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AZ CORP COMMISSION
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2015 MAY 5 PM 3 42

May 5, 2015

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

RE: Arizona Public Service Company ("APS")
Electric Service Contracts - eBay, Inc.
Docket No. E-01345A-15-0117

APS is filing a revised redacted version of the Electric Service Agreement with eBay Inc. The original redacted version was filed in Docket Control on April 8, 2015.

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

Sincerely,

Lisa Malagon

LM/sb
Attachment

cc: Steve Olea
Janice Alward
Julie McNeely-Kirwin
Barbara Keene

Arizona Corporation Commission
DOCKETED

MAY 05 2015

DOCKETED BY	RC
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APS – eBay 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 eBay, Inc., herein after called "eBay." APS and eBay are also referred to collectively as the "Parties." 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 eBay facility listed herein should be offered an APS Experimental High Load Factor Pricing Structure, attached hereto. APS shall supply, and eBay shall take, subject to the load modifications discussed in Section 16.1 and the terms of this ESA, all electric service required for operation of eBay's PHX01, PHX02 and PHX04 data center campus, located at 4010 N. 3rd Street, Phoenix, Arizona, 85012.

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-2 ("HLF-2"). Changes resulting from the Adjustments section of HLF-2 shall be revised at the same time as they are revised for other customers.

3. MAXIMUM DEMAND

Maximum demand shall be [REDACTED] as measured for the simultaneous electric service demand and energy used by eBay in any given 15 minute interval.

4. MINIMUM DEMAND

The minimum quantity of electric service contracted for under this Agreement [REDACTED] as set forth in Section 10, will be:

[REDACTED]

[REDACTED]

5. POINTS OF DELIVERY

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

[REDACTED]

6. METERING OF SERVICE

Measurement for all electric service supplied under this Agreement will [REDACTED] Customer's load [REDACTED] shall not exceed the physical limitations set forth in Section 5 ("Points of Delivery") of this Agreement.

7. APPLICABLE SCHEDULES

Electric service will be supplied in accordance with HLF-2 and all generally applicable service schedules now in effect or as amended from time to time. Changes made to either HLF-2 or a service schedule shall automatically amend, and apply to, this Agreement to the same extent as though they had been



APS – eBay ELECTRIC SUPPLY AGREEMENT

originally incorporated as a part of this Agreement. HLF-2 is attached to and made a part of this Agreement.

8. [REDACTED]

8.1. [REDACTED]

8.2. [REDACTED]

8.3. [REDACTED]

8.4. [REDACTED]

[REDACTED]	[REDACTED]	[REDACTED]

8.5. [REDACTED]

8.6. [REDACTED]

8.7. [REDACTED]



APS – eBay ELECTRIC SUPPLY AGREEMENT

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 Arizona Corporation Commission, which is subject to change as provided by law.

10. EFFECTIVE DATE AND TERM OF AGREEMENT

The term of this Agreement will be [REDACTED]

11. REGULATORY APPROVALS

This Agreement is contingent on ACC approval. APS may terminate the Agreement if the ACC modifies the Agreement in a manner that is unacceptable to APS.

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 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

In addition to any other rights that APS may have regarding the application of eBay deposits, APS is entitled to apply any or all funds deposited with APS pursuant to this Agreement against any or all sums past due and owing to APS from eBay, provided that any of these past due sums are owed for the same class of service as that provided under this Agreement (greater than 3,000 kW).

15. CONTRACT ADJUSTMENT OF MAXIMUM DEMAND

In some cases, it may be to eBay's benefit to raise the maximum demand level stated in Section 2. This will be permitted under the following conditions:

- 15.1.** eBay shall submit a written request to APS stating the requested revised maximum demand and the reason for the requested adjustment.
- 15.2.** If eBay's requested revised maximum demand requires installation or modification to APS's existing facilities, as determined by APS, APS will determine eBay's line extension cost for any necessary equipment installation or modification in accordance with APS's Service Schedule 3.
- 15.3.** If an adjustment to eBay's maximum demand is approved, eBay may not request another adjustment for a period of six (6) months.
- 15.4.** eBay acknowledges that upon execution of a revised Electric Supply Agreement for new maximum demand level, APS is under no obligation to maintain or reserve system capacity beyond what is noted in the revised Agreement.
- 15.5.** eBay shall be liable to APS for any damage that results if eBay increases demand above the contractual maximum before APS authorizes it to do so.



APS – eBay ELECTRIC SUPPLY AGREEMENT

16. GENERAL PROVISIONS

16.1.

[REDACTED]

16.2. If either party successfully brings suit to compel performance under or for breach of this Agreement, that party will 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, may not be construed as 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 SUCH SALES AND DELIVERIES. 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 eBay.

16.5. The rates, terms and other contract provisions governing electric power sold to eBay are subject to the jurisdiction of the ACC, and nothing contained herein may 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 filed, or within a specified number of days thereafter as specified therein (such rates or other contract provisions specified in such 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.

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.

[REDACTED]

17. ATTACHMENTS

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

APS's Experimental High Load Factor Pricing Structure – (HLF-2)



Exhibit A

APS – eBay ELECTRIC SUPPLY AGREEMENT

18. EXECUTION

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

ARIZONA PUBLIC SERVICE COMPANY	eBay, Inc.
Signature <i>Leland R. Shook</i>	Signature <i>Debra Noleson</i>
Name Leland R. Shook	Name Debra Noleson
Title Director, Rates & Rate Strategy	Title VP, GPS
Date Signed 3/20/2015	Date Signed 3/19/2015
	Mailing Address
	Permanent Phone #
	Billing Address
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 as to form
eBay Legal
SV/ermes
March 5, 2015



EXPERIMENTAL HIGH LOAD FACTOR PRICING STRUCTURE HLF-2

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).

Bundled Charges (Summary of Unbundled Charges)

Table with 3 rows: Basic Service Charge (per day), Demand Charge (per kW), Energy Charge (per kWh)

Unbundled Charges (Included in Bundled Charges)

Basic Service Charges (Revenue Cycle Services):

Table with 5 rows: Customer Accounts, Metering (Primary), Meter Reading, Billing, Subtotal (Per day)

Demand Charges:

Table with 4 rows: Transmission, Delivery (Primary Service), Generation - Capacity, Subtotal (Per kW)

Energy Charges:

Table with 3 rows: Generation - Fuel, System Benefits, Subtotal (Per kWh)



**EXPERIMENTAL HIGH LOAD FACTOR
PRICING STRUCTURE HLF-2**

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.
- c) "Direct Access" customers buy generation, transmission, and revenue cycle services from a third party supplier. Their APS bill will include the Delivery charge, the System Benefits charge and applicable Adjustments. If a revenue cycle service is not available from a third party supplier, it will be supplied by APS at the applicable rate.

ADJUSTMENTS

The bill will include the following adjustments:

- 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 Four Corners Adjustment, Adjustment Schedule FCA, (see Arizona Corporation Commission Decision Nos. 74876 and 74948).
- 8. The applicable taxes and governmental fees which are assessed on APS's revenues, prices, sales volume, generation volume, or other business metrics.

BILLING KW

The kW used for billing will be the greater of



**EXPERIMENTAL HIGH LOAD FACTOR
PRICING STRUCTURE HLF-2**

1. The average kW supplied during the 15-minute period of maximum use during the month. A time period other than 15 minutes can be specified in a service agreement.
2. The minimum kW specified in a service agreement.

TYPE OF SERVICE

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

The electrical service provided under this schedule 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 $\pm 95\%$.

Monitoring

In situations where APS suspects that a customer's load has a non-conforming power factor, APS may, at its cost, upon reasonable advance notice, in a manner that is minimally disruptive to customer's operations, install certain monitoring equipment to monitor such loads.

Remedies

If the customer's load does not meet the power factor requirements they must fix the problem and pay the cost to install all monitoring equipment. Otherwise, they must pay for any costs incurred by APS for investments on its system necessary to address the issue. Also, until APS deems the problem to be remedied, APS may compute the customer's monthly billing demand with kVA instead of kW.

CONTRACT PERIOD

The contract period is that specified in a 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.