION**



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

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3. Customer Purchase: Energy (kWh) that is provided from the Company to the customer to serve the load that is not being served by a customer-owned Net Metering Facility, as metered by the Company.
4. Excess Generation: Equals the Customer Supply (kWh) less the Customer Purchase (kWh) over a monthly billing period. For time-of-use rates the Excess Generation corresponding to the on-peak and off-peak periods is computed for on-peak and off-peak periods over the monthly billing period. (Not to be less than zero).
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  - a) Is operated by or on behalf of a Net Metering customer and is located on the net metering customer's premises and;
  - b) Is intended primarily to provide part or all of the net metering customer's requirement for electricity at the single point of electrical service where the generator is installed and;
  - c) Uses Renewable Resources, a fuel cell, or CHP to generate electricity and;
  - d) Has a generating capacity less than or equal to 125% of the net metering customer's Total Connected Load (kW), or in the absence of customer load data, capacity less than or equal to the customer's electric service drop capacity and;
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DEFINITIONS (Cont)

7. **Partial Requirements Service:** Electric service provided to a customer that has an interconnected Net Metering Facility whereby the output from its electric generator(s) first supplies its own electric requirements and any excess energy (over and above its own requirements at any point in time) is then provided to the Company. The Company supplies the customer's supplemental electric requirements (those not met by their own generation facilities). This configuration may also be referred to as the "parallel mode" of operation.
8. **Renewable Resources:** Natural resources that can be replenished by natural processes, including biogas, biomass, geothermal, hydroelectric, solar or wind.
9. **Non-Firm Power:** Electric power which is supplied by the Customer's generator at the Customer's option, where no firm guarantee is provided and the power can be interrupted by the Customer at any time.
10. **Firm Power:** Power available, upon demand, at all times (except for forced outages) during the period covered by the Purchase Agreement from the customer's facilities with an expected or demonstrated reliability which is greater than or equal to the average reliability of the Company's firm power sources. Determination of Firm Power will be in accordance with Rate Schedule EPR-2.
11. **Time Periods:** Mountain Standard Time shall be used in the application of this rate schedule. Because of potential differences of the timing devices, there may be a variation of up to 15 minutes in timing for the pricing periods. On-peak and off-peak time periods will be determined by the customer's retail rate schedule.
12. **Total Connected Load:** The maximum potential demand (kW) measured or calculated at the electrical service entrance section serving the Net Metering Facility.

**TYPE OF SERVICE**

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

**BILLING**

A. During the billing period for:

1. Customer Purchases in excess of Customer Supply:

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

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

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



**RATE RIDER SCHEDULE EPR-6 (NET METERING)  
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**BILLING (Cont)**

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**Annual Purchase Rates for Excess Generation (¢/kWh)**

	Non-Firm Power			Firm Power		
	On-peak	Off-peak	Total	On-peak	Off-peak	Total
Time-of-use rates	2.943	2.868		3.320	2.938	
Other rates			2.895			3.075

**DETERMINATION OF TOTAL CONNECTED LOAD**

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

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



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**DETERMINATION OF TOTAL CONNECTED LOAD (Cont)**

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

**CONTRACT PERIOD**

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**TERMS AND CONDITIONS**

Service under this rate schedule is subject to the Company's Schedule 1 Terms and Conditions for Standard Offer and Direct Access Services, Schedule 2 Terms and Conditions for Energy Purchases from Qualified Cogeneration or Small Power Production Facilities, Schedule 3 Conditions Governing Extensions of Electrical Distribution Lines and Services, and the Company's Interconnection Requirements for Distributed Generation.