

OPEN MEETING AGENDA ITEM



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AZ CORP COMMISSION
DOCKET CONTROL

Federal and State Compliance

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Elisa.Malagon@aps.com

December 10, 2014

ORIGINAL

Docket Control
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

RE: Arizona Public Service Company (APS)
Electric Service Agreements
Docket No. E-01345A-14-0350

Attached please find redacted copies of the Electric Service Agreements between APS and IO Capital Princess, LLC and IO Phoenix One, LLC. The competitively confidential agreements, in their redacted form, are submitted to supplement the record in this docket.

If you should have any questions regarding the information contained herein, please contact Leland Snook at (602)250-3730.

Sincerely,

Lisa Malagon

LM/el
Attachments

cc: Parties of Record

Arizona Corporation Commission
DOCKETED

DEC 10 2014

DOCKETED BY

Copies of the foregoing delivered/mailed this 10th day of December, 2014, to:

Janice Alward
Legal Division
Arizona Corporation Commission
1200 W. Washington
Phoenix, AZ 85007

C. Webb Crockett
Attorney
Fennemore Craig
2394 East Camelback Road, Suite 600
Phoenix, AZ 85016

Lyn Farmer
Administrative Law Judge
Arizona Corporation Commission
1200 W. Washington
Phoenix, AZ 85007

Steve Olea
Utilities Division
Arizona Corporation Commission
1200 W. Washington
Phoenix, AZ 85007

**ELECTRIC SUPPLY AGREEMENT
BETWEEN APS AND
IO CAPITAL PRINCESS, LLC**

REDACTED



APS-IO ELECTRIC SUPPLY AGREEMENT

The parties to this EXPERIMENTAL HIGH LOAD FACTOR PRICING STRUCTURE Electric Supply Agreement ("ESA" or "Agreement") are ARIZONA PUBLIC SERVICE COMPANY, an Arizona corporation (hereinafter called "APS") and IO CAPITAL PRINCESS, LLC, a Delaware limited liability company (hereinafter called "Customer").

In consideration of the services to be performed by APS, the parties agree as follows:

1. PURCHASE AND SALE OF POWER

APS has determined that the Customer facility listed herein (as the same may be expanded in accordance with the terms hereof, the "Facility") should be offered an APS Experimental High Load Factor Pricing Structure, attached hereto. In accordance with the Arizona Administrative Code R14-2-208 and APS Service Schedule 1 (except as otherwise set forth in this Agreement or the attachments to same), APS shall supply and deliver for the entire term of this Agreement, and Customer shall take, all electric service required for operation of Customer's Facility located at 8521 East Princess IO Capital, Scottsdale, AZ, subject to the terms and conditions of this Agreement.

Electric service supplied under this Agreement shall be in the form of three phase alternating current at approximately 60 hertz and approximately 480 volts.

2. APPLICABLE RATE AND ADJUSTMENTS

Service under this Agreement shall be billed according to the attached EXPERIMENTAL HIGH LOAD FACTOR PRICING STRUCTURE HLF-1 ("HLF-1").

In the future, APS may develop a standard High Load Factor offering ("Future HLF Offering").

3. MAXIMUM DEMAND

Maximum demand at the Customer's location shall be

which may be increased in accordance with the provisions of Section 15 below.

4.

Except as otherwise provided for herein, and except for circumstances where non-performance by APS under the terms of this Agreement or the occurrence of an event of *force majeure*, as defined by Arizona law, which non-performance or *force majeure* event results in lowered electric consumption by Customer. Where non-performance by APS or an event of *force majeure* occurs and results in



APS-IO ELECTRIC SUPPLY AGREEMENT

[REDACTED]

5. POINTS OF DELIVERY

The points of delivery are the precise locations where APS's service wires connect to the Customer equipment, [REDACTED]

6. METERING OF SERVICE

Measurement for all electric service supplied under this Agreement will be [REDACTED]

7. APPLICABLE SCHEDULES

Except as otherwise provided for in this Agreement and HLF-1, the electric service will be supplied in accordance with the attached HLF-1 and all generally applicable service schedules now in effect and as amended from time to time. HLF-1 is attached to and made a part of this Agreement.

8. [REDACTED]

8.1 [REDACTED]

8.2 [REDACTED]

8.3 [REDACTED]

[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]

8.4 [REDACTED]

8.5 [REDACTED]



APS-IO ELECTRIC SUPPLY AGREEMENT

8.6 [REDACTED]

9. SERVICE CURTAILMENT

Electric service may be interrupted or curtailed in accordance with APS's Service Schedule 5 "GUIDELINES FOR ELECTRIC CURTAILMENT," as filed with the ACC, which is subject to change as provided by law. [REDACTED]

10. EFFECTIVE DATE AND TERM OF AGREEMENT

The term of this Agreement shall be [REDACTED]

11. REGULATORY APPROVALS

This Agreement, including HLF-1, is contingent on ACC approval. APS will file all appropriate documentation seeking approval of the Agreement with the ACC [REDACTED]

12. TERMINATION

[REDACTED]

13. DISPUTE RESOLUTION

If either party breaches the Agreement, the non-breaching party will provide written notice of the breach. The breaching party will have 15 days from the date of that notice to cure the breach. If the breach is not cured by the 15th day, the parties will attempt to resolve the breach through senior management negotiations. The senior management negotiations must conclude within 30 days of the initial written notice of breach. If the parties do not resolve the breach within this 30 day period, they may pursue any rights or remedies in law, equity or otherwise, but no act or omission taken pursuant



APS-IO ELECTRIC SUPPLY AGREEMENT

to this Dispute Resolution provision shall be used as evidence of a breach or otherwise used against the allegedly breaching party in any subsequent legal action.

14. DEPOSITS

[REDACTED]

15. CONTRACT ADJUSTMENT OF MAXIMUM DEMAND

Customer's maximum demand level can be increased by mutual agreement of the parties.

16. GENERAL PROVISIONS

16.1

[REDACTED]

16.2 If either party shall successfully bring suit to compel performance or for breach of this Agreement, that party shall be entitled to recover reasonable attorney's fees in addition to the amount of judgment and costs.

16.3 A waiver of any default of the other party or any other matter arising in connection with this Agreement, at any time by either party, shall not be construed a waiver of any subsequent default or matter.

16.4 THIS AGREEMENT, INCLUDING THE REFERENCED SCHEDULES, ANY OTHER REFERENCED OR ATTACHED DOCUMENTS, AND THE APPLICABLE RULES OF THE ARIZONA CORPORATION COMMISSION, STATES THE ENTIRE OBLIGATION OF APS IN CONNECTION WITH THE SPECIFIC SALES AND DELIVERIES DISCUSSED IN THIS AGREEMENT. THERE ARE NO UNDERSTANDINGS, AGREEMENTS, REPRESENTATIONS, OR WARRANTIES, EXPRESSED OR IMPLIED (INCLUDING WARRANTIES REGARDING MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE), NOT SPECIFIED IN THIS AGREEMENT, THE REFERENCED SCHEDULES, ANY OTHER REFERENCED OR ATTACHED DOCUMENTS, OR IN THE APPLICABLE RULES OF THE ARIZONA CORPORATION COMMISSION CONCERNING DELIVERY OF ELECTRICITY BY APS TO CUSTOMER.

16.5 The rates, terms and other contract provisions governing electric power sold to Customer are subject to the jurisdiction of the ACC, and nothing contained herein shall be construed as affecting or limiting in any way the right of APS: (a) to make unilateral filings of changed rates, terms and other contract provisions, which will be effective when approved by the ACC or upon the effective date specified in such approved filing (such rates or other contract provisions specified in such approved filing to be subject to modification if required by



APS-IO ELECTRIC SUPPLY AGREEMENT

a final decision of the ACC); or (b) to unilaterally make application to the ACC for changes in such rates or other contract provisions, following a hearing and decision as permitted by law and the ACC's rules and regulations. However, nothing herein shall prevent Customer from exercising any rights available, including termination rights as provided in this Agreement.

16.6 This Agreement will be interpreted in accordance with the substantive and procedural laws of the State of Arizona without regard to any conflicts of law provision contained therein.

16.7 If any term or condition of this Agreement is held to be invalid, void, or otherwise unenforceable by any court of competent jurisdiction, that holding shall not affect the validity or enforceability of any other term or condition of this Agreement, unless enforcing the balance of this Agreement would deprive either party of a fundamental benefit of its bargain.

16.8 [REDACTED]

16.9 In the event of the breach of this agreement by either party, the other party will have all rights and remedies available at law or in equity, except as otherwise agreed herein. This Agreement shall be governed, construed, and enforced in accordance with Arizona law, without regard to its conflict of laws rules. Any dispute arising under or in connection with this Agreement or related to any matter which is the subject of this Agreement shall be subject to the exclusive jurisdiction of the state and/or federal courts located in Phoenix, AZ, and any action brought before any other court, agency, or forum shall be subject to dismissal for lack of jurisdiction.

16.10 [REDACTED]

16.11 [REDACTED]

16.12 [REDACTED]

17. FORCE MAJEURE

Customer shall have no liability to APS or any APS affiliate resulting from an event of *force majeure*, as that term is defined by Arizona law, and an event of *force majeure* shall in no event give rise to a claim for Customer's breach of this Agreement or a claim that Customer has become ineligible for HLF-1 or has otherwise failed to meet the performance, consumption, or technical requirements of this Agreement, including, without limitation, the demand, load factor, and power factor requirements.



APS-IO ELECTRIC SUPPLY AGREEMENT

18. ATTACHMENTS

The following additional documents are attached to and made part of this Agreement:
APS's Experimental High Load Factor Pricing Structure (HLF-1)

19. EXECUTION

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

Table with 2 columns: ARIZONA PUBLIC SERVICE COMPANY and IO CAPITAL PRINCESS, LLC. Rows include Signature, Name, Title, Date Signed, Mailing Address, Permanent Phone #, Billing Address, and a legal representation statement.

Approved by IO General Counsel: [Signature]



EXPERIMENTAL HIGH LOAD FACTOR PRICING STRUCTURE HLF-1

LOAD FACTOR REQUIREMENTS

The customer must maintain a monthly load factor of [redacted], or more, for each participating service account, for at least 9 out of the last 12 months. The monthly load factor is established by the following formula:

Monthly Load Factor = Billed kWh / (Billed kW * Billing Days * 24 hours)

RATES

The monthly bill will be computed with the following unbundled charges plus adjustments. The bundled charges provide a summary of the unbundled charges for similar charge types (e.g. per day, per kW, per kWh).

[Redacted text block]

Bundled Charges (Summary of Unbundled Charges)

Energy Charge – Secondary	[redacted]	[redacted]
Energy Charge – Primary	[redacted]	[redacted]
Energy Charge - Transmission	[redacted]	[redacted]

Unbundled Charges (Included in Bundled Charges)

(Revenue Cycle Services)

Customer Accounts	[redacted]	[redacted]
Metering (Primary)	[redacted]	[redacted]
Meter Reading	[redacted]	[redacted]
Billing	[redacted]	[redacted]
Transmission	[redacted]	[redacted]
Delivery (one charge will apply)		
Secondary Level Service	[redacted]	[redacted]
Primary Level Service	[redacted]	[redacted]
Transmission Level Service	[redacted]	[redacted]
Generation – Capacity	[redacted]	[redacted]
Generation – Fuel	[redacted]	[redacted]
System Benefits	[redacted]	[redacted]



EXPERIMENTAL HIGH LOAD FACTOR
PRICING STRUCTURE HLF-1



[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]

Notes:

- a) The metering charges apply to typical installations. Customers requiring specialized equipment may incur additional metering charges that reflect the additional cost.
- b) Additional charges for some program options may be specified in a service agreement.



**EXPERIMENTAL HIGH LOAD FACTOR
PRICING STRUCTURE HLF-1**

ADJUSTMENTS

The bill will include the following Adjustments, as the same may be amended in a future proceeding. The Adjustments will be billed as specified in a service agreement.

1. The Renewable Energy Standard charge, Adjustment Schedule REAC-1 (see Arizona Corporation Commission Decision No. 70313).
2. The Power Supply Adjustment charges, Adjustment Schedule PSA-1 (see Arizona Corporation Commission Decision Nos. 67744, 69663, 71448 and 73183).
3. The Transmission Cost Adjustment charge, Adjustment Schedule TCA-1 (see Arizona Corporation Commission Decision No. 67744).
4. The Environmental Improvement Surcharge, Adjustment Schedule EIS (see Arizona Corporation Commission Decision No. 73183).
5. Direct Access customers returning to Standard Offer service may be subject to a Returning Customer Direct Access Charge, Adjustment Schedule RCDAC-1 (see Arizona Corporation Commission Decision No. 67744).
6. The Demand Side Management Adjustment charge, Adjustment Schedule DSMAC-1 (see Arizona Corporation Commission Decision Nos. 67744 and 71448).
7. The applicable taxes and governmental fees which are assessed on APS's revenues, prices, sales volume, generation volume, or other business metrics.

TYPE OF SERVICE

This pricing structure is not applicable to breakdown, standby, supplemental, residential or resale service.

The electrical service provided under this pricing structure will be three-phase, 60 Hertz, at APS's standard voltages that are available within the vicinity of the customer site.

POWER FACTOR

Requirements

1. The customer's load must not deviate from phase balance by more than 10%.
2. Customers receiving service at voltage levels below 69 kV must maintain a power factor of 90% lagging. And the power factor cannot be leading unless APS agrees.
3. Customers receiving service at voltage levels of 69 kV or above must maintain a power factor of $\pm 95\%$.

**ELECTRIC SUPPLY AGREEMENT
BETWEEN APS AND
IO PHOENIX ONE, LLC**

REDACTED



**EXPERIMENTAL HIGH LOAD FACTOR
PRICING STRUCTURE HLF-1**

[REDACTED]

[REDACTED]

CONTRACT PERIOD

The contract period is that specified in the service agreement.

TERMS AND CONDITIONS

Except as otherwise provided for in the relevant service agreement, the electric service will be supplied in accordance with this pricing structure, and except as otherwise provided herein, in accordance with all other generally applicable service schedules now in effect and as amended from time to time. A copy of this pricing structure shall be attached to and made a part of any service agreement to which it applies.



APS-IO ELECTRIC SUPPLY AGREEMENT

The parties to this EXPERIMENTAL HIGH LOAD FACTOR PRICING STRUCTURE Electric Supply Agreement ("ESA" or "Agreement") are ARIZONA PUBLIC SERVICE COMPANY, an Arizona corporation (hereinafter called "APS") and IO PHOENIX ONE, LLC, a Delaware limited liability company (hereinafter called "Customer").

In consideration of the services to be performed by APS, the parties agree as follows:

1. PURCHASE AND SALE OF POWER

APS has determined that the Customer facility listed herein (as the same may be expanded in accordance with the terms hereof, the "Facility") should be offered an APS Experimental High Load Factor Pricing Structure, attached hereto. In accordance with the Arizona Administrative Code R14-2-208 and APS Service Schedule 1 (except as otherwise set forth in this Agreement or the attachments to same), APS shall supply and deliver for the entire term of this Agreement, and Customer shall take, all electric service required for operation of Customer's Facility located at 615 N. 48th St., Phoenix, AZ, subject to the terms and conditions of this Agreement.

Electric service supplied under this Agreement shall be in the form of three phase alternating current at approximately 60 hertz and approximately 12,470 volts.

2. APPLICABLE RATE AND ADJUSTMENTS

Service under this Agreement shall be billed according to the attached EXPERIMENTAL HIGH LOAD FACTOR PRICING STRUCTURE HLF-1 ("HLF-1").

In the future, APS may develop a standard High Load Factor offering ("Future HLF Offering").

3. MAXIMUM DEMAND

Maximum demand at the [REDACTED] which may be increased in accordance with the provisions of Section 16 below.

4. [REDACTED]

Except as otherwise provided for herein, and except for circumstances where non-performance by APS under the terms of this Agreement or the occurrence of an event of *force majeure*, as defined by Arizona law, which non-performance or *force majeure* event results in lowered electric consumption by Customer [REDACTED] Where non-performance by APS or an event of *force majeure* occurs and results in [REDACTED]



APS-IO ELECTRIC SUPPLY AGREEMENT

[REDACTED]

5. POINTS OF DELIVERY

The points of delivery are the precise locations where APS's service wires connect to the following Customer equipment:

[REDACTED]

6.

[REDACTED]

[REDACTED]

7. METERING OF SERVICE

Measurement for all electric service supplied under this Agreement will be

[REDACTED]

load [REDACTED] shall not exceed the physical limitations set forth in Section 5 ("Points of Delivery") of this Agreement. Customer's

8. APPLICABLE SCHEDULES

Except as otherwise provided for in this Agreement and HLF-1, the electric service will be supplied in accordance with the attached HLF-1 and all generally applicable service schedules now in effect and as amended from time to time. HLF-1 is attached to and made a part of this Agreement.

9.

[REDACTED]

9.1

[REDACTED]

9.2

[REDACTED]



APS-IO ELECTRIC SUPPLY AGREEMENT

9.3 [REDACTED]

[REDACTED]	[REDACTED]	[REDACTED]

9.4 [REDACTED]

9.5 [REDACTED]

9.6 [REDACTED]

10. SERVICE CURTAILMENT

Electric service may be interrupted or curtailed in accordance with APS's Service Schedule 5 "GUIDELINES FOR ELECTRIC CURTAILMENT," as filed with the ACC, which is subject to change as provided by law. [REDACTED]

11. EFFECTIVE DATE AND TERM OF AGREEMENT

The term of this Agreement shall be [REDACTED]

12. REGULATORY APPROVALS

This Agreement, including HLF-1 is contingent on ACC approval. APS will file all appropriate documentation seeking approval of the Agreement with the ACC [REDACTED]



APS-IO ELECTRIC SUPPLY AGREEMENT

13. TERMINATION

[REDACTED]

14. DISPUTE RESOLUTION

If either party breaches the Agreement, the non-breaching party will provide written notice of the breach. The breaching party will have 15 days from the date of that notice to cure the breach. If the breach is not cured by the 15th day, the parties will attempt to resolve the breach through senior management negotiations. The senior management negotiations must conclude within 30 days of the initial written notice of breach. If the parties do not resolve the breach within this 30 day period, they may pursue any rights or remedies in law, equity or otherwise, but no act or omission taken pursuant to this Dispute Resolution provision shall be used as evidence of a breach or otherwise used against the allegedly breaching party in any subsequent legal action.

15. DEPOSITS

[REDACTED]

16. CONTRACT ADJUSTMENT OF MAXIMUM DEMAND

Customer's maximum demand level can be increased under the following conditions:

16.1 [REDACTED]

16.2 [REDACTED]

16.3 [REDACTED]

**APS-IO ELECTRIC SUPPLY AGREEMENT****17. GENERAL PROVISIONS****17.1** 

17.2 If either party shall successfully bring suit to compel performance or for breach of this Agreement, that party shall be entitled to recover reasonable attorney's fees in addition to the amount of judgment and costs.

17.3 A waiver of any default of the other party or any other matter arising in connection with this Agreement, at any time by either party, shall not be construed a waiver of any subsequent default or matter.

17.4 THIS AGREEMENT, INCLUDING THE REFERENCED SCHEDULES, ANY OTHER REFERENCED OR ATTACHED DOCUMENTS, AND THE APPLICABLE RULES OF THE ARIZONA CORPORATION COMMISSION, STATES THE ENTIRE OBLIGATION OF APS IN CONNECTION WITH THE SPECIFIC SALES AND DELIVERIES DISCUSSED IN THIS AGREEMENT. THERE ARE NO UNDERSTANDINGS, AGREEMENTS, REPRESENTATIONS, OR WARRANTIES, EXPRESSED OR IMPLIED (INCLUDING WARRANTIES REGARDING MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE), NOT SPECIFIED IN THIS AGREEMENT, THE REFERENCED SCHEDULES, ANY OTHER REFERENCED OR ATTACHED DOCUMENTS, OR IN THE APPLICABLE RULES OF THE ARIZONA CORPORATION COMMISSION CONCERNING DELIVERY OF ELECTRICITY BY APS TO CUSTOMER.

17.5 The rates, terms and other contract provisions governing electric power sold to Customer are subject to the jurisdiction of the ACC, and nothing contained herein shall be construed as affecting or limiting in any way the right of APS: (a) to make unilateral filings of changed rates, terms and other contract provisions, which will be effective when approved by the ACC or upon the effective date specified in such approved filing (such rates or other contract provisions specified in such approved filing to be subject to modification if required by a final decision of the ACC); or (b) to unilaterally make application to the ACC for changes in such rates or other contract provisions, following a hearing and decision as permitted by law and the ACC's rules and regulations. However, nothing herein shall prevent Customer from exercising any rights available, including termination rights as provided in this Agreement.

17.6 This Agreement will be interpreted in accordance with the substantive and procedural laws of the State of Arizona without regard to any conflicts of law provision contained therein.

17.7 If any term or condition of this Agreement is held to be invalid, void, or otherwise unenforceable by any court of competent jurisdiction, that holding shall not affect the validity or enforceability of any other term or condition of this Agreement, unless enforcing the balance of this Agreement would deprive either party of a fundamental benefit of its bargain.

17.8 



APS-IO ELECTRIC SUPPLY AGREEMENT

[REDACTED]

17.9 In the event of the breach of this agreement by either party, the other party will have all rights and remedies available at law or in equity, except as otherwise agreed herein. This Agreement shall be governed, construed, and enforced in accordance with Arizona law, without regard to its conflict of laws rules. Any dispute arising under or in connection with this Agreement or related to any matter which is the subject of this Agreement shall be subject to the exclusive jurisdiction of the state and/or federal courts located in Phoenix, AZ, and any action brought before any other court, agency, or forum shall be subject to dismissal for lack of jurisdiction.

17.10 [REDACTED]

17.11 [REDACTED]

17.12 [REDACTED]

18. FORCE MAJEURE

Customer shall have no liability to APS or any APS affiliate resulting from an event of *force majeure*, as that term is defined by Arizona law, and an event of *force majeure* shall in no event give rise to a claim for Customer's breach of this Agreement or a claim that Customer has become ineligible for HLF-1 or has otherwise failed to meet the performance, consumption, or technical requirements of this Agreement, including, without limitation, the demand, load factor, and power factor requirements.

19. ATTACHMENTS

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

APS's Experimental High Load Factor Pricing Structure (HLF-1)



APS-IO ELECTRIC SUPPLY AGREEMENT

20. EXECUTION

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

ARIZONA PUBLIC SERVICE COMPANY		IO PHOENIX ONE, LLC	
Signature <i>Leland R. Snook</i>		Signature <i>Anthony L. Inger</i>	
Name Leland R. Snook		Name Anthony L. Inger	
Title Director, Rates & Rate Strategy		Title President	
Date Signed 9/16/2014		Date Signed 9/17/2014	
		Mailing Address 615 N. 48th St. Phoenix, AZ 85008	
		Permanent Phone #	
		Billing Address same as above	
The individual executing this Agreement on behalf of APS represents and warrants: (I) that he or she is authorized to do so on behalf of APS; (II) that he or she has full legal power and authority to bind APS in accordance with the terms herein and, if necessary, has obtained all required consents or delegations of such power and authority.		The individual executing this Agreement on behalf of Customer represents and warrants: (I) that he or she is authorized to do so on behalf of the Customer; (II) that he or she has full legal power and authority to bind the Customer in accordance with the terms herein and, if necessary, has obtained all required consents or delegations of such power and authority.	

Approved by IO General Counsel: *KMS*



EXPERIMENTAL HIGH LOAD FACTOR PRICING STRUCTURE HLF-1

LOAD FACTOR REQUIREMENTS

The customer must maintain a monthly load factor of [REDACTED], or more, for each participating service account, for at least 9 out of the last 12 months. The monthly load factor is established by the following formula:

Monthly Load Factor = Billed kWh/(Billed kW * Billing Days *24 hours)

RATES

The monthly bill will be computed with the following unbundled charges plus adjustments. The bundled charges provide a summary of the unbundled charges for similar charge types (e.g. per day, per kW, per kWh). [REDACTED]

[REDACTED]

Bundled Charges (Summary of Unbundled Charges)

Energy Charge – Secondary	[REDACTED]	[REDACTED]
Energy Charge – Primary	[REDACTED]	[REDACTED]
Energy Charge - Transmission	[REDACTED]	[REDACTED]

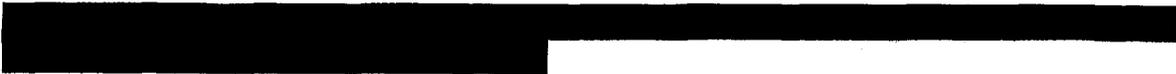
Unbundled Charges (Included in Bundled Charges)

(Revenue Cycle Services)

Customer Accounts	[REDACTED]	[REDACTED]
Metering (Primary)	[REDACTED]	[REDACTED]
Meter Reading	[REDACTED]	[REDACTED]
Billing	[REDACTED]	[REDACTED]
Transmission	[REDACTED]	[REDACTED]
Delivery (one charge will apply)		
Secondary Level Service	[REDACTED]	[REDACTED]
Primary Level Service	[REDACTED]	[REDACTED]
Transmission Level Service	[REDACTED]	[REDACTED]
Generation – Capacity	[REDACTED]	[REDACTED]
Generation – Fuel	[REDACTED]	[REDACTED]
System Benefits	[REDACTED]	[REDACTED]



EXPERIMENTAL HIGH LOAD FACTOR
PRICING STRUCTURE HLF-1



[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]

Notes:

- a) The metering charges apply to typical installations. Customers requiring specialized equipment may incur additional metering charges that reflect the additional cost.
- b) Additional charges for some program options may be specified in a service agreement.



**EXPERIMENTAL HIGH LOAD FACTOR
PRICING STRUCTURE HLF-1**

ADJUSTMENTS

The bill will include the following Adjustments, as the same may be amended in a future proceeding. The Adjustments will be billed as specified in a service agreement.

1. The Renewable Energy Standard charge, Adjustment Schedule REAC-1 (see Arizona Corporation Commission Decision No. 70313).
2. The Power Supply Adjustment charges, Adjustment Schedule PSA-1 (see Arizona Corporation Commission Decision Nos. 67744, 69663, 71448 and 73183).
3. The Transmission Cost Adjustment charge, Adjustment Schedule TCA-1 (see Arizona Corporation Commission Decision No. 67744).
4. The Environmental Improvement Surcharge, Adjustment Schedule EIS (see Arizona Corporation Commission Decision No. 73183).
5. Direct Access customers returning to Standard Offer service may be subject to a Returning Customer Direct Access Charge, Adjustment Schedule RCDAC-1 (see Arizona Corporation Commission Decision No. 67744).
6. The Demand Side Management Adjustment charge, Adjustment Schedule DSMAC-1 (see Arizona Corporation Commission Decision Nos. 67744 and 71448).
7. The applicable taxes and governmental fees which are assessed on APS's revenues, prices, sales volume, generation volume, or other business metrics.

TYPE OF SERVICE

This pricing structure is not applicable to breakdown, standby, supplemental, residential or resale service.

The electrical service provided under this pricing structure will be three-phase, 60 Hertz, at APS's standard voltages that are available within the vicinity of the customer site.

POWER FACTOR

Requirements

1. The customer's load must not deviate from phase balance by more than 10%.
2. Customers receiving service at voltage levels below 69 kV must maintain a power factor of 90% lagging. And the power factor cannot be leading unless APS agrees.
3. Customers receiving service at voltage levels of 69 kV or above must maintain a power factor of $\pm 95\%$.



**EXPERIMENTAL HIGH LOAD FACTOR
PRICING STRUCTURE HLF-1**

[REDACTED]

[REDACTED]

CONTRACT PERIOD

The contract period is that specified in the service agreement.

TERMS AND CONDITIONS

Except as otherwise provided for in the relevant service agreement, the electric service will be supplied in accordance with this pricing structure, and except as otherwise provided herein, in accordance with all other generally applicable service schedules now in effect and as amended from time to time. A copy of this pricing structure shall be attached to and made a part of any service agreement to which it applies.