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BEFORE THE ARIZONA CORPORAT

COMMISSIONERS

DOUG LITTLE, Chairman
BOB STUMP
BOB BURNS
TOM FORESE
ANDY TOBIN

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AZ CORP COMMISSION
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IN THE MATTER OF THE APPLICATION OF SULPHUR SPRINGS VALLEY ELECTRIC COOPERATIVE, INC., FOR A HEARING TO DETERMINE THE FAIR VALUE OF ITS PROPERTY FOR RATEMAKING PURPOSES, TO FIX A JUST AND REASONABLE RETURN THEREON, TO APPROVE RATES DESIGNED TO DEVELOP SUCH RETURN AND FOR RELATED APPROVALS.

DOCKET E-01575A-15-0312

NOTICE OF FILING REBUTTAL TESTIMONY OF DAVID W. HEDRICK ON BEHALF OF SULPHUR SPRINGS VALLEY ELECTRIC COOPERATIVE, INC.

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Sulphur Springs Valley Electric Cooperative, Inc., ("SSVEC" or the "Cooperative") hereby files the Rebuttal Testimony of David W. Hedrick.

RESPECTFULLY submitted this 22nd day of April, 2016.

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ORIGINAL and thirteen (13) copies filed this 22nd day of April, 2016, with:

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Arizona Corporation Commission
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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

DOUG LITTLE, Chairman
BOB STUMP
BOB BURNS
TOM FORESE
ANDY TOBIN

IN THE MATTER OF THE APPLICATION OF SULPHUR SPRINGS VALLEY ELECTRIC COOPERATIVE, INC., FOR A HEARING TO DETERMINE THE FAIR VALUE OF ITS PROPERTY FOR RATEMAKING PURPOSES, TO FIX A JUST AND REASONABLE RETURN THEREON, TO APPROVE RATES DESIGNED TO DEVELOP SUCH RETURN, AND FOR RELATED APPROVALS.	**DOCKET NO. E-01575A-15-0312**

REBUTTAL TESTIMONY OF DAVID W. HEDRICK

ON BEHALF OF

SULPHUR SPRINGS VALLEY ELECTRIC COOPERATIVE, INC.

APRIL 22, 2016

BACKGROUND AND PURPOSE

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is David W. Hedrick and my business address is 5555 North Grand Boulevard, Oklahoma City, Oklahoma 73112-5507.

Q. ARE YOU THE SAME DAVID HEDRICK WHO PREVIOUSLY SUBMITTED DIRECT TESTIMONY ON BEHALF OF SULPHUR SPRINGS VALLEY ELECTRIC COOPERATIVE, INC. ("SSVEC" OR THE "COOPERATIVE") IN THIS PROCEEDING?

A. Yes, I am.

Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?

A. My rebuttal testimony provides the following:

a. A discussion of SSVEC's positions with respect to the recommendations provided by Utilities Division Staff ("Staff") in its direct testimony;

b. A discussion of SSVEC's position with respect to the direct testimony of Mark Fulmer on behalf of The Energy Freedom Coalition of America ("EFCA");

c. A discussion of the reasons why time of use ("TOU") rates are not attractive to SSVEC's customers;

d. A discussion of SSVEC's request for approval of certain revisions to its Service Conditions; and

e. A discussion of SSVEC's request for inclusion of additional rate case expense.

SSVEC'S POSITION REGARDING STAFF'S RECOMMENDATIONS AND RESPONSE TO EFCA

Q. PLEASE LIST THE RECOMMENDATIONS MADE BY STAFF WITH WHICH SSVEC AGREES.

A. There is significant agreement between SSVEC's original proposals as presented in its rate application and Staff's recommendations. The following are the areas of agreement between Staff and the Cooperative:

1. Staff recommends approval of SSVEC's proposed revenue requirement of $100,804,640. The proposed revenue requirement produces an operating margin after interest on long-term debt of $7,234,777, a rate of return of 6.41% on an original cost rate base of $208,373,755 and an Operating Times Interest Earned Ratio of 2.20. The proposed revenue requirement results in an increase in revenue of $3,101,498 or 3.17%.
2. Staff recommends the base power cost be set at $0.065857 per kWh as proposed by SSVEC.
3. SSVEC agrees to ensure that a list of all service charges is located in an easily accessible location on the SSVEC website. In addition, if a service issue occurs due to problems on SSVEC's side of the meter, or due to any maintenance for which SSVEC should be responsible in the normal course of business, the ratepayer should not be charged service charges for any repairs.
4. SSVEC's proposed increases to its Service Charges should be approved.
5. SSVEC's proposed decrease in the New and Additional Service fee should be approved.

6. SSVEC agrees with Staff's recommendation that the Commission accept SSVEC's cost of service study and SSVEC's proposed class revenue allocation. SSVEC accepts Staff's recommendation for future rate cases to include the Residential Auxiliary Rate in the General Service class and the General Service RV Park Rate in the Large Power class.

7. SSVEC agrees with Staff's proposed rates as shown on Exhibit RSP-2 for all rates classes except Residential, Residential TOU, Residential DG, Residential DG-E and Residential Auxiliary.

8. SSVEC agrees with Staff's recommendation to include an annual adjustor reset in its next DSM implementation plan.

9. SSVEC accepts Staff's recommendation to provide a plan of administration for each of its adjustor mechanisms. SSVEC will work with Staff during the period leading up to the hearing and during the compliance period thereafter to review and finalize acceptable plans of administration.

10. SSVEC agrees with Staff's recommendation to approve the implementation of a new Residential Auxiliary rate and that existing customers on the General Service Rate who will be transferred to this new rate be provided a written notice indicating the timing and effects of the change.

11. SSVEC agrees with Staff's recommendation to discontinue the General Service RV rate and transfer those customer to the Large Power rate. SSVEC will provide written notice to all affected customers of the timing and effects of the transition.

12. SSVEC agrees with Staff's recommendation to discontinue the Seasonal Power rate and transfer those customer to the Large Power rate. SSVEC will

provide written notice to all affected customers of the timing and effects of the transition.

13. SSVEC agrees with Staff's recommendation to approve the Large Power rates with the elimination of the language requiring that customers be on the rate for a period of twelve consecutive months.

14. SSVEC agrees with Staff's recommendation that Schedule NM-1 be changed so that it is only available to customers who installed a DG system on or before April 15, 2015 or had an accepted application on file before April 15, 2015. SSVEC agrees that Schedule NM-1 as revised should be frozen. I note that Staff uses a grandfathering date of April 14, 2015 in its testimony, but I believe that is an error. SSVEC requested a grandfathering date of April 15, 2015 in its rate application.

15. SSVEC agrees with Staff's recommendation that the proposed Schedule DG eliminate the banking of kWh, require that energy procured from the grid be compensated for at SSVEC's retail rate, provide a methodology for the treatment of any energy provided or exported by the DG system to the grid and be made available to all eligible DG customers who install a system on or after April 15, 2015.

16. SSVEC agrees with Staff's recommendation not to approve the change in the language in the "Other Conditions" section of the Controlled Irrigation rate. In other words, the language would remain as it is currently.

Q. PLEASE IDENTIFY THE STAFF RECOMMENDATIONS WITH WHICH SSVEC DISAGREES.

A. SSVEC does not agree with Staff's recommendation to deny implementation of separate rate schedules for existing and new DG customers and that all DG customers remain on the standard Residential rate. SSVEC does not agree with Staff's recommendations regarding the proposed rate design for Residential, Residential TOU and Residential Auxiliary rates or the implementation over a two year period. Finally, SSVEC does not agree with Staff's recommendation to set an export rate at a value between the avoided cost as the floor and the retail rate as ceiling.

Q. WHAT POSITIONS DOES SSVEC SUPPORT WITH REGARD TO THESE CONTESTED ISSUES?

A. SSVEC continues to support the following positions:

1. Implementation of separate rate schedules for existing and new DG customers that take partial requirements service from the Cooperative.
2. Implementation of the originally proposed rates for Residential and the separate rate schedules for Residential DG, Residential TOU and Residential Auxiliary.
3. Implementation of the new rates over a four year period instead of the two year period recommended by Staff.
4. Compensation of excess energy at an export rate equal to the Cooperative's avoided cost.

Q. WHAT IS THE PURPOSE OF ESTABLISHING SEPARATE RATE CLASSES?

A. Unique and separate rate classes are established by utilities as a means to fairly and equitably recover the costs of providing service from customer groups for the following reasons:

1. The customers in the group cause costs to be incurred by the utility in a similar manner and the facilities required by the utility to provide service are similar.
2. The consumption characteristics of the customers in the group are similar and require a unique rate design to recover the costs of providing service.

Q. WHY IS SSVEC PROPOSING SEPARATE RATES FOR EXISTING AND NEW DG CUSTOMERS?

A. SSVEC is proposing separate rates to provide a fair and equitable recovery of the cost of providing service from these classes of customer because the consumption characteristics of these customers are such that the standard rate schedule does not provide an appropriate recovery of costs. Residential customers with DG are similar to standard Residential customers with regard to SSVEC's distribution fixed costs of providing service. Residential DG customers incur additional metering costs but otherwise require similar distribution facilities by the Cooperative to provide service. However, since Residential DG customers generate a significant portion of their energy requirements, the level of energy provided by the Cooperative to these customers is significantly less than any other group of residential customers. The result of this significant reduction in energy consumption is an under-recovery from these customers due to the inability to recover the appropriate level of fixed costs

using the standard rate design. A separate rate schedule for customers with DG is necessary to provide the appropriate recovery of costs. A customer who has the resources to generate its own power and is generating its own power is a distinct and separate class of residential consumer.

Q. HAS SSVEC CALCULATED THE FIXED COST OF PROVIDING SERVICE TO ITS RESIDENTIAL CUSTOMERS?

A. Yes. SSVEC included a cost of service study in the rate filing which calculates the fixed costs of providing service to residential customers. Schedule G-6.3 shows that the total fixed costs of providing service for Residential customers is $80.24 per customer per month.

Q. HAS STAFF ACCEPTED THE SSVEC COST OF SERVICE STUDY AND THE CALCULATION OF THE FIXED COSTS OF PROVIDING SERVICE?

A. Yes. Staff witness Ranelle Paladino recommends the Commission accept SSVEC's cost of service study. On page 10 of Ms. Paladino's testimony, she recognizes the fixed costs of providing service calculated in the cost of service study.

Q. HAS SSVEC PROVIDED ADDITIONAL ANALYSIS CALCULATING THE LOST FIXED COSTS ATTRIBUTABLE TO ITS CUSTOMERS WITH DG?

A. Yes. My direct testimony beginning on page 9 and continuing to page 25 discusses the cost impact of DG and net metering. Exhibits DWH-8 through DWH-10 attached to my direct testimony calculate the lost fixed costs attributable to customers with DG.

Q. HAS STAFF ACCEPTED SSVEC'S ANALYSIS OF LOST FIXED COSTS?

A. Yes. Staff witness Eric Van Epps testifies as follows in his direct testimony beginning on page 3, line 12:

Q. Is there evidence that the Company is under-recovering due to current DG installations?

A. Yes. The company has indicated that there was an under-recovery associated with the proliferation of DG systems that equated to $1,139,013 under the existing residential rate in 2014 test year.

Q. Can the aforementioned under-recovery claim be substantiated?

A. Yes. If you were to set aside cross subsidization and the alignment of costs with cost causation then it would be appropriate to assume that under-recovery associated with the proliferation of DG in SSVEC's service territory would be equal to DG production, multiplied by unavoidable fixed costs. For SSVEC, in addition to the total customer costs, the unavoidable fixed costs would be the purchased power demand and the distribution wires portion of the bill.

Q. Can Staff please explain this further?

A. Yes. As I mentioned before, current two-part rates allow for many unintended subsidies. One of the large subsidies in the residential class is the subsidy between high and low usage customers. Because most of the utility's fixed costs are recovered through a volumetric rate, inevitably a larger customer will pay a higher portion of the fixed costs associated with serving all customers. Conversely, a low usage customer will pay less. Given this flaw embedded in two-part rates, DG customers can reduce their usage and avoid paying large portions of their fixed costs. When rates are

set, they are set using a snap shot in time. This snap-shot looks at system wide consumption to determine a rate appropriate for a utility to recover fixed costs based on future consumption. When future consumption is reduced due to installed DG, utilities are left with under-recoveries and are in turn forced to increase rates or find other ways to recover their fixed costs.

This testimony by Mr. Van Epps affirms SSVEC's calculation of lost fixed costs attributable to customers with installed DG.

Q. HAS SSVEC PROVIDED THE NECESSARY COST JUSTIFICATION FOR THE CREATION OF SEPARATE RATE SCHEDULES?

A. Yes. The cost of service study provides the fixed cost data applicable for Residential customers (regardless of whether DG is installed) and the lost fixed cost analysis quantifies the magnitude of the under-recovery from customers with installed DG. As supported by both SSVEC and Staff, there is no question that an under-recovery of fixed costs exists with respect to customers with DG. Moreover, the Commission has also previously found that a cost shift exists as described in Finding of Fact 49 of Decision 74202 (Docket E-01345A-13-0248) which states: "In light of the record before us, we find that the proliferation of DG installations results in a cost shift from APS's DG customers to APS's non DG residential customers absent significant changes to APS's rate design." Thus, SSVEC's proposal to implement separate rates for DG with higher fixed charges is consistent with Staff's testimony in this case that a reasonable remedy would be an increase in rates and with the Commission's previous finding in the APS case that a significant rate design change would be necessary to deal with the cost shift.

Q. THE COST OF SERVICE STUDY INCLUDED IN THE RATE FILING DOES NOT SHOW THE RESULTS FOR THE RESIDENTIAL DG CLASS SEPARATELY. WHAT IS THE REASON FOR THIS?

A. The underlying reality with regard to the cost of providing service to residential customers with or without installed DG is that the costs of providing service are essentially the same, except for additional metering costs and billing costs for customers with DG. Until such time that monthly demand data is available for all customers with installed DG, it was determined that the fixed cost components for the total Residential class would provide the best representation of costs. Therefore the Residential DG group is included as part of the total Residential class for the purpose of defining the costs of providing service. The under-recovery of costs resulting from lost fixed costs from DG is calculated in a separate analysis included in my direct testimony. The combination of the fixed costs of service defined in the cost of service study and the under-recovery of those costs defined in the lost fixed cost analysis provides the basis for SSVEC's analysis supporting separate rate schedules for customers with installed DG.

Q. IS THE IMPLEMENTATION OF SEPARATE RATES FOR CUSTOMERS WITH INSTALLED DG DISCRIMINATORY OR UNDULY PREJUDICIAL?

A. Not at all. The decision to implement separate rates for customers with installed DG is not an arbitrary decision but one based on the demonstrated characteristics of the customers and the unique circumstances faced by SSVEC in serving those customers. The specific and unique issues related to the recovery of costs from customers with installed DG has been appropriately documented and consensus

with Staff has been reached on the level of under-recovery and the cause. Staff witnesses Van Epps and Paladino and EFCA witness Fulmer state a concern that since other customers in the residential class exhibit some measure of load reduction, as a result of energy efficiency measures or other reasons, it would be unfair or discriminatory to single out customers with installed DG. However, this concern is unfounded for the following reasons:

1. Customers with installed DG exhibit unique usage characteristics and present unique cost recovery issues that distinguish them from all other customers who reduce their energy consumption through means other than DG. Exhibit DWH-8 attached to my direct testimony shows that the average customer with installed DG produces 1,026 kWh per month. The average kWh consumption for Residential customers without installed DG is 677 kWh per month. However, it would be common for a Residential customer with installed DG to have total load requirements ranging from 800 kWh per month up to 2,000 kWh per month. This means that a customer with installed DG producing 1,026 kWh per month would reasonably be expected to reduce his or her energy consumption from SSVEC by 50% up to 100% of total energy requirements.

   In contrast, a customer participating in energy efficiency measures and demand response programs does not generate its own power and would reasonably expect to reduce consumption by only a small percentage of the customer's total load. For example, in the most recently filed report on DSM activities, SSVEC noted that the average energy savings for a customer participating in the heat pump program

was 57 kWh per month and the savings for a customer participating in the water heater program was 85 kWh per month. Thus, the level of lost kWh sales and the corresponding lost fixed costs is significantly and demonstrably greater for customers with installed DG than the potential lost fixed costs for customer's participating in energy efficiency measures and other demand response programs.

2. The number of customers with installed DG has increased such that the magnitude of the number of customers, coupled with the lost fixed cost problem, has established this as an appropriate stand-alone class of customers. In January 2014, SSVEC had 781 Residential customers with installed DG. By the end of 2014, SSVEC had 1,013 residential customers with installed DG, or growth of approximately 30% in one year. As of April 1, 2016, SSVEC is serving 1,147 residential customers with installed DG. The magnitude of the under-recovery of costs as a result of lost fixed cost from this group of customers is far more significant than any other customer group and will continue to grow under the current conditions.

By way of comparison, during the 2014 test year SSVEC had only 41 customers that participated in the high efficiency heat pump rebate program and only 7 customers that participated in the high efficiency water heater rebate program. Again, there is no other group of customers that is comparable to the customers with installed DG.

3. The load characteristics for customers with installed DG are completely different than for any other customer group. Attached as Rebuttal Exhibit DWH-2 is a load profile graph for a typical

residential customer with and without installed DG. The graph clearly shows the difference between the two customer types. There is a reduction in kWh consumption during the middle hours of the peak day and a secondary peak created in the later hours of the day for the customer with installed DG. This illustrates how markedly different the usage consumption is for this group in comparison to any other customer group.

Customer's employing energy efficiency measures are reducing the level of the customer's energy requirements whereas a customer with installed DG is not reducing the level of the customer's energy requirements but rather is providing another source of power for those energy requirements during a short time period of the day. SSVEC's distribution system facility requirements to provide service are not reduced for a customer with installed DG, yet their usage patterns are fundamentally different. In addition, that usage pattern changes dramatically on a cloudy day or when there is a distributed generation equipment malfunction on the customer's equipment. Sierra Vista averages 284 sunny days a year meaning distributed generation does not operate or only partially operates 81 days a year.

4. The lost fixed cost problem related to customers with installed DG is relative to the existing rates in place and the proliferation of these customers in the past few years. When the existing rates were approved, there were relatively few customers with installed DG. Clearly, there was no anticipation of the level of increase in these customers or the impact they would have on the Cooperative's ability

to recover costs. While SSVEC has consistently requested increases in its fixed charges and, to the extent allowed by the Commission, has implemented those rates, the Commission has preferred a very gradual approach to the increase in customer charges to address the overall recovery of fixed costs. With a gradual growth in customers and consistency with regard to the consumer consumption levels, a gradual approach to deal with the under-recovery of fixed costs issue would be workable. However, that is not the case now for SSVEC. The change in circumstances for SSVEC has rendered the existing residential rate design inadequate in recovering the fixed costs for customers with installed DG. The opportunity to correct the rate design by creating new rate schedules is now. Requiring that customers with installed DG be served on the same rate as other Residential customers only perpetuates the under-recovery of costs and continues an inequitable subsidy that will require a more drastic correction in the future.

5. The DG cost shift has been proven and substantiated by SSVEC and Staff, and has been recognized by the Commission in previous decisions. As I testified earlier, the Commission in Decision 74202 affirmed the cost shift created by customers with installed DG in the APS case. In Decision 73183, the Commission approved a Lost Fixed Cost Recovery Rider ("LFCR") for APS that allowed recovery of unrecovered costs associated with a portion of distribution and transmission costs related to EE programs and DG. The LFCR mechanism is a form of alternate surcharge applied to all customer

bills for the recovery of costs clearly caused by a specific group of customers. In reality, it is a rate mechanism which requires non-DG members to pay a portion of the under-recovered fixed cost caused by customers with installed DG that is discriminatory. The most fair and equitable recovery of costs from customers with installed DG and the method that will most significantly reduce cross subsidies provided by other members is to establish a separate rate schedule for these customers.

Q. DOES SSVEC HAVE SOME PROPOSED REVISIONS TO ITS STANDARD OFFER TARIFF TO ADDRESSE STAFF'S CONCERN REGARDING ESTABLISHING SEPARATE RATE SCHEDULES FOR DG AND NON-DG CUSTOMERS?

A. Yes. Attached as Rebuttal Exhibit DWH-3 is a revised proposed tariff for Phase 1 with separate rate schedules for grandfathered and new partial requirements service. Instead of service availability based on whether a customer has installed DG, the rates are generically available to all customers taking partial requirements service. Based on the justifications previously provided, SSVEC strongly supports the establishment of separate rates for customers with installed DG and/or partial requirements service customers. SSVEC does not believe that the establishment of separate rates for customers with installed DG is in any way discriminatory, but the Cooperative also recognizes that the provisions of these rate schedules would be equally applicable to the group of customers that are partial requirements customers. Thus, to the extent that a broader definition encompassing "partial requirements

service" helps alleviate Staff's concerns, SSVEC is agreeable to the proposed revisions included in Rebuttal Exhibit DWH-3.

Q. WHAT DOES SSVEC RECOMMEND WITH REGARD TO THE EXPORT RATE FOR EXCESS ENERGY PROVIDED BY CUSTOMER WITH INSTALLED DG?

A. SSVEC recommends that the export rate be set at a value equal to the Cooperative's avoided cost. Currently, the Cooperative's avoided cost is equal to only the energy and fuel components of the wholesale rate. SSVEC purchases the majority of its wholesale power requirements from the Arizona Electric Power Cooperative ("AEPCO") under a contract with a fixed charge for production capacity costs. That is, the wholesale demand costs are not avoidable. Additionally, there is no known and measurable reduction in distribution wires costs attributable to customer's with installed DG. This was confirmed by Staff witness Van Epps in his direct testimony on page 3, beginning at line 22:

> *For SSVEC, in addition to the total customer costs, the unavoidable fixed costs would be the purchased power demand costs and the distribution wires portion of the bill.*

Setting an export rate credit at a value greater than SSVEC's avoided cost establishes a payment for excess energy that is greater than its value. This would result in other members of the Cooperative providing a subsidy to customers with installed DG. This increases the costs to non DG customers while providing an unsubstantiated benefit to customers with installed DG. This additional cost to non-DG customers would be unduly discriminatory to those who cannot afford DG or choose not to install DG.

Q. EFCA WITNESS FULMER SUGGESTS THAT THE EXPORT RATE SHOULD BE SET BASED ON A FORWARD LOOKING BASIS CONSIDERING SIX ELEMENTS. DO YOU AGREE?

A. No. The bedrock principle of rate design is that rates must be based on costs that are known, measurable and of a continuing nature. The Commission should not approve rates that are based on unquantifiable future costs or potential benefits. To be consistent, the same principle should apply for the establishment of the export rate. Only those costs and benefits that are known, measurable and of a continuing nature should be considered. Applying this foundational principle, I will address each of the six elements that Mr. Fulmer believes should be considered when compensating DG customers for power that is put back onto the electric grid:

1. Avoided Energy and Fuel. The actual avoided wholesale energy and fuel costs are easily identified from SSVEC's monthly wholesale power bills. The avoided energy and fuel costs are known and measurable and continuing in nature. SSVEC agrees that the actual avoided energy and fuel costs should be included in the export rate. Future avoided energy and fuel costs will include any increased variable costs or benefits of the resources utilized, fuel mix, regulations, etc., that impact those costs. However, it would not be appropriate to establish an export rate credit applied today based on potential future unquantifiable costs and benefits.

2. Avoided Generation Capacity. With minor exceptions, SSVEC does not provide its own generation, but rather contracts with AEPCO and other providers for its wholesale power requirements. These existing contracts, which provide the vast majority of power used to serve the

Cooperative's customers, include a fixed charge payment for the cost of generation capacity. This fixed charge payment is constant and does not vary based on consumption. Thus, SSVEC's wholesale generation capacity costs are not reduced as a result of DG. Because there are no avoided generation capacity costs resulting from DG, there are no avoided generation capacity costs to be included in an export rate credit. I would note also that Mr. Fulmer has not quantified any avoided generation capacity costs of SSVEC in his direct testimony.

3. Avoided Transmission Costs. There is simply no consensus regarding the level of quantifiable demand reduction attributable to installed roof-top DG that would impact transmission investments. Moreover, Mr. Fulmer has not provided any quantification of the alleged avoided transmission costs of SSVEC attributable to DG. Given that there is no known and measurable information, the export rate credit should not include a component for avoided transmission costs.

4. Avoided Distribution Costs. DG does not reduce SSVEC's distribution costs of providing service. Because of the intermittency and lack of reliability of rooftop DG, a customer with rooftop DG must still rely on power provided from the electric grid during times when the DG system is not operating or when the DG system does not provide sufficient generation to serve the customer's entire load. As a result, the size of the facilities required to provide service to a customer with DG is no different than for a standard customer without DG. This means that the meter, transformer and service drop at the

DG customer's service location would be the same as for any other similarly situated customer. The sizing of the Cooperative's substation facilities and overhead/underground primary distribution line facilities are, likewise, unaffected by the presence of rooftop DG. The planning process for construction of distribution facilities is affected by DG only to the extent that additional equipment and devices are required to address operational issues such as circuit loading, voltage regulation, power factor problems and protection coordination. Such equipment could include but is not limited to additional regulators, capacitors, breakers, re-closers and fuses. The need for additional equipment to deal with operational issues becomes more significant as the number of customers with DG on an individual circuit increases. I would also point out that Mr. Fulmer has not quantified any avoided distribution costs of SSVEC attributable to DG.

5. Avoided Greenhouse Gas Emission Costs. These are future assumed costs presumably attributable to CO^2 tax that would increase the avoided energy cost. To the extent that the future avoided cost of energy increases due to any number of factors, the avoided energy rate will include those changes and the export rate will be adjusted accordingly in the future when those changes become known and measurable. Those changes are not known and measurable currently and should not be included in an export rate credit paid in current periods. For planning purposes, if the DG customer feels strongly that the avoided cost of energy will increase significantly in the future due

to carbon taxes and other factors, then those projected increases could be included as a component in the customer's own cost/benefit analysis. However, the projected cost of energy should not be a factor in determining the current export rate credit paid by SSVEC to the customer.

6. Incremental Integration Cost. SSVEC has no data that supports a known and measurable integration cost for ancillary or other services to support solar generation. Moreover, Mr. Fulmer has not quantified any incremental integration costs applicable in the case of SSVEC. Therefore, no additional cost should be included as a component in the calculation of the export credit rate.

Q. **PLEASE PROVIDE SSVEC'S RESPONSE TO MR. FULMER'S CONTENTION THAT SSVEC'S PROPOSED DG RATES ARE INADEQUATE.**

A. Beginning on page 15, line 16, Mr. Fulmer presents an argument that suggests that SSVEC's proposals would increase costs to customers with installed DG such that the lease of solar DG would no longer be economically viable. However, SSVEC's proposal does result in significant increases for customers with installed DG, and in any event, those proposed increases have been justified based on the cost of service analysis which identified SSVEC's fixed costs of providing service and the lost fixed cost analysis which identified the magnitude of the under-recovery of costs by SSVEC from these customers. The Cooperative's rate proposals are not predicated on whether the rates charged and credits provided will ensure the financial success of the business model of unregulated solar companies. Rather, SSVEC's rates are

based on SSVEC's known and measureable costs of providing service. SSVEC's objective is to ensure a fair and equitable recovery of the costs SSVEC incurs in providing service to its member customers.

Q. HAS SSVEC INCLUDED IN ITS PROPOSALS A GRANDFATHERING OF THE NET METERING PROVISION FOR EXISTING DG CUSTOMERS?

A. Yes. SSVEC recognizes that existing customers with installed DG made decisions to invest based on existing rates and credits. SSVEC has proposed to grandfather existing DG customers with respect to the provision of net metering and to hold the existing energy charge constant. This allows existing DG customers to continue to receive the full benefit of net metering and banking in the existing net metering tariff. The proposed Residential DG-E rate does include an increase in the service availability charge to reflect a higher recovery of the fixed costs of providing service to this customer group. It would not be appropriate to grandfather or freeze the service availability component of the rate as this would not allow the Cooperative the ability to recover the increased costs of providing service. It is not appropriate to permanently grandfather any rate or rate class. Rates and rate classes are subject to change as costs change.

Q. ON PAGE 21 OF MR. FULMER'S TESTIMONY, HE STATES THAT THE INCREASE FOR THE AVERAGE EXISTING DG CUSTOMER THROUGH ALL FOUR PHASES IS $49.75 PER MONTH. IS THIS CORRECT?

A. No. While the increase amounts shown for each phase are correct, the sum of those values is $39.75 and not $49.75 as shown in the table. To be clear, the increase for

the average existing residential DG customer over the four year phase-in of the rate is $39.75.

Q. DO THE RENEWABLE ENERGY STANDARDS ("RES") REFERENCED ON PAGE 9 OF MR. FULMER'S DIRECT TESTIMONY APPLY TO SSVEC?

A. No. Pursuant to Arizona Administrative Code ("A.A.C.") R14-2-1814, Arizona's electric power cooperatives can submit an annual RES plan with provisions that, once approved by the Commission, substitute for the renewable energy requirements and distributed renewable energy requirements of A.A.C. R14-2-1804 and 1805, respectively. SSVEC's Commission-approved RES plan targets a renewable energy goal of 3.0 percent of retail sales for 2016 and 3.5 percent of retail sales for 2017. There is no requirement in SSVEC's approved RES plan that any specified percentage of the renewable energy goal come from distributed energy resources.

Q. STARTING AT PAGE 16 OF HIS DIRECT TESTIMONY, MR. FULMER DISCUSSES AN APS SPREADSHEET MODEL THAT WAS INTRODUCED IN THE UNS ELECTRIC RATE CASE (DOCKET E-04204A-15-0142) WHICH HE THEN ATTEMPTS TO USE IN THIS CASE WHILE APLYING A SOLAR PV OUTPUT FOR THE CITY OF BISBEE. DO THE SPREADSHEET MODEL OR THE BISBEE SOLAR PV OUTPUT PROFILE HAVE ANY BEARING OR VALIDITY ON SSVEC'S COSTS IN THIS CASE?

A. No. UNS Electric is an investor owned utility and its cost structure and corporate structure are very different than SSVEC's. Further, Bisbee is served by Arizona Public Service which is also an investor owned utility. Mr. Fulmer is mixing apples and oranges with his analysis.

TIME OF USE RATES

Q. STAFF HAS RECOMMENDED THAT SSVEC FILE AN ANALYSIS OR A LETTER EXPLAINING WHY TIME-OF-USE ("TOU") RATES ARE NOT APPROPRIATE FOR ITS SERVICE TERRITORY. ARE TOU RATES APPROPRIATE FOR SSVEC?

A. No. SSVEC has had little success in engaging its members in participating in TOU rates. Currently, there are 17 customers taking service on the Residential TOU rate, 39 customers taking service on the commercial rate, and 1 customer on the Large Power TOU rate. The primary reason that TOU rates are not attractive to SSVEC's customers is the lack of a meaningful differential between the on-peak and off-peak prices for energy. The primary source of SSVEC's power supply continues to be the Arizona Electric Power Cooperative. The production demand costs from AEPCO are billed to SSVEC in a fixed charge and the energy costs are not time differentiated. The result is a lack of an effective TOU price signal. Without an effective cost basis for offering a TOU rate, the development and provision of a meaningful TOU rate does not exist. Therefore, SSVEC requests that the requirement from its last general rate case that the Cooperative develop a plan to promote TOU rates be eliminated and the existing TOU rates be frozen. SSVEC would continue to serve existing customers on the TOU rate schedules under the proposed TOU rates but the availability would be changed to prevent new customers

from taking service on these rates. SSVEC's elected Board of Directors approved freezing the TOU rate schedules at its April 20, 2016 board meeting.

REVISIONS TO SERVICE CONDITIONS

Q. IS SSVEC PROPOSING ANY REVISIONS TO ITS SERVICE CONDITIONS IN THIS DOCKET?

A. Yes. On February 26, 2016, SSVEC filed in the docket a redlined version of its Service Conditions highlighting certain proposed revisions. Prior to that, SSVEC provided a copy of the redlined Service Conditions to Staff on December 1, 2015, in response to a data request. SSVEC published notice of the proposed revisions to the Service Conditions in the Sierra Vista Herald and the Bisbee Daily Review on March 4, 2016. Attached as Rebuttal Exhibit DWH-1 is a copy of the redlined version of the revised Service Conditions that was filed on February 26, 2016. The proposed revisions to the service conditions do not have any impact on SSVEC's proposed revenue requirement. SSVEC requests that the Commission approve the revisions to the Service Conditions.

UPDATED RATE CASE EXPENSE

Q. WHAT IS SSVEC'S POSITION WITH REGARD TO THE RECOVERY OF RATE CASE EXPENSE INCURRED IN THIS PROCEEDING?

A. In its filing, SSVEC included estimated rate case expense of $200,000 amortized over a three-year period for an annual expense amount of $66,667. Through the end of March 2016, outside services for legal and consulting for the rate case total $309,770 The Cooperative anticipates an additional $100,000 in rate case expense to complete the process for a total estimated cost of $409,770. The additional

amount of $209,770 amortized over a three-year period would result in an increased expense of $69,923. The actual amount of rate case expense will be provided closer to the hearing. SSVEC believes the recovery of the additional rate case expense is appropriate and, therefore, requests that any additional actual rate case expense be allowed and recovered in rates.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes, it does.

REBUTTAL EXHIBIT DWH-1

SULPHUR SPRINGS VALLEY ELECTRIC COOPERATIVE, INC.

SERVICE CONDITIONS

Effective: March 16, 2015

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EXHIBITS

SERVICE CONDITIONS

1. FOREWORD

Sulphur Springs Valley Electric Cooperative, Inc. ("SSVEC" or "Cooperative") was formed in 1938 as a nonprofit corporation to make Electric Service available at the lowest possible cost for the mutual benefit of all its members. In the continuing spirit of that original objective, these Service Conditions and the accompanying Tariffs are designed to govern the supply and safe use of Electric Service consistent with equitable treatment for individual Customers, the fiscal integrity of SSVEC and efficient management in the best interest of all SSVEC Members.

The following provisions concern policies, regulations, and standards by which SSVEC is committed to render Electric Service to the Customer. Capitalized terms used herein have the meaning set forth under Section 2.1, Definitions. Referenced statutes, rules, regulations and codes herein shall be considered "as may be amended from time to time." Complete copies of SSVEC's Bylaws, Tariffs and these Service Conditions are on file at all SSVEC offices for public inspection.

2. GENERAL CONDITIONS OF SERVICE

2.1 DEFINITIONS

For purposes of these Services Conditions and SSVEC's Tariffs, unless the context otherwise requires, the following key terms shall apply:

(1) **ACC:** The Arizona Corporation Commission, the regulatory authority of the State of Arizona having jurisdiction over public service corporations such as SSVEC operating in Arizona.

(2) **Advances in Aid of Construction:** Funds provided to SSVEC by the Applicant under the terms of a Line Extension Agreement, the value of which may be refundable in part.

(3) **Applicant:** A Person requesting SSVEC to supply Electric Service.

(4) **Application:** A written or oral request to SSVEC for Electric Service, as distinguished from an inquiry as to the availability or charges for Electric Service.

(5) **Billing Month:** The period between any two regular readings of SSVEC's Meters at approximately 30-Day intervals.

(6) **Billing Period:** The interval of approximately 30 Days between successive Meter readings for billing purposes.

(7) **Contributions in Aid of Construction:** Funds provided to SSVEC by the Applicant under the terms of a Line Extension Agreement and/or Service Connection Tariff, the value of which is not refundable.

(8) **Cooperative:** SSVEC, a member-owned Utility whose principal activity is to supply Electric Service under a Certificate of Convenience and Necessity granted by the ACC.

(9) **Cooperative Equipment:** The Service Lines, Meter Installation, structures, devices, apparatus and hardware installed by SSVEC to supply Electric Service to the Customer, and other transmission and distribution facilities on SSVEC's system or property.

(10) **Curtailment:** A temporary reduction of load to the Customer for operational or emergency purposes.

(11) **Curtailment Priority:** The order in which Electric Service is to be ~~Curtailed~~curtailed to various classifications of Customers as set forth in SSVEC's Tariffs.

(12) **Customer:** The Person in whose name Electric Service is rendered, as evidenced by the Application or contract for that service, or by the receipt and/or payment of bills regularly issued in the Customer's name regardless of the identity of the actual user of the Electric Service.

(13) **Customer's Service Entrance:** In general, all conductors, devices, apparatus, and hardware on the Customer's side of the Point of Delivery, except SSVEC's Meter Installation.

(14) **Day(s):** A calendar day (unless otherwise specified).

(15) **Demand:** The rate at which electric Power is delivered during any specified period of time. Demand may be expressed in Kilowatts (kW), Kilovolt-amperes (kVA), or other suitable units of electric Power.

(16) **Distribution Lines:** SSVEC's lines operated at distribution voltage, which are constructed along public roadways or other bona fide rights-of-way, including easements on the Customer's property.

(17) **Elderly:** A Person who is 62 years of age or older.

(18) **Electric Service:** The availability of electric ~~Energy~~energy, metered or otherwise, supplied by SSVEC within established standards of voltage and frequency to the Point of Delivery and all other related services offered by SSVEC to Customers.

(19) **Energy:** Electric Energy, expressed in Kilowatt-hours (kWh), Kilovolt-amperes (kVAh), or other suitable units.

(20) **EUSERC:** The Electric Utility Service Equipment Requirements Committee of which SSVEC is a member. The requirements are intended to promote uniform, safe, and efficient Electric Service requirements for member utilities, manufacturers, engineers, and architects.

(21) **Handicapped:** A Person with a physical or mental condition which substantially contributes to the Person's inability to manage his or her own resources, carry out activities of daily living or protect oneself from neglect or hazardous situations without assistance from others.

(22) **Illness:** A medical ailment or sickness for which a Residential Use Customer obtains a verified document from a licensed medical physician stating the nature of the Illness and that discontinuance of Electric Service would be especially dangerous to the Customer's health.

(23) **Inability to Pay:** Circumstances where a residential Customer:

(a) Is not gainfully employed and unable to pay;

(b) Qualified for government welfare assistance but has not begun to receive assistance on the date that he/she receives his/her bill and can obtain verification of that fact from the government welfare assistance agency;

(c) Has an annual income below the published federal poverty level and can produce evidence of this.

(24) **Interruptible or Controlled Electric Service:** Electric Service that is subject to controlled interruption as specified in SSVEC's Tariffs. Also referred to as Controlled Electric Service.

(25) **Kilovolt-Amperes (kVA):** A measurement of electric Power.

(26) **Kilowatt (kW):** A unit of Power equal to 1,000 watts.

(27) **Kilowatt-Hour (kWh):** Electric Energy equivalent to the amount of electric Energy delivered in one hour when delivery is at a constant rate of one kilowatt.

(28) **Line Extension:** The lines and equipment necessary to extend the electric distribution system of SSVEC to provide service to additional Customers.

(29) **Master Meter:** A Meter for measuring or recording the flow of electricity that has passed through it at a single location where said electricity is distributed to tenants or occupants for their individual usage.

(30) **Megawatt (MW):** A unit of Power equal to 1,000,000 watts.

(31) **Member:** Any member of the public, including a person, firm, association, corporation, or bodies politic or subdivision thereof, who has qualified for membership with the Cooperative as provided for in the Cooperatives Bylaws.

(32) **Meter:** The instrument for measuring and indicating or recording the flow of electricity that has passed through it using kWh, kW, and/or kVA as units of measure.

(33) **Meter Installation:** The Meter(s) and auxiliary devices and hardware, if any, constituting SSVEC's equipment needed to measure Energy use and/or billing Demand supplied to the Point of Delivery.

(34) **Meter Tampering:** A situation where a Meter has been illegally altered to change the accuracy of the Meter or breaking the security seals of the Meters.

(35) **Minimum Charge:** The amount the Customer must pay for the availability of Electric Service, including an amount of usage, as specified in SSVEC's Tariffs as monthly or annual.

(36) **NEC:** The National Electrical Code, a USA Standard published by the National Fire Protection Association (NFPA), at Boston, Massachusetts, for the prevention of hazards.

(37) **NESC:** The National Electrical Safety Code, an American National Standard published by the Institute of Electrical and Electronics Engineers (IEEE), at New York City, New York, for the safeguarding of Persons from hazards in electric supply lines.

(38) **Notice:** Unless specified otherwise, a written message delivered by first class U.S. mail, electronic medium, or in Person by one party to the other at the recipient's last known physical billing or electronic address, the period of Notice commencing from the date of personal delivery, electronic transmission, or mailing.

(39) **Permanent Customer:** A Customer who is a tenant or owner of a service location who applies for and receives permanent Electric Service.

(40) **Permanent Service:** Service which, in the opinion of SSVEC, is of a permanent and established character. The use of electricity may be continuous, intermittent, or seasonal in nature.

(41) **Person:** Any individual, partnership, corporation, governmental agency, or other organization operating as a single entity.

(42) **Point of Delivery:** In general, the point where SSVEC's Service Lines are attached to the Customer's Service Entrance, where Electric Service supplied by SSVEC is received by the Customer, distinct from SSVEC's Meter Installation, although in some cases adjacent to it.

(43) **Power:** The rate of generating, transferring, and/or using electric Power, usually expressed in Kilowatts (kW).

(44) **Premises:** All of the real property and apparatus employed in a single enterprise or an integral parcel of land undivided by public streets, alleys, or railways.

(45) **Residential Subdivision Development:** Any tract of land which has been divided into four or more contiguous lots with an average size of one acre or less

for use for the construction of residential buildings or permanent mobile homes for either single or multiple occupancy.

(46) **Residential Use:** Service to Customers using electricity for domestic purposes, such as space heating, air conditioning, water heating, cooking, clothes drying, and other Residential Uses and includes use in apartment buildings, mobile home parks, and other multi-unit residential buildings.

(47) **Service Area:** The territory in which SSVEC has been granted a Certificate of Convenience and Necessity and is authorized by the ACC to provide Electric Service.

(48) **Service Availability Charge:** A charge for the purpose of maintaining adequate revenue to cover SSVEC's operating costs as specified in SSVEC's Tariffs.

(49) **Service Connection:** The attachment of Electric Service at the Point of Delivery and/or installation of Meters by SSVEC personnel.

(50) **Service Disconnection:** The detachment of Electric Service at the Point of Delivery and/or removal of Meters by SSVEC personnel, including operation of Customer-owned main disconnect devices, if appropriate for safety reasons.

(51) **Service Establishment Charges:** The charges as specified in SSVEC's Tariffs.

(52) **Service Line:** The line extending from a Distribution Line or transformer to the Customer's Premises or Point of Delivery.

(53) **Service Reconnect Charges:** The charges as specified in SSVEC's Tariffs which must be paid by the Customer prior to re-establishment of Electric Service each time the electricity is disconnected.

(54) **Single Family Dwelling:** A house, an apartment, or a mobile home permanently affixed to a lot or any other permanent residential unit which is used as a permanent home.

(55) **SSVEC:** Sulphur Springs Valley Electric Cooperative, Inc. or Cooperative, a member-owned Utility whose principal activity is to supply Electric Service under a Certificate of Convenience and Necessity granted by the ACC.

(56) **Tariffs:** The documents filed with the ACC which list the services and products offered by SSVEC and which set forth the terms and conditions and a schedule of the rates and charges for those services and products.

(57) **Temporary Service:** Service to Premises or enterprises which are temporary in nature or where it is known in advance that the service will be of limited duration. Service which in the opinion of SSVEC is for operations of a speculative character is also considered Temporary Service.

(58) **Third-Party Notification:** A Notice sent to a Person willing to receive Notice of the pending discontinuance of Electric Service to the Customer of record in order to make arrangements on behalf of the Customer that is satisfactory to SSVEC.

(59) **Utility:** The public service corporation providing Electric Service to the public in compliance with State law.

(60) **Weather Especially Dangerous to Health:** That period of time commencing with the scheduled termination date when the local weather forecast as predicted by the National Oceanographic and Administration Service indicates that the temperature will not exceed 32 degrees Fahrenheit for the next Day's forecast. The ACC may determine that other weather conditions are especially dangerous to health as the need arises.

2.2 APPLICATION FOR MEMBERSHIP

2.2.1 CONDITIONS FOR MEMBERSHIP

A Customer will become a member of SSVEC under the following conditions:

A. An Application for membership shall be made acknowledging the Customer's agreement to comply with and be bound by SSVEC's Articles of Incorporation and Bylaws and any rules and regulations adopted by the Board of Directors. This Application may be made in person, writing, by telephone, fax, or by any other telecommunication means.

B. A membership fee specified in the Bylaws shall be either paid in advance of the Customer's first Service Connection or included on the Customer's first bill. A former Customer who is reapplying for membership shall also pay a membership fee in advance or have the membership fee included on the first billing if it was previously refunded or applied on account.

2.2.2 MEMBERSHIP LIMIT

No Customer may hold more than one membership. A membership shall be held jointly by both husband and wife unless specified to the contrary in writing by either spouse to SSVEC.

2.3 APPLICATION FOR ELECTRIC SERVICE

2.3.1 INDIVIDUAL APPLICATIONS FOR ELECTRIC SERVICE

A Customer may request Electric Service under the following conditions:

An Application for Electric Service shall be made by the Customer, subject to the rates, terms and conditions of the applicable class of service. This Application may be made in person, writing, telephone, fax, or by any other telecommunications or electronic means authorized by the Cooperative. A Customer may authorize another party to make Application by a Power of Attorney. If Electric Service is supplied and used without a signed Application, the Customer is nonetheless subject to SSVEC's Tariffs and Service Conditions and Bylaws.

Acceptance of the Customer's Application by SSVEC constitutes an agreement for Electric Service that shall continue in force until cancelled by at least three (3) business days' Notice by either party to the other unless a different period of Notice or minimum obligation is specifically provided in the Service Termination Policy (Section 2.20), or the particular schedule or contract under which the Customer receives Electric Service.

A. SSVEC may obtain the following information from each new Applicant for service:

(1) Name or names of Applicant(s) and social security number(s), driver's license number(s) or other form of identification acceptable to SSVEC.

(2) Service address including street or rural address.

(3) Billing address and telephone number.

(4) Address where service was provided previously.

(5) Name and telephone number of employer.

(6) Name and address of relative.

(7) Date Applicant will be ready for service.

(8) Indication of whether Premises has previously received Electric Service from SSVEC.

(9) Purpose for which Electric Service is to be used and SIC (Standard Industrial Code), if applicable.

(10) Indication of whether Applicant is owner or tenant of or agent for the Premises.

(11) Information on the Energy and Demand requirements of the Customer.

(12) Type and kind of life-support equipment, if any, used by the Customer.

(13) Email Address.

(14) Verification of Legal Age.

B. Customer-specific information shall not be released without prior written Customer authorization unless the information is requested by a law enforcement or other public agency through a court order, is requested by the ACC, reasonably required for legitimate account collection activities or is necessary to provide safe and reliable service to the Customer.

C. SSVEC may require a new Applicant for Electric Service to appear at SSVEC's designated place of business to produce proof of identity and sign SSVEC's Application form if applicable.

D. Where Electric Service is requested by two or more individuals, SSVEC shall have the right to collect the full amount owed to SSVEC from any one of the Applicants.

2.3.2 ASSOCIATIONS, CORPORATIONS AND PARTNERSHIPS

An association, corporation, partnership, or similar organization shall also meet the following requirements when applying for Electric Service:

A. Establish the names and mailing addresses of the principal parties in the organization (e.g., officers, partners, local representative, etc.) and the name and relationship of the Person(s) requesting service;

B. Provide proof of the legal existence of the organization (e.g., certificate of incorporation, newspaper publication of the articles of incorporation, or other suitable legal references); and,

C. In the case of a corporation, evidence indicating the state in which it is incorporated.

2.3.3 PAYMENT OF DELINQUENT DEBTS AND LIABILITIES

All delinquent debts and liabilities of the Customer to SSVEC shall be paid before new or additional service can be made available.

2.3.4 IDENTIFICATION OF RESPONSIBLE PARTY

Any Person responsible for accounts in the name of any Customer shall be established in a manner acceptable to SSVEC. Any Person applying for Electric Service to be connected in the name of or in care of another Customer shall furnish to SSVEC notarized written approval from the Customer guaranteeing payment of all bills under the account. Application for service for a minor shall be allowed when payment is assured by a written guarantee from a responsible adult Customer. The Customer is responsible in all cases for service supplied to the Premises until SSVEC has received three (3) business days' Notice of the effective date of any change in the service Agreement. The Customer shall also promptly notify SSVEC of any change in billing or mailing address.

2.3.5 IDENTIFICATION OF LOAD AND PREMISES

The electric loads (see Section 2.11 Rates) and Premises to be served by SSVEC shall be clearly identified by the Customer at the time of Application. If the service address is not recognized in terms of a commonly used identification system, the Customer may be required to provide specific written directions before SSVEC shall act on a request for Electric Service.

2.3.6 PROVISIONS FOR LANDLORD AGREEMENTS

SSVEC will work with landlords to avoid disconnecting Electric Service from rental properties when tenants request disconnections. SSVEC will require the landlord to enter into a written agreement whereby the landlord agrees to pay to SSVEC any kWh, applicable taxes and services charges to maintain Electric Service at the required address during the vacancy period. SSVEC will read the Meter for the prior tenant's disconnect/final bill and bill the landlord accordingly until new Electric Service is requested in the name of the new tenant for the rental property. In the case of tenant non-pay disconnects, it shall be the landlord's responsibility to request that Electric Service remain active to avoid reconnection charges.

2.4 CREDIT POLICY

SSVEC shall extend credit for Electric Service when the Customer meets the criteria established for the applicable class of service as set forth in this Section.

2.4.1 RESIDENTIAL SERVICE

Except as set forth in Section 2.4.4 below, SSVEC shall extend credit to a new Applicant for residential service if the Applicant is able to meet any of the following requirements:

A. The Applicant has had service of a comparable nature with SSVEC at another service location within the past two (2) years and was not delinquent in payment more than twice during the last 12 consecutive months or disconnected for nonpayment.

B. The Applicant can produce a letter regarding credit or verification from an electric Utility where service of a comparable nature was received within the last two (2) years which states Applicant was not delinquent in payment more than twice during the last 12 consecutive months.

C. Payment of a deposit as hereinafter provided.

2.4.2 MUNICIPAL SERVICE

The sole requirement for extension of credit to any municipal body, improvement or service district, county government, the State of Arizona, the United States government or other political subdivision shall be that the authorized executive official(s) of that agency requests Electric Service.

2.4.3 ALL OTHER SERVICE

Except as set forth in Section 2.4.4 below, SSVEC shall extend credit to a new Applicant for service if the Applicant is able to meet any of the following requirements:

A. The Applicant has had service of a comparable nature with SSVEC at another service location within the past two (2) years and was not delinquent in payment more than twice during the last 12 consecutive months or disconnected for nonpayment.

B. In lieu of a deposit, a new Applicant may provide an irrevocable letter of credit from a bank or financial institution and acceptable to SSVEC or a surety bond as security for SSVEC.

C. Payment of a deposit as hereinafter provided.

2.4.4 EXCEPTIONS APPLICABLE TO SECTIONS 2.4.1 AND 2.4.3

SSVEC may still require the Customer to pay a cash deposit in lieu of any other evidence of satisfactory credit to establish, reestablish or maintain Electric Service if any of the following circumstances apply:

A. The Customer's account subsequently becomes delinquent more than two times within any 12-month consecutive period.

B. Service to the Customer is subsequently terminated for nonpayment of a delinquent account within the last 12 months.

2.4.5 DEPOSIT PROCEDURES

When SSVEC requires a cash deposit from a Customer, an SSVEC receipt shall be the primary record of the deposit. Verification of the existence of and right to a deposit may also include appropriate SSVEC records. Arrangements acceptable to SSVEC may be made for payment of cash deposits.

SSVEC shall refund residential deposits with accrued interest after twelve 12 months of service if the Customer has not been delinquent more than twice in the payment of the utility bills. Non-residential account deposits with accrued interest, surety bonds or irrevocable letters of credit shall be refunded or released after 24 months of service if the Customer has not been delinquent more than twice in the payment of the utility bills unless otherwise specified in the contract for Electric Service.

2.4.6 SCHEDULE OF DEPOSITS

A. Residential Service. Deposits shall not exceed two times that Customer's average monthly bill for the previous year, except where greater use is estimated for electric heating, water heating or other major Energy requirements.

B. Nonresidential Service. Deposit shall not exceed 2.5 times that Customer's estimated maximum monthly bills.

C. Adjustment of Deposits. SSVEC may review the Customer's usage after service has been connected and adjust the deposit amount based upon the Customer's actual usage. Deposits are subject to refund upon the establishment of credit with SSVEC. A separate deposit may be required for each Meter installed.

2.4.7 INTEREST ON DEPOSITS

SSVEC shall annually pay simple interest on a Customer's required deposit equivalent to the passbook rate of interest of SSVEC's banking institution as of January 1st of

each year. Interest shall accrue until SSVEC refunds the deposit or at its discretion applies the deposit to the Customer's unpaid account for Electric Service. Annual interest on deposits shall generally be applied to the Customer's account on the Customer's bill following the anniversary date of the deposit. When a Customer terminates service, annual interest shall be prorated to the nearest full month following the anniversary date of the deposit. In no event shall interest accrue after a final bill for service is rendered

2.4.8 GROUNDS FOR REFUSAL OF SERVICE

SSVEC may refuse to establish Electric Service if any of the following conditions exist:

A. The Applicant has an outstanding balance for the same class of Electric Service with SSVEC, and the Applicant is unwilling to make arrangements with SSVEC for payment.

B. A condition exists which, in SSVEC's sole judgment, is unsafe or hazardous to the Applicant, the general public or SSVEC's personnel, property or facilities.

C. The refusal by the Applicant to provide SSVEC with a deposit when the Customer has failed to meet SSVEC's Credit Policy herein.

D. Customer is known to be in violation of SSVEC's Tariffs or Service Conditions.

E. Failure of the Customer to furnish such funds, service, equipment, and/or rights-of-way necessary to serve the Customer which has been specified by SSVEC as a condition for providing Electric Service.

F. Applicant falsifies his or her identity for the purpose of obtaining Electric Service.

G. SSVEC may refuse to provide Electric Service until the Customer has obtained all required permits and/or inspections which indicate that the Customer's facilities comply with local construction and safety standards.

2.5 PROVISION OF ELECTRIC SERVICE

2.5.1 RESPONSIBILITY OF SSVEC

Prompt, reliable Electric Service is SSVEC's primary responsibility to the Customer. In general, there is no charge to the Customer for service calls related to voltage problems, malfunction of SSVEC equipment and other errors for which SSVEC is responsible, but service calls relating to malfunction of Customer equipment will be charged at Schedule SC Tariff rate. SSVEC shall use reasonable diligence to supply continuous service but does not guarantee Electric Service against interruptions. SSVEC is not liable to the Customer for damages resulting from interruptions beyond its control.

A. SSVEC shall be responsible for the safe transmission and distribution of electricity until it passes the Point of Delivery to the Customer.

B. SSVEC shall be responsible for maintaining in safe operating condition all Meters, equipment and fixtures installed on the Customer's facilities by SSVEC for the purpose of delivering Electric Service to the Customer.

2.5.2 RESPONSIBILITY OF CUSTOMER

A. Each Customer shall be responsible for maintaining all Customer facilities on the Customer's side of the Point of Delivery in safe operating condition.

B. Each Customer shall be responsible for safeguarding all SSVEC property and equipment installed in or on the Customer's Premises for the purpose of supplying SSVEC Electric Service to that Customer.

C. Each Customer shall exercise all reasonable care to prevent loss or damage to SSVEC property, excluding ordinary wear and tear. The Customer shall be responsible for loss of or damage to SSVEC property on the Customer's Premises arising from neglect, carelessness, or misuse and shall reimburse SSVEC for the cost of necessary repairs or replacements.

D. Each Customer shall be responsible for payment for any equipment damage and/or estimated unmetered usage resulting from unauthorized breaking of seals, interfering, tampering or bypassing the SSVEC Meter.

E. Each Customer shall be responsible for notifying SSVEC of any equipment failure identified as SSVEC's equipment.

2.5.3 MINIMUM CUSTOMER INFORMATION REQUIREMENTS

A. Information for residential Customers.

(1) SSVEC shall make available upon Customer request not later than 15 Days from the date of request a concise summary of the rate schedule applied for by such Customer.

The summary shall include the following:

(a) The monthly Minimum Charge or other Customer charge, identifying the amount of the charge and the specific amount of usage included in the Minimum Charge, where applicable.

(b) Rate blocks, where applicable.

(c) Any adjustment factor(s) and method of calculation.

(2) SSVEC shall, to the extent practical, identify the Tariff most advantageous to the Customer and notify the Customer of such prior to commencement of Electric Service.

(3) SSVEC shall make available upon Customer request, but not later than 60 Days from the date of commencement of Electric Service, a concise summary of SSVEC's Tariffs or the ACC rules and regulations concerning:

(a) Deposits

(b) Termination of Electric Service

(c) Billing and collection

(d) Customer complaints

(4) SSVEC, upon request of a Customer, shall transmit a written statement of actual consumption by such Customer for each billing period during the prior 12 months unless such data is not reasonably ascertainable.

(5) SSVEC shall inform all new Customers of their right to obtain the information specified above.

B. Information required due to changes in Tariffs.

(1) SSVEC shall transmit to affected Customers a concise summary of any change in SSVEC's Tariffs affecting those Customers.

(2) The above information shall be transmitted to the affected Customer within 60 Days of the effective date of the change.

2.5.4 CONTINUITY OF SERVICE

SSVEC shall make reasonable efforts to supply a satisfactory and continuous level of Electric Service. However, SSVEC shall not be responsible for any damage or claim of damage attributable to any interruption or discontinuation of Electric Service resulting from:

A. Any cause against which SSVEC could not have reasonably foreseen or made provision for, e.g., force majeure (Act of God), interruption of wholesale power supply, etc.

B. Scheduled Electric Service interruptions to make repairs or perform routine maintenance.

C. Curtailment.

D. Interruptible Service.

2.5.5 ELECTRIC SERVICE INTERRUPTIONS

A. SSVEC shall make reasonable efforts to reestablish Electric Service within the shortest possible time when Electric Service interruptions occur.

B. SSVEC shall make reasonable provisions to meet emergencies resulting from failure of Electric Service, and SSVEC shall issue instructions to its employees covering procedures to be followed in the event of emergency in order to prevent or mitigate interruption or impairment of Electric Service.

C. In the event of a national emergency or local disaster resulting in disruption of normal Electric Service, SSVEC may, in the public interest, interrupt Electric Service to other Customers to provide necessary service to civil defense or other emergency service agencies on a temporary basis until normal Electric Service to these agencies can be restored.

D. When SSVEC plans to interrupt Electric Service for more than four (4) hours to perform necessary repairs or maintenance, SSVEC shall attempt to inform affected Customers verbally or through effective media at least 24 hours in advance of the scheduled date and estimated duration of the Electric Service interruption. Such repairs shall be completed in the shortest possible time and in accordance with proper electrical and safety standards in order to minimize the inconvenience to the Customers of SSVEC. In case of emergency conditions, SSVEC may suspend Electric Service without prior Notice to affected Customers.

E. Interruptible or Controlled Service under an approved Tariff shall not be considered an Electric Service interruption for purposes of this Section.

2.5.6 SERVICE CALLS DURING REGULAR BUSINESS HOURS

Service charges as provided in SSVEC's approved Tariffs shall be imposed for service calls performed during regular business hours for one of the following reasons:

A. Interruptions caused by the Customer's negligence or failure of Customer-owned equipment. Reasonable efforts will be made to advise the Customer about the responsibility for such charges before the service call starts.

B. Reconnection of Electric Service to any Customer previously disconnected for unlawful use of service (including tampering or theft), misrepresentation to SSVEC, unsafe conditions, threats to SSVEC personnel or property, failure to permit safe access, detrimental effects of Customer loads on SSVEC's system, or failure to establish credit and/or follow procedures to establish Electric Service.

C. Premises visits regarding action associated with disconnection of Electric Service for non-payment of a delinquent bill (whether or not service is actually disconnected as a result of such visit) or for reconnection of Electric Service that has previously been disconnected for non-payment. The service charge may be applied in the case of reconnections effectuated through remote metering when the Customer has been disconnected for non-payment of a delinquent bill.

D. Meter testing performed at the written request of the Customer. However, if SSVEC's test shows that the Meter is inaccurate by more than three (3) percent, the service charge will be waived or refunded to the Customer.

2.5.7 SERVICE CALLS AFTER REGULAR BUSINESS HOURS

Service charges as provided in SSVEC approved Tariffs shall be imposed for a service call after regular business hours for one of the following reasons:

A. Interruptions caused by the Customer's negligence or failure of Customer-owned equipment, even though SSVEC is unable to perform any work beyond the Point of Delivery. The Customer shall be advised about the responsibility for such charges before the service call starts.

B. Reconnection of Electric Service to any Customer previously disconnected for unlawful use of service (including tampering or theft), misrepresentation to SSVEC, unsafe conditions, threats to SSVEC personnel or property, failure to permit safe access, detrimental effects of Customer loads on SSVEC's system, or failure to establish credit and/or sign an agreement for service. Such work will be performed only when requested and agreed to by the Customer.

C. Premises visits regarding action associated with disconnection of Electric Service for non-payment of a delinquent bill (whether or not service is actually disconnected as a result of such visit) or for reconnection of Electric Service that has previously been disconnected for non-payment. The service charge may be applied in the case of reconnections effectuated through remote metering when the Customer has been disconnected for non-payment of a delinquent bill.

D. Should Electric Service be established during a period other than regular working hours at the Customer's request, the Customer may be required to pay an after-hour charge for the Service Connection. Where SSVEC scheduling will not permit Service Establishment on the same day requested, the Customer can elect to pay the after-hour charge for establishment that day or his service will be established on the next available normal business day.

E. For the purpose of this Section, the definition of Service Establishments are where the Customer's facilities are ready and acceptable to SSVEC and SSVEC needs only to install a Meter, read a Meter, or turn on Electric Service.

F. Except in emergency situations, as determined by SSVEC in its sole discretion, SSVEC will not make a service call after 9:00 p.m.

2.5.8 CHARGES FOR ELECTRIC SERVICE CONNECTIONS

A. New and Additional Electric Service Connections. Service charges as provided in SSVEC approved Tariffs shall be imposed for new and additional Electric Service or for a change in Electric Service location to a new address.

B. Service Connection Callbacks. Service charges as provided in SSVEC approved Tariffs shall be imposed for a return trip to connect Electric Service if, at the Customer's request, it was previously made available at the Point of Delivery, if an inaccurate service address provided by the Customer results in a Service Connection callback or if the Customer postpones or cancels any service order already completed by SSVEC. Except in emergency situations as determined by SSVEC, SSVEC will not connect Electric Service after 9:00 p.m.

C. Property Damage. The Customer shall be billed for damages to SSVEC equipment or property caused by the Customer or the Customer's employee(s) or agent(s). Such damages and the cost of repair shall be billed at SSVEC's current rates for labor, transportation, equipment, and materials, less appropriate credit for salvage, if any.

2.6 COMPLAINTS

SSVEC shall promptly investigate any legitimate complaint by a Customer about SSVEC's quality of service, charges for service, or other transactions or incidents involving SSVEC personnel.

2.6.1 CUSTOMER SERVICE COMPLAINTS

A. SSVEC shall make a full and prompt investigation of all service complaints made by its Customers.

B. SSVEC shall respond to the complaint within five (5) business Days of its receipt of the complaint as to the status of SSVEC's investigation of the complaint.

C. SSVEC shall notify the complainant of the final disposition of each complaint. Upon request of the complainant SSVEC shall report the findings of its investigation in writing.

D. SSVEC shall inform the Customer of his/her right of appeal to the ACC.

E. SSVEC shall keep a record of all written service complaints received that shall contain, at a minimum, the following data:

(1) Name and address of complainant.

(2) Date and nature of the complaint.

(3) Disposition of the complaint.

(4) A copy of any correspondence between SSVEC, the Customer, and/or the ACC.

This record shall be maintained for a minimum period of one (1) year and shall be available for inspection by the ACC.

2.6.2 CUSTOMER BILL DISPUTES

A. Any SSVEC Customer who disputes a portion of a bill rendered for SSVEC service shall pay the undisputed portion of the bill and notify SSVEC's designated representative that such unpaid amount is in dispute prior to the delinquent date of the bill.

B. Upon receipt of the Customer Notice of dispute, SSVEC shall:

(1) Notify the Customer within five (5) business Days of the receipt of a written dispute Notice.

(2) Initiate a prompt investigation as to the source of the dispute.

(3) Withhold disconnection of service until the investigation is completed and the Customer is informed of the results. Upon request of the Customer, SSVEC shall report the results of the investigation in writing.

(4) Inform the Customer of his/her right of appeal to the ACC.

C. Once the Customer has received the results of SSVEC's investigation, the Customer shall submit payment within five (5) business Days to SSVEC for any disputed amounts. Failure to make full payment shall be grounds for termination of service.

2.6.3 ACC RESOLUTION OF SERVICE AND/OR BILL DISPUTES

A. In the event a Customer and SSVEC cannot resolve a service and/or bill dispute, the Customer shall file a written statement of dissatisfaction with the ACC in accordance with the procedures set forth in Arizona Administrative Code R14-2-212(C), which shall apply to the dispute.

B. SSVEC may implement normal termination procedures if the Customer fails to pay all bills rendered during the resolution of the dispute by the ACC.

C. SSVEC shall maintain a record of written statements of dissatisfaction and their resolution for a minimum of one (1) year and make such records available for ACC inspection.

2.7 CONSTRUCTION STANDARDS AND SAFETY

A. SSVEC shall construct all facilities in accordance with, and otherwise comply with the provisions of, Arizona Administrative Code R14-2-208.F.1.

B. SSVEC shall adopt a standard alternating nominal voltage or standard alternating nominal voltages (as may be required by its distribution system) for its entire Service Area in accordance with, and otherwise comply with the provisions of, Arizona Administrative Code R14-2-208.F.2.

2.8 BILLING POLICY

2.8.1 TAX AND ASSESSMENT CLAUSE

Billing under all schedules and Tariffs will be increased by an amount equal to the sum of all federal, state, county, municipal and other governmental levies, gross receipts, license fees, and other impositions of similar character assessed on the basis of gross revenue of the Cooperative and/or the revenue from the electricity or services sold and/or the Kilowatt-Hours of electricity generated or purchased for sale and/or sold hereunder. In the case of an increase in rates of existing taxes of this character or additional new taxes, licenses or fees based upon generation, distribution, purchase, and/or sale of electric power current or Energy shall be imposed upon or required to be paid by the Cooperative, the rates herein may be increased by a surcharge equal to the amount of the cost per kWh, or per consumer, or per Demand, capacity, or other applicable unit of charge for such new or additional taxes, licenses or fees.

2.8.2 ACC APPROVED RATE ADJUSTMENT FACTORS

SSVEC's rates are subject to the imposition of various adjustment factors established and approved for billing by the ACC from time to time. These rates could include, but are not limited to, purchased power, demand side management, generated power and debt adjustments.

2.8.3 FREQUENCY AND ESTIMATED BILLS

A. SSVEC shall render itemized monthly service bills on a cycle system. Regular Meter readings shall be scheduled for periods of not less than 25 Days or more than 35 Days. In the event a Customer establishes Electric Service within 5 Days prior to the scheduled Meter read date, the usage will be applied to the following billing cycle, and no bill will be rendered to the Customer. In the event a Customer discontinues Electric Service within 5 Days after the scheduled Meter read date, a bill for any usage and other applicable charges will be presented as the closing bill.

B. If SSVEC is unable to read the Meter on or about the scheduled Meter read date, SSVEC will estimate the consumption for the Billing Period giving consideration to the following factors where applicable:

(1) The Customer's usage during the same month of the previous year.

(2) The amount of usage during the preceding month.

(3) In accordance with Schedule EM – Estimation Methodologies

C. After the third consecutive month of estimating the Customer's bill for reasons other than severe weather, SSVEC will attempt to secure an accurate reading of the Meter.

D. Failure on the part of the Customer to comply with a reasonable request by SSVEC for access to its Meter may lead to the discontinuance of Electric Service.

E. Estimated bills will be issued only under the following conditions:

(1) Failure of a Customer who reads his/her own Meter to deliver the Meter reading information to SSVEC in accordance with the requirements of SSVEC billing cycle.

(2) When severe weather conditions which prevent SSVEC from reading the Meter, remote locations which make it uneconomical to read on a monthly basis, emergencies or work stoppage prevent actual Meter readings.

(3) Circumstances that make it dangerous or impossible to read the Meter, including but not limited to: locked gates, blocked Meters, vicious or dangerous animals, etc.

(4) Communications issues with automated metering.

(5) The billing is not the first or final billing for Electric Service.

(6) Due to Customer equipment failure, a one-month estimation will be allowed.

F. Each bill based on estimated usage will indicate that it is an estimated bill.

2.9 METER READING

2.9.1 COMPANY OR CUSTOMER METER READING

A. SSVEC may, at its discretion, allow for Customer reading of Meters.

B. It shall be the responsibility of SSVEC to inform the Customer how to properly read his/her Meter.

C. Where a Customer reads his or her own Meter, SSVEC will read the Customer's Meter at least once every six (6) months.

D. SSVEC shall specify the timing and other requirements for the Customer to submit his or her monthly Meter reading to conform to SSVEC's billing cycle.

E. In the event the Customer fails to submit the reading on time, SSVEC may issue the Customer an estimated bill.

F. Meters shall be read monthly on as close to the same day as practical.

2.9.2 MEASURING OF SERVICE

A. All Energy sold to Customers and all Energy consumed by SSVEC, except that sold according to fixed charge schedules, shall be measured by commercially acceptable measuring devices owned and maintained by SSVEC, except where it is impractical to install Meters, such as street lighting or security lighting, or where otherwise authorized by the ACC.

B. When there is more than one Meter at a location, the metering equipment shall be so tagged or plainly marked as to indicate the circuit metered or metering equipment.

C. Meters which are not direct reading shall have the multiplier plainly marked on the Meter.

D. All charts taken from recording Meters shall be marked with the date of the record, the Meter number, Customer, and chart multiplier.

E. Metering equipment shall not be set "fast" or "slow" to compensate for supply transformer or line losses.

2.9.3 CUSTOMER REQUESTED REREADS

A. SSVEC shall at the request of a Customer reread that Customer's Meter within ten (10) business Days after receiving such request by the Customer.

B. Any Meter reread may be charged to the Customer consistent with the Tariff rate on file and approved by the ACC provided that the original reading was not in error.

2.9.4 RECORD OF CONSUMPTION

The installation and/or registration of SSVEC's Meter at the Customer's point of delivery shall serve as initiation of service and the Meter reading shall serve as evidence of the amount of energy and/or billing demand used by the Customer, except where non-metered service is supplied. However, in the event of failure of SSVEC's Meter or of SSVEC personnel to obtain an actual reading, SSVEC will estimate the usage in accordance with Schedule EM–Estimation Methodologies.

2.9.5 ACCESS TO CUSTOMER PREMISES

SSVEC shall have the right of safe ingress to and egress from the Customer's Premises at all reasonable hours for any purpose reasonably connected with SSVEC's property used in furnishing Service and the exercise of any and all rights secured to it by law or these Service Conditions.

2.10 CHANGE OF OCCUPANCY

A. No less than three (3) business Days' advance Notice must be given in person, in writing, or by telephone at the company's office to discontinue service or to change occupancy.

B. The outgoing Customer shall be responsible for payment for all SSVEC Electric Services provided and/or consumed up to the scheduled turn-off date.

C. The outgoing Customer shall be responsible for providing access to the Meter so that SSVEC may obtain a final Meter reading.

2.11 RATES

SSVEC supplies Electric Service under several rate schedules, and, at the time of Application, selects the most favorable rate for which the Customer is reasonably eligible based upon information available at the time of Application. It shall be the responsibility of the Customer, however, to notify SSVEC and request rate reclassification if eligibility for the assigned rate changes or if the size or character of connected electric load substantially changes. Retroactive billing adjustments for a Customer on an incorrect rate shall be limited to the three (3) immediately previous Billing Periods only, except in cases of misrepresentation by the Customer where adjustment shall be retroactive to the original date of Service Connection.

2.12 BILLING OF LINE EXTENSION CHARGES

The Customer shall be billed the applicable Tariff indicated in the Customer's Application for Service, on the first billing cycle at least thirty (30) Days after Electric Service is installed and connection made regardless of whether the Customer has begun actual Energy use.

2.13 BILLING INFORMATION

All Electric Service bills shall identify the Premises served (by Premise's address, service number, and SSVEC location number, as well as Customer-specific service identifier) and the type of service provided. Other information provided will be as follows:

A. Each Meter at a Customer's Premises will be considered separately for billing purposes, and the readings of two or more Meters will not be combined unless otherwise provided for in SSVEC's Tariffs.

B. Each bill for residential Electric Service will contain the following minimum information:

(1) The beginning and ending Meter readings of the Billing Period, the dates thereof, and the number of Days in the Billing Period.

(2) The date the bill will be considered due.

(3) Billed usage and Demand.

(4) Rate schedule number.

(5) SSVEC's telephone numbers and addresses.

(6) Customer's name and service account number.

(7) Amount due and any previous amount due.

(8) Adjustment factor, where applicable.

(9) Taxes.

(10) The ACC's address and toll-free telephone number.

2.14 CUSTOMER BILLS AND OTHER NOTICES

SSVEC shall mail or electronically transmit (per electronic billing program) Electric Service bills and other important Notices to the last known address provided by the Customer. It is the Customer's responsibility to notify SSVEC about any change in or correction to Customer's billing address. In no case shall failure to receive a bill or other important Notice mailed or transmitted to the Customer's billing address of record relieve or diminish the Customer's obligation to pay for Electric Service.

2.15 TERMS OF PAYMENT

A. All Electric Service bills are due and payable no later than fifteen (15) Days from the date of the bill. Any payment not received within this time-frame shall be considered delinquent and could incur a late payment charge. Electric Service bills for the current Billing Period may be paid in person or by mail at any SSVEC business office, or to any authorized collection agent of SSVEC. Payment of delinquent charges, however, may be limited by SSVEC to a specific method, time, and place under terms of SSVEC's collection policy or a deferred payment agreement.

B. For the purposes of this Section, the date a bill is rendered may be evidenced by:

(1) The postmark date.

(2) The mailing date.

(3) The billing date shown on the bill (however, the billing date shall not differ from the postmark or mailing date by more than two (2) Days).

(4) The transmission date for electronic bills.

C. Failure to receive bills or Notices which have been properly placed in the United States mail or that have been properly transmitted via secure website, shall not prevent such bills from becoming delinquent nor relieve the Customer of his obligations therein.

D. Charges for Electric Service commence when the Service is installed and connection made, whether used or not.

E. A late payment penalty may be added to all past-due balances which remain unpaid for at least fifteen (15) Days beyond the due date in accordance with approved SSVEC Tariffs.

2.16 OPTIONAL PAYMENT PLANS

Eligible Customers may elect the following plans:

2.16.1 BUDGET BILLING

For convenience of SSVEC's residential and small commercial Customers, and at no additional charge, SSVEC may offer a budget billing plan based on 12 months of the Customer's estimated total charges. Budget billing requires sufficient billing history to accurately estimate the Customer's monthly installment. Annually, the plan will have a catch-up time on the anniversary date of initiation. At that time, either credit amounts shall be refunded, debit amounts billed, or, at the discretion of SSVEC, the credit or debit amount rolled into the next year's budget billing plan. SSVEC may adjust the Customer's budget billing amount in the event the estimate of the Customer's usage or cost should vary significantly from the Customer's actual usage or cost. Two consecutive delinquencies will be cause for removal of the Customer from the budget billing plan and all amounts will become due and payable.

2.16.2 SUREPAY AUTOMATIC PAYMENT PLAN

For the convenience of all Customers with appropriate accounts at designated financial institutions and at no additional charge, SSVEC may offer an optional SurePay Automatic Payment Plan under which the Customer's financial institution is authorized to accept the Customer's Electric Service bill as a draft on the Customer's account. An eligible Customer shall acknowledge the terms of the SurePay Automatic Payment Plan before the Plan is effective provided that either party may cancel upon thirty (30) Days' Notice to the other.

2.16.3 PREPAID METERING SERVICES

Pre-paid metering is a payment option that SSVEC may offer to its members. Pre-paid metering provides more payment flexibility to its members and is known to reduce deposits, eliminate late charges and help members better manage bills, and works to reduce administrative and collection costs for the Cooperative. Customers may contact SSVEC offices for additional information.

2.16.4 ELECTRONIC/PAPERLESS BILLING

SSVEC may offer an electronic/paperless billing program. A Customer may elect to receive their Electric Service bill, as well as other SSVEC Notices and Member communications, via an electronic medium such as, but not limited to, web-site and email. A Customer who elects to receive their Electric Service bill electronically, may not receive a paper//hard copy bill or Notices via U.S. mail. A Customer may elect electronic billing through SSVEC's website wherein the Customer shall acknowledge and agree to be bound by the terms and conditions of the program. It is the Customer's responsibility to provide to SSVEC, and to maintain, a current and correct email address. A Customer of the program may discontinue participation under the program upon 30 Days' Notice to SSVEC. SSVEC may discontinue the program at any time upon 30 Days' Notice to Customers.

2.16.5 CREDIT CARD PAYMENT RATE SCHEDULE

A. Type of Service:

SSVEC may accept credit cards for the payment of all Electric Services. Payment by credit card is an alternative and optional method of paying for Electric Services.

B. Availability:

Payment by credit card shall be available to all SSVEC Customers receiving sales and services provided by SSVEC. Only credit cards approved by SSVEC will be accepted.

C. Place of Payment:

Credit card payments may be made as follows:

(1) At any of SSVEC's Customer service offices where payments are accepted.

(2) SSVEC, in its sole discretion, may authorize personnel who are in the field to accept credit card payments.

(3) By telephone.

(4) SSVEC Customers may have their monthly bill automatically charged to their credit card in accordance with the SurePay Automatic Payment Plan.

D. Conditional Acceptance of Payment:

Payment by credit card shall not be deemed accepted by SSVEC unless accepted and paid by the issuing bank. If for any other reason, including, but not limited to, cancellation of the credit card by the Customer or the payment by credit card is dishonored or rejected by the issuing financial institution, the credit card payment shall be treated the same as insufficient funds. In that event, the Customer's status shall be the same as if no payment was tendered, and an insufficient funds charge will be charged to the Customer's SSVEC account in accordance with SSVEC's Tariffs and Service Conditions.

2.17 INSUFFICIENT FUNDS (NSF) OR RETURNED PAYMENTS

A. SSVEC shall be allowed to charge a fee in accordance with its Tariffs for each instance where a Customer tenders payment for Electric Service with a check or other financial instrument (including a credit card) which is returned by the Customer's bank or financial institution for insufficient funds.

B. When SSVEC is notified by the Customer's bank or other financial institution that the check or financial instrument tendered for the Electric Service will not clear, SSVEC may require the Customer to make payment in cash, by money order, certified check, or other means which guarantees the Customer's payment to SSVEC.

C. A Customer who tenders an insufficient check or financial instrument shall in no way be relieved of the obligation to render payment to SSVEC under the original terms of the bill nor does it defer SSVEC's ability to terminate Electric Service for nonpayment of bills.

D. SSVEC may require guaranteed funds (cash, money order, certified check or credit card) from a Customer who has paid with an insufficient check or financial instrument three (3) or more times within a twelve (12) month period.

2.18 COLLECTION POLICY

It is the responsibility of SSVEC to initiate collection action on delinquent accounts in order to protect its fiscal integrity and the interest of all Members. SSVEC may institute collection action on any account which has been disconnected (on either a seasonal or permanent basis) where an outstanding balance has remained unpaid for thirty (30) Days after issuance of the final bill. At the discretion of SSVEC, a collection action may be instituted through a collection agency retained by SSVEC or by any means legally permissible.

2.19 PAYMENT OF BILLS AND DELINQUENT BILLS

2.19.1 NOTICE OF DELINQUENT STATUS

All bills for Electric Services are due and payable no later than fifteen (15) Days from the date of the bill. Any payment not received by SSVEC within fifteen (15) Days shall be considered delinquent and is subject to a late charge in accordance with SSVEC's Tariffs. The Customer shall be notified of a delinquent account by first class U.S. mail, by personal delivery, or by electronic notification (if applicable) at least five (5) Days before a scheduled disconnection. A delinquent account may include past-due amounts transferred from other inactive accounts held by the Customer for the same class of service.

2.19.2 DEFERRED PAYMENT PLAN

SSVEC may, prior to termination of Electric Service, offer to qualifying residential Customers a deferred payment plan for the Customer to retire unpaid electric bills. Each deferred payment agreement entered into by SSVEC and the Customer shall provide that service will not be disconnected if:

A. The Customer agrees to pay a reasonable amount of the outstanding bill at the time of entering into the deferred payment plan.

B. The Customer agrees to pay all future bills for Electric Service in accordance with the billing and collection Tariffs of SSVEC.

C. The Customer agrees to pay a reasonable portion of the remaining outstanding balance in installments over a period not to exceed six (6) months.

D. For the purposes of determining a reasonable installment payment schedule of a deferred payment plan, SSVEC and the Customer shall give consideration to the following details:

E. Size of the delinquent account.

F. Customer's ability to pay.

G. Customer's payment history.

H. Length of time that the debt has been outstanding.

I. Circumstances which resulted in the debt being outstanding.

J. Any other relevant factors related to the circumstances of the Customer.

Customers desiring to enter into a deferred payment plan (if offered by SSVEC) shall establish such agreement prior to SSVEC's scheduled termination date for nonpayment of bills. The Customer's failure to execute such an agreement prior to the termination date will not prevent SSVEC from disconnecting service for nonpayment.

Deferred payment plans may be in writing and may be signed by the Customer and an authorized SSVEC representative.

A deferred payment plan may include an ACC-approved finance charge.

If the Customer has not fulfilled the terms of a deferred payment plan, SSVEC may disconnect service pursuant to the termination of service rules and SSVEC will not be required to offer subsequent negotiation of a deferred payment plan prior to disconnection.

2.20 TERMINATION OF ELECTRIC SERVICE

2.20.1 NON-PERMISSIBLE REASONS TO DISCONNECT ELECTRIC SERVICE

SSVEC may not disconnect Electric Service for any of the reasons stated below:

A. Delinquency in payment for Electric Services rendered to a prior Customer at the Premises where service is being provided, except in the instance where the prior Customer continues to reside on the Premises.

B. Failure of the Customer to pay for Electric Service or equipment which is not regulated by the ACC.

C. Nonpayment of a bill related to another class of Electric Service.

D. Failure to pay for a bill to correct a previous under-billing due to an inaccurate Meter or Meter failure if the Customer agrees to pay over a reasonable period of time.

E. SSVEC shall not terminate residential Electric Service where the Customer has an Inability to Pay and:

(1) The Customer can establish through medical documentation that, in the opinion of a licensed medical physician, termination would

be especially dangerous to the Customer's, or a permanent resident residing on the Customer's Premises, health;

(2) Life supporting equipment used in the home that is dependent on SSVEC Electric Service for operation of such apparatus; or

(3) Where weather will be especially dangerous to health as defined herein or as determined by the ACC.

F. Residential Electric service to ill, Elderly, or Handicapped Persons who have an Inability to Pay will not be terminated until all of the following have been attempted:

(1) The Customer has been informed of the availability of funds from various government and social assistance agencies of which SSVEC is aware.

(2) A third party previously designated by the Customer (if applicable) has been notified and has not made arrangements to pay the outstanding SSVEC bill.

G. A Customer utilizing the provisions of Paragraphs E or F above may be required to enter into a deferred payment agreement with SSVEC within ten (10) Days after the scheduled termination date.

H. Failure to pay the bill of another Customer as guarantor thereof.

I. Disputed bills where the Customer has complied with the ACC's rules on Customer bill disputes.

2.20.2 TERMINATION OF ELECTRIC SERVICE WITHOUT NOTICE

A. SSVEC's Electric Service may be disconnected without advance written Notice under the following conditions:

(1) The existence of an obvious hazard to the safety or health of the Customer or the general population or SSVEC's personnel or facilities;

(2) SSVEC has evidence of Meter Tampering or fraud; or

(3) Failure of a Customer to comply with the Curtailment procedures imposed by SSVEC during supply shortages.

B. SSVEC shall not be required to restore Electric Service until the conditions which resulted in the termination have been corrected to the satisfaction of SSVEC.

C. SSVEC shall maintain a record of all terminations of Electric Service without Notice. This record shall be maintained for one (1) year and available for ACC inspection.

2.20.3 TERMINATION OF ELECTRIC SERVICE WITH NOTICE

A. SSVEC may disconnect Electric Service to any Customer for any reason stated below provided SSVEC has met the Notice requirements established by the ACC with the exception of those items referenced in Section 2.20.1 of the SSVEC Service Conditions:

(1) Customer violation of any of SSVEC's Tariffs.

(2) Failure of the Customer to pay a delinquent bill for SSVEC Service.

(3) Failure to meet or maintain SSVEC's deposit requirements.

(4) Failure of the Customer to provide SSVEC reasonable access to its equipment and property.

(5) Customer breach of contract for Electric Service between SSVEC and Customer.

(6) When necessary for SSVEC to comply with an order of any governmental agency having such jurisdiction.

B. SSVEC shall maintain a record of all terminations of Electric Service with Notice. This record shall be maintained for one (1) year and available for ACC inspection.

2.20.4 TERMINATION NOTICE REQUIREMENTS

A. SSVEC shall not terminate Electric Service to any of its Customers without providing advance written Notice to the Customer of SSVEC's intent to disconnect Electric Service, except under those conditions specified where advance written Notice is not required.

B. Such advance written Notice shall contain, at a minimum, the following information:

(1) The name of the Person whose Electric Service is to be terminated and the address where Electric Service is being rendered.

(2) SSVEC Tariff that was violated and explanation thereof or the amount of the bill which the Customer has failed to pay in accordance with the payment policy of SSVEC, if applicable.

(3) The date on or after which Electric Service may be terminated.

(4) A statement advising the Customer to contact SSVEC at a specific address or phone number for information regarding any deferred payment or other procedures which SSVEC may offer or to work out some other mutually agreeable solution to avoid termination of the Customer's Electric Service.

(5) A statement advising the Customer that SSVEC's stated reason for the termination of Electric Services may be disputed by contacting SSVEC at a specific address or phone number, advising SSVEC of the dispute and making arrangements to discuss the cause for termination with a responsible employee of SSVEC in advance of the scheduled date of termination. The responsible employee shall be empowered to resolve the dispute and SSVEC shall retain the option to terminate Electric Service after affording this opportunity for a meeting and concluding that the reason for termination is just and advising the Customer of his right to file a complaint with the ACC.

C. Where applicable, a copy of the termination Notice will be simultaneously forwarded to designated third parties.

2.20.5 TIMING OF TERMINATIONS WITH NOTICE

A. SSVEC shall give at least five (5) Days' advance written Notice prior to the termination date.

B. Such Notice shall be considered to be given to the Customer when a copy thereof is left with the Customer or posted first class in the United States mail, addressed to the Customer's last known address or electronically transmitted via secure web server, if applicable.

C. After the period of time allowed by the Notice has elapsed, if the delinquent account has not been paid nor arrangements made with SSVEC for the payment thereof or in the case of a violation of SSVEC's rules, the Customer has not satisfied SSVEC that such violation has ceased, SSVEC may then terminate Electric Service on or after the day specified in the Notice without giving further Notice.

D. Electric Service may be disconnected in conjunction with a personal visit to the Premises by an authorized representative of SSVEC or remotely.

E. SSVEC shall have the right (but not the obligation) to remove any or all of its property installed on the Customer's Premises upon the termination of Electric Service.

2.20.6 LANDLORD/TENANT RULE

A. In situations where Service is rendered at an address different from the mailing address of the bill or where SSVEC knows that a landlord/tenant relationship exists and that the landlord is the Customer of SSVEC, and where the landlord as a Customer would otherwise be subject to disconnection of service, SSVEC may not disconnect service until the following actions have been taken:

B. Where it is feasible to so provide Electric Service, SSVEC, after providing Notice, as required in these Service Conditions, shall offer the occupant the opportunity to subscribe for Electric Service in his or her own name. If the occupant then declines to so subscribe, SSVEC may disconnect Electric Service in accordance with these Service Conditions.

C. SSVEC shall not attempt to recover from a tenant any outstanding bills or other charges due upon the outstanding account of the landlord.

2.21 SERVICE TERMINATION PROCEDURE

After SSVEC delivers the required Electric Service termination Notice, it shall observe the following procedure:

A. In the case of a delinquent account only, and except for remote metered services, the SSVEC employee assigned to disconnect Electric Service shall make reasonable efforts before termination to identify themselves as SSVEC personnel to the Customer, describe the purpose of their presence at the Customer's Premises, and advise the Customer that payment of the total amount due can be accepted in the field to prevent termination.

B. In the case of a delinquent account only, the Customer may pay the total amount due to authorized SSVEC personnel assigned to terminate Electric Service, including a service charge as provided in SSVEC's Tariffs. If the Customer does not pay the total amount due, Electric Service may be disconnected. SSVEC may require that the payment be made by cash, credit card, money order, or cashier's check in lieu of a personal check.

2.22 NON-LIABILITY

The Cooperative shall not be liable to the Customer or any third party for any loss, injury, death, or damage to property resulting from the Customer's use of his/her equipment or from the use of Electric Service beyond the Point of Delivery. It is the Customer's responsibility to provide adequate protective equipment to protect the Customer's equipment from high or low voltage, phase reversals, or single-phasing conditions.

2.23 UNLAWFUL USE OF ELECTRIC SERVICE

When accepting service, the Customer agrees that only authorized SSVEC representatives shall be allowed to remove or replace any Cooperative equipment installed on the Customer's property. The Customer will be held responsible for any broken seals, tampering or interfering with the Cooperative's Meter(s), equipment, or property installed on the Customer's premises. In cases where SSVEC has evidence of Meter Tampering or theft of Electric Service, the Electric Service shall be subject to immediate disconnection. SSVEC shall not be required to restore Electric Service until the conditions which resulted in the termination have been corrected to the satisfaction of SSVEC. SSVEC shall be entitled to collect the applicable rate and Energy usage not recorded on the Meter as a result of the Meter Tampering or theft of Electric Service, as well as all applicable services charges, expenses incurred by SSVEC for property damage, investigation of the illegal act, and any legal expenses and court costs. The Customer should be aware it is a felony to tamper with the property of a utility per A.R.S. 13-1602.

2.24 THREATS TO SSVEC PERSONNEL OR PROPERTY

Threats to SSVEC personnel or property shall not be tolerated and Electric Service to the threatening party may be discontinued until such action has been taken that SSVEC is assured that it may serve the threatening party without danger to SSVEC personnel or property. The

Customer shall pay the applicable service charge for reconnection before Electric Service will be restored.

2.25 FAILURE TO PERMIT SAFE ACCESS

Any barrier or obstacle preventing safe access to any SSVEC facility or property shall be eliminated at the Customer's expense. The Customer shall provide adequate assurance to SSVEC that reasonable access shall be permitted in the future.

2.26 DETRIMENTAL EFFECTS OF THE CUSTOMER'S EQUIPMENT OR OPERATING PROCEDURES

The Customer shall eliminate or correct the conditions causing detrimental effects on SSVEC equipment or the integrity of its facilities, pay any damages, including repair costs, caused by the Customer, provide adequate assurance to SSVEC that similar conditions shall not occur in the future, and pay any applicable service charges for reconnection.

2.27 USE OF SERVICE

Except in cases of existing Master Metered mobile home parks or multifamily apartments, Electric Service under all rate schedules shall not be resold or shared with others.

3. TECHNICAL STANDARDS AND REQUIREMENTS RELATED TO EXTENSIONS OF ELECTRIC SERVICE

The following provisions ("extension policy") have been adopted to provide service to Customers whose requirements are deemed by SSVEC to be ordinary course in nature. In unusual circumstances, when the application of these provisions are impractical, or in the case of extension of lines to be operated above the specified voltages in the applicable rate schedule, or in case the Customer's requirements exceed 1,000 kVA, SSVEC shall make a study of the conditions to determine the basis on which Electric Service may be rendered. All Line Extensions are made on the basis of proper system integration. Guides are offered below for use in circumstances where new Line Extension feasibility is generally acceptable.

3.1 STANDARD VOLTAGES

The extension shall be designed and constructed for operation at the standard distribution voltages used by SSVEC in the particular area in which the extension is located, but this policy is not applicable to extensions which require the installation of any lines or equipment operating at more than those specified voltages in the applicable rate schedule or demands of greater than 1,000 kVA. In the case of 3-phase service, a Line Extension shall be made under this extension policy where the Customer has installed major 3-phase equipment (single units of 10 HP or more or where total aggregate nameplate horsepower (HP) of all connected 3-phase motors exceed 15 HP). Voltage other than those specified for the various rate classes shall be considered as abnormal voltage and considered under the terms of Section 3.2. Only single phase/three wire or three phase/four wire services shall be provided to normal rate classes. Three phase Delta voltages supplied from an underground primary system shall be considered abnormal and nonstandard. Steady state voltage shall be maintained pursuant to Arizona Administrative Code R14-2-208.F.2.

Standard voltages provided by SSVEC and available to all Customers are:

120/240 volts, single-and three-phase (three-phase is not available from underground primary systems);

240/480 volts, single-phase only;

120/208 volts, single-and three-phase; and

277/480 volts, three-phase.

3.2 ABNORMAL LOADS AND SERVICES

Abnormal loads are those requiring nonstandard voltages or three-phase motors larger than 200 HP, single-phase motors 10 HP and larger, single-phase to three-phase converters, intermittent loads (large welders, electric furnaces, elevators, etc.) or others requiring non-standard service characteristics. SSVEC may, at its option, extend Service to an abnormal load provided the Customer shall advance to SSVEC the entire cost, as a non-refundable Contribution in Aid-of-Construction for all materials, labor, overhead, and any special equipment required to serve the load, plus other costs that may be negotiated in a contract between the Customer and SSVEC. The Customer may buy, install, own, and maintain conversion equipment from SSVEC's standard voltages, currents, or locally available primary system to the Customer's nonstandard utilization form. Standby and/or auxiliary service shall be considered as abnormal. The use of "written pole" motors, when approved by SSVEC, may allow the connection of larger motors.

3.3 OVERHEAD AND UNDERGROUND SERVICE

SSVEC shall provide either overhead or underground Service under the provisions of its extension policy.

3.4 SPECIAL CONSTRUCTION

In all cases, SSVEC construction standards and materials are used as guidelines for SSVEC installations of overhead or underground materials and equipment. Any deviation from these standards is considered special construction and is normally disallowed. Routings other than those selected and preferred by SSVEC shall be considered special construction. The Customer shall pay any additional cost for special construction above normal construction. Special construction shall be provided at the discretion of SSVEC.

3.5 METERING AND SERVICE ENTRANCE REQUIREMENTS

The Cooperative reserves the right to Meter consumer's requirements in the most practical manner, either primary or secondary voltage.

For loads served at transmission voltage (over 15 kV) where the Customer owns the service transformer, SSVEC reserves the right to Meter consumer's requirements at secondary voltage, in which event the kW and kWh will be multiplied by a factor ranging from 1.02

through 1.10 to allow for transformation losses, depending upon the consumer's transformer impedance data.

3.6 METERING AND METER TEST POLICY

It shall be the policy of SSVEC to pursue metering accuracy by every practical method. Meters and metering equipment purchased by SSVEC shall be of good quality and all equipment subject to calibration shall be thoroughly tested by methods and equipment acceptable throughout the electric metering industry before installation. Meters requiring installation of metering transformers and associated wiring shall be installed and checked by trained and competent personnel. Accurate watt hour, voltage, and current measuring standard Meters shall be carefully maintained under controlled conditions and periodically compared with standard instruments traceable to the National Institute of Standards and Technology. Testing, adjustment, and calibration procedures shall be as narrow as practical and generally ~~more strict~~ stricter than the standards under which SSVEC is regulated. The following provisions of compliance meet or exceed regulatory requirements and guidelines:

3.6.1 STANDARDS FOR ACCURACY

SSVEC shall comply with accuracy requirements of the ACC for revenue metering. SSVEC shall also comply with ANSI C12 Code for electric metering, Section 8, Arizona Administrative Code R14-2-209.E, which prescribes standards for Meters in service performance, Meter testing, required accuracy, etc.

3.6.2 PERIODIC TESTING PROGRAM

The test program used shall be Periodic Test Schedule 8.1.8.4., which requires that all SSVEC Meters having surge-proof magnets shall be tested at least every sixteen (16) years, and Schedule 8.2.3.1., which requires that block interval Demand Meters be tested at least every twelve (12) years, and lagged Demand Meters at least every eight (8) years.

3.6.3 METER ERROR CORRECTIONS

Any Customer may request a test on a Meter that is in the Customer's name and billed to the Customer. Test request forms are available at each SSVEC office which the Customer shall sign. The applicable service charge and Meter test charge for Service calls during regular business hours shall also be made in accordance with SSVEC's Tariffs.

If the Meter is more than 3% inaccurate, averaged between light and heavy load tests, tests slow or has stopped, all applicable Meter test and service charges shall be waived and the correction of previous bills will be made under the following terms:

A. If the date of the Meter error can be definitely fixed, SSVEC shall adjust the Customer's billings back to that date. If the date of the Meter error cannot be determined, adjustments to that Customer's bills will be limited to three months for residential Customers and six months for non-residential Customers. No such limitations shall apply to overbilling. If the Customer has been under-billed, SSVEC will allow the Customer to repay the difference over an equal length of time that the under-billings occurred. The Customer shall be allowed to pay the

back bill without late payment penalties, unless there is evidence of Meter tampering or energy diversion.

B. If it is determined that the Customer has been over-billed and there is no evidence of Meter tampering or energy diversion, SSVEC will make prompt refunds in the difference between the original billings and the corrected billings.

C. No adjustment shall be made by SSVEC except to the Customer last served by the Meter tested.

The Meter shall be tested in the Meter shop before any adjustments are made, and if practical, before the Meter cover is removed. The Customer or a Customer representative may be present when the Meter is tested, but this must be stated in writing at the time the test request is made. If requested to do so, SSVEC personnel shall attempt to arrange a test during regular business hours with the Customer present. If, 30 Days after Meter removal, SSVEC has been unable to arrange such a test because of failure on the Customer's part to attend the test, SSVEC shall test the Meter without the Customer being present. The Customer shall be notified of the results of the test by mail within a reasonable time after the test has been completed.

3.7 CUSTOMER SERVICE ENTRANCE POLICY

Customer Service Entrances shall be in compliance with applicable current SSVEC Customer Service Entrance requirements before being energized by SSVEC. If the Customer elects to increase the Customer Service Entrance ampacity, and this requires increasing the conductor size, the Meter base ampacity or the Service disconnect ampacity, the Customer Service Entrance shall be brought up to current SSVEC requirements before being reconnected. Exhibits of Customer Service Entrance requirements are attached to these Service Conditions.

3.8 MINIMUM SAFETY STANDARDS

If the Meter is removed by Customer request or for nonpayment or other cause, the Customer Service Entrance shall be brought up to minimum safety requirements in accordance with SSVEC Customer Service Entrance requirements, as well as the NEC, NESC, EUSERC, and all local codes and various inspection authorities before being reconnected. If the existing Customer Service Entrance cannot be brought up to these minimum standards due to the poor condition of components or location impracticality, it shall be replaced with a new installation that is in compliance with the applicable codes and requirements.

3.9 UNSAFE CONDITIONS

If it comes to the attention of SSVEC that the Customer's Service Entrance is in such a condition that it is very likely to cause death or serious injury, SSVEC shall accept no liability and shall endeavor to notify the Customer of the unsafe condition. If immediate action is not taken by the Customer, SSVEC shall disconnect the Customer Service Entrance until the above minimum safety requirements are met.

3.10 SAFE ACCESS

SSVEC personnel shall have safe access to the Customer Service Entrance and metering equipment at all reasonable times. Upon denial of safe access, or if such access is made hazardous by the presence of dangerous animals or other obstructions, Electric Service may be terminated until such safe access is provided.

4. CONDITIONS FOR EXTENSION OF SERVICE FACILITIES

4.1 CONDITIONS FOR ESTABLISHMENT OF PERMANENT SERVICE

Permanent Service can be established upon compliance with all applicable provisions of these Service Conditions.

4.2 AVAILABILITY OF SERVICE FACILITIES

Electric Service is available to all Customers and potential Customers located along existing Distribution Lines within the boundaries of the certificated area in which SSVEC operates. Electric Service requiring Line Extensions is also available to any Customer or potential Customer located any place within SSVEC's certificated area in accordance with the provisions of this Section 4.

4.3 OWNERSHIP

SSVEC shall own all materials, equipment, and structures that it furnishes and installs. Lines and other Service facilities for which the Customer pays Advance-in-Aid-of-Construction, or Contribution-in-Aid-of-Construction shall be owned by SSVEC. Equipment, materials, or facilities furnished to SSVEC specifications by the Customer for its use shall be owned by Customer. Transformers and facilities for Electric Service provided under schedules SP and P for abnormal loads shall be owned by the Customer. Where individual or unusual substation installations are required to serve the Customer, SSVEC reserves the right to require the Customer to make (at the Customer's expense) the necessary, complete installation (consisting of transformer, structure, protective devices, etc.) required to provide adequate Electric Service to the Customer, and, in such event, the Customer will own, operate, and maintain said installation but will benefit by incurring a savings of capacity charges as part of the rate.

4.4 DISTRIBUTION LINE EXTENSION ESTIMATES AND FEES

A. Upon request by an Applicant for a Line Extension, SSVEC shall prepare, without charge, a preliminary sketch and rough estimate of the construction costs to be paid by the applicant. The estimate will be prepared in the office and not include a site visit. The rough estimate could change significantly after the full engineering and design work is completed as described in C below.

B. An application for a Line Extension requesting SSVEC to prepare detailed plans, specifications, or design estimates will be required to pay SSVEC a NONREFUNDABLE design fee. The design fee cost shall be based on the estimate of the costs to be incurred by SSVEC for preparing the detailed plans and estimate.

After the Applicant has: submitted the request, provided all required documents as described in Section 4.6.1 below, and paid the NONREFUNDABLE design fee, SSVEC shall provide plans, specifications, and design estimates of the proposed Line Extension to the Applicant within (90) days. The design fee shall be nonrefundable. Any charges anticipated to be paid for by the Applicant for the construction of the Line Extension shall be provided in the design estimate. This includes but is not limited to: Design Fees, Right of Way Charges, Permits, Labor, Material, Transportation and Equipment usage fees. Before construction of the Line Extension is scheduled, the entire estimated cost of construction must be paid. (This payment is considered Contribution in Aid of Construction and covered in Section 4.7.1 below.) Engineering design estimates shall be valid for ninety (90) Days from the date of issuance. If the Applicant does not enter into a Line Extension agreement and pay the entire estimated cost of construction within this ninety (90) Day period, then thereafter, at the discretion of SSVEC, a new application for engineering design services shall be initiated and subject to a design fee assessment as described above. Fees collected by SSVEC for the original engineering design estimates are nonrefundable and will not be applied to any subsequent reapplication. If the Applicant proceeds with the construction of the line extension, the design fee paid will be credited towards the cost of construction. The cost of construction will include all design fee costs incurred,

At the sole discretion of SSVEC, the design fee may be waived if it is determined no site visit, as described in Section (C) below, is needed because of the adequacy of the plans delivered to SSVEC with the initial Line Extension application. (The fee waiver is generally reserved for professional residential property developers with consistent history of building Line Extensions with SSVEC.)

C. To ascertain field conditions prior to finalizing a design estimate, it will be necessary to survey the route of the line extension while in the field. The design fee cost, as described above, includes ONE field visit for the purposes of conducting the engineering survey. The costs for any additional engineering survey work which is required as the result of changes requested by the Applicant after completion of the initial survey may, at the discretion of SSVEC, be billed to the Applicant at SSVEC's current rates for labor, transportation, equipment, and materials. Before any visit which will require additional fees, SSVEC will contact the Applicant and provide the cost of the additional fee which will be charged. This fee is also NONREFUNDABLE. This fee must be paid before SSVEC will make the additional field visit.

D. Subdivisions providing SSVEC with approved final plat plans shall be provided with line extension plans and/or design estimates within forty-five (45) days after receipt of the application design fee and any required design information as described in Section 4.6.1 below.

4.4 DISTRIBUTION LINE EXTENSION ESTIMATES AND FEE SCHEDULES

. Upon request by an applicant for a Line Extension, SSVEC shall prepare, without charge, a preliminary sketch and rough estimate of the construction costs to be paid by the applicant.

. An applicant for a Line Extension requesting SSVEC to prepare detailed plans, specifications, or design estimates may be required to pay SSVEC an amount equal to the estimated cost of preparation. Upon submission of a written request for a Line Extension, SSVEC shall make available, within ninety (90) Days after receipt of all necessary documentation and the design fee, such plans, specifications, or design estimates of the proposed Line Extension. The design fee shall be nonrefundable. Any charges to the Customer shall be provided in the design estimate. Engineering design estimates shall be valid for ninety (90) Days from the date of issuance. If the Customer or prospective Customer does not enter into a Line Extension agreement with SSVEC for Electric Service within this ninety (90) Day period, then thereafter, a new request for engineering design services shall be initiated and subject to a fee assessment as set forth herein. Monies collected by SSVEC for the original engineering design estimates are non-refundable.

. To ascertain field conditions prior to finalizing a design estimate, it will be necessary to survey the route to the field. The Customer shall be given at no cost one engineering survey with engineering design services provided by SSVEC. The cost of any additional engineering survey performed as the result of changes requested by the Customer after completion of the initial survey may, at the discretion of SSVEC, be billed to the Customer at SSVEC's current rates for labor, transportation, equipment, and materials.

. Subdivisions providing SSVEC with approved final plans shall be provided with plans and/or design estimates within forty-five (45) Days after receipt of the application design fee and any required design information.

. Applicants requesting engineering design estimates for new Electric Service or service upgrades will be charged the following fees:

Type of Service	No. Lots/Service(s)	Fee
Residential/GS	1 lot	$100
Subdivision	2 or more lots	$1,000 plus $10 per lot in excess of 10 lots
Commercial (OH & UG)	1 to 3 buildings	$1000 plus $100 per building in excess of 3
Main Distribution		$0.25 per foot

~~. Each and every request for an engineering design estimate and each and every alteration to all initial requests for engineering design services will be considered as an individual request and assessed a fee assessment as set forth above.~~

~~. All design fees shall be paid to SSVEC by the Customer or prospective Customer prior to SSVEC engaging in engineering design estimates as requested by the Customer or prospective Customer.~~

~~. Engineering design estimates shall be valid for ninety (90) Days from the date of issuance. If the Customer or prospective Customer does not enter into a Line Extension agreement with SSVEC for service within this ninety (90) Day period, then thereafter, a new request for engineering design services shall be initiated and subject to a fee assessment as set forth above.~~

~~4.34~~4.5 LINE EXTENSIONS TO RESIDENTIAL AND COMMERCIAL CUSTOMERS

Subject to the availability of adequate capacity and suitable character of service at the point of beginning for an extension, SSVEC shall extend its facilities to residential and commercial Customers on the following basis (For subdivisions, see Section 4.9):

A. Any Permanent Customer shall be eligible for a Line Extension.

B. A standard Line Extension may be any combination of overhead or underground, single-phase or three-phase, primary or secondary as the situation warrants and as SSVEC system requirements permit.

C. Before an extension is constructed to a well, documentation that the well is capable of producing an adequate quality and quantity of water for the intended purpose may be required by SSVEC.

D. All required easements shall be furnished by the Customer at no cost to SSVEC.

E. Any underground extensions will be at the sole discretion of SSVEC. If underground facilities are installed, the Customer shall provide all necessary trenching and select backfill where required, conduit, backfilling, compaction, and all concrete work to the specifications of SSVEC and applicable local codes, at the Customer's expense.

~~4.34.1~~4.5.1 STREET LIGHT EXTENSIONS

The Customer shall be charged for the entire cost of each street light installation. The Customer will then be subject to the lower monthly rate in Schedule S. Street light extensions are applicable only to municipalities and or agencies governing public rights-of-way. Non-standard installations are not permitted.

~~4.34.2~~4.5.2 SECURITY LIGHT EXTENSIONS

Customers shall be charged for the entire cost of security light installations. (See Schedule SL.) Security lights shall be mounted only on poles or other equipment owned by SSVEC.

~~4.34.3~~4.5.3 LINE EXTENSION ROUTING

Construction shall normally be permitted only along the shortest practical route to the nearest practical Point of Delivery on each Customer's Premises as determined by SSVEC. At the sole discretion of SSVEC, alternative routes may be considered at additional cost to the Customer. If there is a mutual benefit to SSVEC, SSVEC in its sole judgment will determine the credit to be given to the Customer for said benefit. This credit will be applied when determining the cost to the Customer.

~~4.35~~4.6 RESPONSIBILITY OF THE CUSTOMER

~~4.35.1~~4.6.1 PROVIDE DEVELOPMENT PLANS, LEGAL DESCRIPTIONS, GRADE CERTIFICATIONS, AND SURVEY CORNERS

The Customer shall provide SSVEC with accurate plans of the Customer's proposed development. Generally, final recorded plats will be required for subdivision estimates in accordance with Section 4.9.1, unless otherwise required by SSVEC. The Customer shall provide a valid written legal description along with a copy of the Customer's property deed. The Customer shall locate and mark any legal survey corners required by SSVEC. For commercial underground installations, a certification, signed by a licensed land surveyor or registered professional engineer, that the established grade is within the six (6) inches of final grade, shall be required by SSVEC for the entire length and width of the proposed service route prior to staking. Normally, SSVEC field technicians will stake the route of the proposed Line Extension and related facilities to serve the Customer's development in relation to the Customer's legal property corners. SSVEC shall stake the line one time, based on the plans submitted by the Customer. If mutually agreeable and at no charge to SSVEC, the developer's surveyor may be used to stake the electric facilities when such action will help expedite the work. In that case, the developer's surveyor will be supplied working plans and close oversight by SSVEC personnel. The cost of any additional engineering, field, or office work performed as the result of changes requested by the Customer after completion of an initial engineering staking shall be billed to the Customer at SSVEC's current rates for labor, transportation, equipment, and materials as described in Section 4.4 C above.

~~4.35.2~~4.6.2 USE SERVICE PROVIDED

The Customer shall be expected to begin using on a permanent basis, any and all service facilities extended within the first year of construction, or reimburse SSVEC for the cost of service facilities, plus the cost of their removal, with credit given for salvage, if any. (For subdivisions, see Section 4.9.4.)

~~4.35.3~~4.6.3 OUTAGE AND HAZARD NOTIFICATION

The Customer shall notify SSVEC immediately of outages and hazardous conditions which require prompt attention.

~~4.35.4~~4.6.4 PROVIDE RIGHT-OF-WAY

Easements may be required for any new, existing, or future Line Extensions as determined by SSVEC for reliability and cost considerations. All easements or rights-of-way required by SSVEC for the Line Extension, or any part thereof, on the Customer's Premises, as well as other private property or public land, shall be furnished or secured by the Customer without cost to SSVEC. Although the Customer is primarily responsible for securing necessary easements, SSVEC may choose to process easement or right-of-way documents as a convenience to Customers. Any costs incurred for acquiring right of way shall be paid by the Customer as it is part of the cost of the Line Extension construction. The Customer shall also provide an acceptable property description to SSVEC from a deed or other legal document. Developers shall be required to provide SSVEC with a final plat of the subdivision in electronic form with a follow-up hard copy as recorded and approved by the county or municipality having jurisdiction.

~~4.35.5~~4.6.5 PROVIDE TRENCH AND CONDUIT FOR UNDERGROUND

The Customer shall provide trenching, select back fill where required, backfilling, compaction and all concrete work to the applicable specifications of SSVEC and/or local codes for underground primary or secondary Line Extensions at the Customer's expense. Generally, the Customer is responsible for supplying and installing all conduits on underground projects. However, at its sole discretion, SSVEC may elect to furnish and install conduit or CIC when SSVEC decides such action will be beneficial and expeditious to the project. Any costs incurred by SSVEC for providing trenching or conduit shall be paid by the Customer as it is part of the cost of the Line Extension construction. SSVEC reserves the right to reject any request for underground extensions in areas not covered by Arizona Administrative Code R14-2-207.E if its effect would be to create an irregular pattern of mixed construction modes or encumber the efficiency of future repair and maintenance operations.

~~4.36~~4.7 CONTRIBUTIONS IN AID OF CONSTRUCTION AND SERVICE AVAILABILITY CHARGES FOR LINE EXTENSIONS

~~4.36.1~~4.7.1 CONTRIBUTIONS IN AID OF CONSTRUCTION

All applicable estimated charges and credits for the cost of construction of the Line Extension shall be made available and paid by the Customer prior to the beginning of construction. The payment is treated as a Contribution in Aid of Construction to SSVEC. Contributions in Aid of Construction are non-refundable~~,~~; however, any ~~pre-paid~~ Contribution in Aid of Construction exceeding the actual cost of construction will be refunded to the Customer. Any written Line Extension agreement shall also be executed by both parties prior to construction.

~~4.36.2~~4.7.2 OPTIONAL COMBINATION CHARGES

SSVEC's Line Extension policy is designed to recover the cost of construction, operation, and maintenance. A Line Extension may result in inadequate revenue to cover these costs. In these situations, the Cooperative will enter into a separate contract with the Customer to address the inadequate revenue situation.

~~4.37~~4.8RECORDS OF SURVEY DEVELOPMENTS

Developments involving multiple large parcels (typically 10 – 40 acre parcels) which are not platted as subdivisions and are not subject to the standard city/county/state subdivision development process, are referred to as "Records of Survey."

A. The developer shall submit a complete copy of the final recorded Record of Survey.

B. The developer shall submit a complete copy of the registered Arizona Board of Real Estate Public Report for the development.

C. The developer shall provide all applicable easements, rights-of-way, and/or permits for improvements within the Record of Survey.

D. SSVEC will normally regard Records of Survey projects as one development and not as phases to a development, to determine the impact to the electric system and to determine costs. The developer/owner will be responsible for all costs associated with feeder build out and/or upgrades required to bring adequate Power to the site for present and future needs.

E. The developer/owner will be responsible for the cost of design and installation primary distribution facilities to each hot line within the development. These charges are not subject to refund.

Subsequent splits of parcels within the development, as well as Electric Service to the interior of said parcels~~,~~ will be subject to SSVEC's standard Line Extension policy based on requests by individual property owners.

~~4.38~~4.9SUBDIVISION DEVELOPMENT

The following rules and procedures are established to eliminate many of the common problems associated with the complex task of developing a new subdivision. "Subdivision" is as defined by the applicable plat review process of municipal and county planning and zoning ordinances.

~~4.38.1~~4.9.1 LINE EXTENSION TO SUBDIVISIONS

A. The developer shall submit a complete set of improvement plans as required which have been approved by the appropriate planning and zoning commission and engineer.

B. The developer shall submit a copy of the recorded final plat. Any lesser version or approved plat can be submitted with special permission and at the sole discretion of SSVEC. A design of the final plat shall normally be provided in AutoCAD format or other approved electronics form for preliminary electrical design.

C. Copies of the plans of all utilities to be installed shall be submitted and coordinated to eliminate conflicts of location.

D. Adequate easements for lines for the complete build-out to the subdivisions shall be provided. Easements for locating special equipment away from rights-of-way and hazardous locations may also be required.

E. All terrain where underground cable and equipment is to be installed shall be within six inches of final grade prior to staking. Certification of established grades by a registered professional engineer or licensed land surveyor shall be required by SSVEC for the entire length and width of the proposed service route prior to construction.

~~4.38.2~~4.9.2 INSTALLATION PROCEDURES FOR SUBDIVISIONS

A. Underground facilities are required by State regulations and SSVEC in subdivisions and mobile home parks with lots of one acre or less, recreational parks, airports, and other areas where overhead lines are unacceptable.

B. The developer shall be responsible for and provide accurately located survey markers and offset stakes to facilitate SSVEC's staking of electrical facility locations. If mutually agreeable and at no charge to SSVEC, the developer's surveyor may be used to stake the electric facilities when such action will help expedite the work. In that case, the developer's surveyor will be supplied working plans and close oversight by SSVEC personnel.

C. The developer or SSVEC, at the developer's expense, shall supply all necessary trenching, conduit, select backfill where requested, back filling, compaction, and concrete work, paving and re-paving, to SSVEC's specifications and applicable local codes pursuant to the installation of the electrical equipment and lines. This will be accomplished in conjunction with close oversight and inspection by SSVEC personnel. The developer shall obtain all permits required for construction and trenching in public rights-of-way. All necessary occupancy permits shall be provided to SSVEC before Permanent Service is connected.

D. Installation of water, sewer lines, and storm drains prior to excavation of the trench for electric lines is advisable and may be required by SSVEC.

E. The developer shall keep all easements and roads free of debris and obstacles during the construction period in order to avoid unnecessary delays in construction. Spoil piles from trenches shall be situated in such a manner as to allow safe passage by SSVEC equipment and personnel.

F. Any costs resulting from damages to SSVEC facilities caused by contractors and/or crews working for the developer, including changes in grade or dig-ins, shall be paid for by the developer. When excavating around SSVEC underground facilities, hand

digging shall be utilized in accordance with Arizona Blue Stake laws. Once installed, any relocation of SSVEC facilities will be at the expense of the developer.

~~4.38.3~~4.9.3 CONTRIBUTIONS IN AID OF CONSTRUCTION FOR RESIDENTIAL SUBDIVISIONS

A. When extension of underground service is desired to a subdivision, the developer shall pay a non-refundable Contribution in Aid of Construction to SSVEC covering the total cost of the installed facilities within the subdivision, excluding transformers.

B. The developer is also responsible for the full cost of any Line Extensions from existing SSVEC facilities to a duly recorded subdivision, but located outside the subdivision boundary.

~~4.38.4~~4.9.4 SUBDIVISION ABANDONMENT

If the subdivision, or any portion of the subdivision, fails to develop any Permanent Customers within a period of five (5) years from the date construction was completed, SSVEC may thereafter elect to remove or abandon its unused facilities unless the developer shall pay an annual service availability charge of 10 percent per year of the value of the unused facilities where the developer has supplied the construction capital.

~~4.39~~4.10 MOBILE HOME PARK DEVELOPMENT

A. Electric Service to all new and/or expanding permanent residential mobile home parks shall be individually metered by SSVEC. Line Extensions and Service Connections shall be governed by SSVEC's Tariffs and terms of extension agreed upon in a Line Extension agreement. Permanent residential mobile home parks for the purpose of this Section shall mean mobile home parks where, in the opinion of SSVEC, the average length of stay for an occupant is a minimum of six (6) months.

B. All facilities within the park shall be installed underground. The Developer shall be responsible for complying with all applicable Service Conditions for Line Extensions contained herein.

C. In addition to the Contribution in Aid of Construction, the Developer shall guarantee an annual minimum equal to 10% of the cost of the installed facilities which will be included in the contract for service. Under the applicable Tariff, this amount will be reduced by all revenues derived from the sale of electricity excluding wholesale power fuel adjustment and taxes received by SSVEC for sales made within the park.

~~4.40~~4.11 RESIDENTIAL APARTMENT COMPLEXES, CONDOMINIUMS, AND OTHER MULTI-UNIT RESIDENTIAL BUILDINGS

Master Metering shall not be allowed for new construction of apartment complexes and condominiums unless deemed feasible by SSVEC, at the sole discretion of SSVEC.

~~4.41~~4.12 RECREATIONAL VEHICLE PARK (RV) DEVELOPMENT

RV parks will be considered similar to other commercial development. They will typically be Master Metered. Primary metering will be allowed at SSVEC's sole discretion. Unless otherwise specified by contract, SSVEC will install, own, and maintain all primary voltage equipment on the Customer's property regardless of Meter location. The Customer shall install, own, and maintain all secondary facilities beyond SSVEC's point of secondary termination.

~~4.42~~4.13 DOUBTFUL PERMANENCY

SSVEC reserves the right to refuse to extend its facilities to any Customer not meeting the definition of "Permanent Customer" unless the Customer agrees to pay for the extension in accordance with Section 4.14 regarding Temporary Service.

SSVEC's opinion regarding permanency shall be based on the following criteria:

A. The Customer who requests service owns the lot on which Electric Service is required.

B. A substantial investment has been made in improvements on the parcel to increase the probability that electric Power will be used on a long-term basis. For example, at a residence, footings would be expected to be poured and work actively proceeding on completion of an adequate dwelling.

C. Evidence is produced that the proper permits have been acquired.

D. Water service is available on the parcel by means of an individual well with pump, lines have been extended from a reliable community water system or other permanently installed water storage and distribution system of sufficient capacity, which in the opinion of SSVEC is adequate to assure continued permanent occupancy of the site.

E. Sewer service is available on the parcel by means of a septic tank or other local jurisdiction approved septic system or connection is made to a central sewage system.

F. To be considered permanent, a mobile home must also:

(1) The mobile home must be permanently secured to the ground.

(2) The dimensions of the mobile home are at least 8 feet by 40 feet.

(3) The home is in basic livable condition as determined by SSVEC.

G. The permanency of extensions to mining or other material retrieval processes shall be considered doubtful.

H. Recreational vehicle type travel trailers or motor homes are not considered permanent.

~~4.43~~4.14 TEMPORARY SERVICE

Any Customer unable or unwilling to meet the requirements for permanency shall be considered temporary. In that case, SSVEC shall require the total cost of providing service, plus the cost of removal to be paid as a nonrefundable Contribution in Aid of Construction prior to the establishment of Electric Service. In all cases, an Applicant for Temporary Service shall comply with all Service Conditions and Tariffs that apply to Permanent Service. When the duration of Electric Service is to be less than one month, the Applicant may be required to advance a sum of money equal to the estimated bill for Service. When the duration of Electric Service is to exceed one month, the Applicant will also be required to meet the deposit requirements set forth in these Service Conditions. If, within six (6) months of establishing Service, the character of a temporary Customer's operations changes so that in the sole opinion of SSVEC, the Customer is classified as permanent, the terms of SSVEC's Line Extension policies shall apply and the Customer may petition SSVEC for a refund of the retirement charge.

~~4.44~~4.15 NONSTANDARD SERVICES

Electric Services at voltages, currents, phases, frequency, or grounding arrangements other than those specified in Section 3 of these Service Conditions shall be considered "nonstandard."

~~4.45~~4.16 METERING

The Customer shall pay the cost of nonstandard metering facilities and shall provide, own, and maintain the supports and accessories to the metering. SSVEC shall own, install, and maintain the metering instruments.

~~4.46~~4.17 PROTECTIVE EQUIPMENT

The Customer shall buy, own, and maintain such protective equipment as SSVEC deems necessary to assure isolation of the service from SSVEC's system due to abnormal load or fault conditions in the service.

~~4.47~~4.18 CONVERSION OF OVERHEAD TO UNDERGROUND ELECTRIC FACILITIES WITHIN A PETITIONED SERVICE AREA

~~4.47.1~~4.18.1 PETITIONS FOR UNDERGROUND SERVICE.

At least sixty (60%) percent of the owners of contiguous real property within a reasonably compact area of reasonable size within SSVEC's Service Area may formally request that SSVEC convert overhead Distribution Line service to underground service by filing a petition with the Cooperative that complies with the provision of A.R.S. §40-342.

~~4.47.2~~4.18.2 FORMAL PETITIONS FOR AN OVERHEAD TO UNDERGROUND CONVERSION.

A Customer, as agent for the petitioned area, may request that SSVEC convert overhead Distribution Line service to underground service. As part of such request, the Customer shall agree to the following:

A. The Customer shall provide all necessary easements, if any, at no cost to SSVEC.

B. The Customers shall provide all trenching, select backfill where required, conduit, compaction and all concrete work according to the specifications of SSVEC and/or local codes and ordinances and shall perform all street, curb and sidewalk repairs at the Customer's expense.

C. The Customer shall pay SSVEC, prior to the start of construction, a nonrefundable Contribution in Aid of Construction equal to the estimated cost of the underground facilities, less credit for salvage of the existing overhead Distribution Lines at present value, if any, plus retirement cost.

D. The Customer shall sign any additional agreements as required by SSVEC.

E. The area to be converted from overhead to underground shall cover a reasonable area which will allow orderly, once only, construction with design toward a loop-feed system. The SSVEC Engineering Department shall determine what constitutes a reasonable conversion area.

F. Nothing herein shall be construed to prevent SSVEC from converting selected overhead distribution areas to underground areas when, in the sole judgment of SSVEC, such conversion is necessary or desirable and economically feasible. In such cases the total cost of the conversion shall be borne by SSVEC.

G. The Customer or agent who petitioned SSVEC shall be responsible for securing the agreement of all other Customers involved in the conversion. SSVEC shall not be responsible for any modifications required to the Customers' Service Entrance in the underground conversion area.

~~4.48~~4.19 RELOCATIONS AND CONVERSIONS FOR INDIVIDUAL CUSTOMERS

When SSVEC is requested to relocate or convert its facilities for the benefit and/or convenience of a Customer, the Customer shall reimburse SSVEC for the total cost of the work to be performed prior to the start of construction, plus the cost of any unexpired service life of the property removed, except when said relocation or conversion is also in the best interest of SSVEC, because of safety or convenience. This will be at the sole discretion of SSVEC.

~~4.49~~4.20 HAZARDOUS SERVICE CONDITIONS

Whenever SSVEC has actual knowledge that a hazardous condition exists or a hazardous condition may occur or be created, SSVEC may take any appropriate action (including temporary suspension of Electric Service) and further may submit charges to the party or parties responsible for the hazard.

~~4.50~~4.21 UNUSED FACILITIES OWNED BY SSVEC

Any facilities owned and installed by SSVEC, which have been disconnected from a Meter or have remained idle and unused for more than one (1) year, may be removed from any property, public or private, with or without the consent of the property owner, at the sole discretion of SSVEC. Once a Power line has been removed, a new Service Application will be required, along with proof of permanency, in order to re-establish the line in accordance with current Line Extension policies and practices.

EXHIBIT A

GENERAL SPECIFICATION (0-3000 amperes / 0-600 volts)

SULPHUR SPRINGS VALLEY ELECTRIC COOPERATIVE
SERVICE ENTRANCE REQUIREMENTS
GENERAL SPECIFICATION
0 THROUGH 3000 AMPERES
0 TO 600 VOLTS

1. **SCOPE OF SPECIFICATION**: This specification shall apply to all service entrances 0 through 3000 amperes inclusive, 0 to 600 volts. This general specification is not complete in itself. A complete service entrance specification shall consist of this General Specification Exhibit A along with an Exhibit B, C, D, or E that applies to a specific size and type of service.

2. **GENERAL**: The Customer or contractor should consult qualified SSVEC personnel before starting work on any service entrance, to determine which specification applies, type of service available, permissible service entrance location, etc. The SSVEC Engineering Service Representatives in Willcox and Sierra Vista are qualified to answer questions regarding service entrances.

When an inspection certificate is required by local authority, SSVEC will not connect the service entrance until an inspection certificate is obtained.

3. **INTENT OF SPECIFICATION**: SSVEC's intent in issuing this specification is to require the design, materials, and workmanship of all service entrances to meet or exceed the requirements of the latest editions of the National Electrical Code (NEC) and the National Electrical Safety Code (NESC). Any item not specifically mentioned shall meet or exceed the requirements of these two codes.

SSVEC is a member of the Electric Utility Service Equipment Requirements Committee (EUSERC). The standards for equipment design established by this group of utilities are the basis of SSVEC's requirements. Equipment shall be listed by a nationally recognized testing laboratory (e.g. UL) and shall be so labeled.

4. **ENFORCEMENT OF SPECIFICATIONS**: SSVEC will generally accept a certified approval by a qualified governmental official (inspector) only for the purposes of code (NEC / NESC) compliance, unless clear violations have evidently been missed and are identified incidentally by SSVEC personnel conducting their authorized company business. Only SSVEC can inspect and approve service entrances in regard to compliance with specific filed SSVEC Service Entrance Specification requirements, which may at times exceed general safety codes and vague national equipment standards; SSVEC seeks compliance with EUSERC equipment standards as elsewhere defined.

4.1 SSVEC Inspections: Every service entrance location is not within the jurisdiction of an official governmental inspector, so SSVEC will seek to verify basic safety code compliance and compliance with all applicable SSVEC Service Entrance Specifications for the

purposes of -protecting SSVEC's employees, the electric system integrity, and the general public nearby. SSVEC does not accept complete safety code compliance responsibilities, because sufficient personnel can neither be available nor trained to detect and enforce every safety code provision. Whenever SSVEC personnel inspect any service entrance or any associated customer equipment and electric connections, SSVEC is only inspecting for the limited concerns of the Serving Electric Utility, not for every possible concern of the Customer or the general public. The Customer or his licensed engineer or electrician has the ultimate responsibility for safety code compliance and for meeting the ACC-filed SSVEC Service Entrance Requirements. SSVEC accepts neither responsibility nor liability for safety code compliance or suitability of Customer installations except as mandated by law or by the ACC.

4.2 Every initial service entrance connection and any subsequent reconnection shall include a simple inspection by SSVEC Operations personnel to verify basic compliance with SSVEC specifications and the most basic safety code provisions. For special or unusual situations a more technical and complete inspection by SSVEC's personnel is sometimes required to ensure compliance with specifications and that no clearly unsafe installation is connected to SSVEC's electric system.

4.2.1 As long as obvious violations of safety code provisions or any non-compliance with applicable SSVEC Service Entrance Specification is evident to an appropriate SSVEC employee, the service entrance will neither be connected nor energized for any purpose. If earlier versions of SSVEC specifications have been previously met and a service entrance being considered for a reconnection remains safe and only minor non-compliance of a new specification is evident, it will not always be refused reconnection for a minor violation of newer SSVEC specifications, if qualified SSVEC personnel decide no material problem is being introduced by allowing the reconnection of the safe service entrance equipment. Significant compliance failures will always result in refusal to reconnect.

4.3 VARIANCE FROM SPECIFICATIONS: No new service entrance that does not comply with all provisions of applicable specifications nor an existing service entrance found to be in material non-compliance shall be connected unless permission for a variance is recommended by appropriate SSVEC technical employees and a specific variance is granted in writing by the SSVEC Manager of Engineering or designated Engineer. No unwritten variance may be accepted by SSVEC Operations personnel. SSVEC Managers may override or suspend general specifications during extreme emergency situations.

5. SERVICE ENTRANCE AND METER LOCATION: Service entrances shall be locations approved by SSVEC. Meters should face an approved direction in which they can be read safely with binoculars from a vehicle, preferably a dedicated public road, street, or alley. Service entrances shall not be installed under carports or open porches or similar places subject to future enclosure nor shall they be enclosed or obstructed later. Service entrances enclosed or obstructed after Service Connection so that the Meters cannot be read in the normal manner, shall be re-established in an outside location approved by SSVEC, or such obstruction shall be removed. Failure to comply with this rule, within a reasonable time after notification by SSVEC, shall be grounds for Service Disconnection.

Buildings being served from or accessed from the roadway or drive shall have Meters mounted on the front wall facing the street or access on the side wall within six (6) feet of the

front wall of the building. Meters on the side of the building shall not be placed behind a fence or any obstacle which will prevent SSVEC personnel from having free access to the Meter. At the Customer's option, the use of an approved EUSERC Meter pedestal, if it is appropriate for the size of service needed, installation on the lot line at the street is acceptable. Contact SSVEC Service Engineering Representatives in Willcox or Sierra Vista for complete specifications.

6. CLEARANCES: All electrical facilities shall be installed and maintained to the applicable clearances as defined by the National Electrical Safety Code (NESC) and/or the National Electrical Code (NFPA 70) as appropriate.

6.1 Clearance from Building Openings. ~~NEC Article 230-9.~~ Service conductors shall comply with NEC Article 230-9 and have a clearance of not less than three (3) feet from windows that are designed to be opened, doors, porches, fire escapes or similar locations.

Exception: Conductors run above the top level of a window shall be permitted to be less than the three (3) feet requirement above.

6.2 Clearance from Swimming Pools: Service conductor clearance over or close to swimming pools shall comply with NEC Article 680-8 and other appropriate sections of the National Electrical Code. The Customer or contractor may contact qualified Engineering Department personnel for advice on clearances from swimming pools.

7. SERVICE ENTRANCE CONDUCTORS:

7.1 General. The Customer or contractor shall not reroute any metered conductor through the meter socket enclosure, metering compartment, raceways or other security sealed areas.

Because of high ambient temperatures likely to be encountered in outdoor service entrances, no conductor with insulation rated lower than 75 degrees C. shall be used. All service entrance conductors shall be stranded. Manufactured service entrance equipment shall be listed by a nationally recognized testing laboratory and the factory installed conductors shall be accepted at nameplate rating of the unit.

Service entrance conductor ampacity shall be determined from appropriate tables of the latest edition of the NEC and shall have sufficient ampacity to carry the load as determined by the appropriate bus rating and service disconnect ampacity.

7.2 Overhead Service Conductors. Service entrance conductors for overhead services, including conductors installed from the load side of CT section to the disconnect device, shall be furnished and installed by the Customer or contractor. No conductor larger than 1000 kcmil, no more than four conductors per phase and no conduit larger than six inch trade size shall be used. For services requiring larger conductors or conduit, approved bus duct shall be used. The conductors will exit the upper end of a rigid steel conduit through an approved weatherhead. Overhead services using bus duct shall have entrance heads conforming to EUSERC requirements.

7.3 Underground Service Conductors. Service entrance conductors and connectors for underground service up to and including 800 amperes will be furnished and installed by

SSVEC. Conductors for services larger than 800 amperes shall be furnished and installed by the Customer or contractor. All trenching and backfilling shall be done by the Customer or contractor. SSVEC will furnish and install connectors at the transformer. SSVEC will also connect the service lateral conductors up to and including 800 amps to the landing lugs at the Customer's Meter base or termination section. SSVEC will not furnish, install or assume responsibility for conductors under or to the inside of any building, except to terminate the service lateral conductors at the main switch gear.

Customers will be responsible for providing all service conductors for services exceeding 800 amps. No conductor larger than 750 kcmil, no more than six copper conductors per phase or seven aluminum conductors per phase, and no conduit larger than six inch trade size shall be used without special review and prior approval by qualified SSVEC personnel. For services requiring larger conductor or conduit, approved bus duct shall be used.

Unless otherwise directed by SSVEC, the Customer will be responsible for supplying and installing underground Schedule 40 PVC conduit for underground services. The Customer shall also furnish all necessary trenching, select backfill, warning tape, compaction, and concrete work to the specifications of the Cooperative and other local codes.

7.4 Residential Service Entrance Conductor Ampacity. Table 310-1-5 (B, 16, or equivalent) of the latest edition of the National Electrical Code shall be used to determine allowable ampacities for residential service entrance conductors, the ampacity shown in the column under the selected insulation temperature rating may be used directly from the table for "not more than three conductors in a raceway or cable or earth (directly buried) based on ambient temperature of 30 degrees C. (86 degrees F)", of the latest edition of the National Electrical Code. For residential services, instead of derating conductors for ambient temperature, SSVEC does not allow use of Table 310.15 (B, 7, or equivalent).

7.5 Commercial or Other Non-Residential Service Entrance Conductor Ampacity. To determine conductor ampacity for non-residential overhead service entrances, the ampacity shown in the column under the selected conductor insulation temperature in NEC Table 310-1-5 (B, 2, or equivalent) shall be multiplied by the appropriate factor of an ambient temperature range of 96-104 degrees Fahrenheit (36-40 Centigrade). Non-residential underground service entrance conductors may be sized directly from the table.

For overhead or underground services where more than three current-carrying conductors are in a raceway or cable, the allowable ampacity shall be further reduced as shown in NEC Table 310.15 (B, 2, b, or equivalent). Derating factors shall not apply to conductors in nipples having a length not exceeding 24 inches. Derating factors shall not apply to underground conductors entering or leaving an outdoor trench if those conductors have physical protection in the form of rigid metal conduit having a length not exceeding 10 feet above grade and the number of conductors does not exceed four.

8. GROUNDED (NEUTRAL) CONDUCTOR: All service entrances shall have a grounded neutral conductor run in the same raceway with the ungrounded conductors. If copper, it may be bare. It may not be reduced in size from the ungrounded conductors.

9. RIGID CONDUIT: The overhead service entrance conductors for overhead services shall be installed in rigid or intermediate metallic conduit (IMC) no smaller than is permitted by

the NEC for the size and number of conductors used. The conduit shall be factory stamped with the words RIGID or IMC. No electrical metallic tubing (EMT) or other thin wall conduit shall be accepted.

Intermediate metallic conduit (IMC) may not be used as the overhead service drop attachment where it would have to support the span tension of the service drop conductors.

The overhead service entrance conduit shall be run to a point within one foot of the center of the point of attachment of SSVEC's service drop conductors. It shall be capped by an approved service entrance weatherhead and the service entrance conductors shall be left extending from it a minimum of three (3) feet. If the service drop is open wire (wires not wrapped together), a minimum of five feet of conductor shall extend from the service entrance head.

The service entrance conduit for underground services shall be rigid or IMC metallic conduit and shall be run to a point not less than 12 inches or more than 18 inches below finished grade and a threaded PVC adapter shall be installed on the end.

Rigid metallic conduits and fittings installed underground or in concrete shall be protected against corrosion by half-wrapping with an approved plastic tape or by a coating of an approved corrosion-resistant material as stated in ~~.~~ NEC 300-6.

10. METERING PROVISION: The Customer or contractor shall provide for metering with an approved meter socket enclosure, current transformer enclosure or service entrance metering section as specified in each of the Exhibits.

Meter sockets shall be listed and labeled by a nationally recognized testing laboratory. Individually metered residential Service Entrances with 100 ampere main disconnects may use 100 ampere sockets rated for general duty. Individually metered residential service entrances with 125 ampere main disconnects may use 100 amp sockets rated for continuous duty or 125 ampere sockets rated for general duty.

Individually metered residential Service Entrances with 200 ampere main disconnects may use 200 ampere sockets rated for general duty.

For other than individually metered residential Service Entrances, only sockets rated for continuous duty with a minimum ampacity of the required ampacity of the service entrance will be accepted.

11. MAIN SERVICE DISCONNECT: All service entrances shall be equipped with a main service disconnect switch or circuit breaker. They shall be raintight and of a type approved for service equipment, in compliance with the NEC and shall disconnect all loads from the ungrounded conductors.

The main Service disconnect shall be plainly and permanently labeled with the word "MAIN". The emergency equipment disconnect (if any) shall be plainly and permanently labeled with the word "MAIN" and its emergency function such as "PUMP" or "EMERGENCY LIGHTS", etc. The disconnect device shall be located outside, in a place accessible to SSVEC personnel at all times, or shall be operable to an open position from an outside location

accessible to SSVEC personnel at all times. It shall not be locked except by an arrangement agreeable to the Customer and SSVEC.

The main service disconnect(s) shall be connected on the load side of the Meter.

Except for motor load services and services over 400 amps, the nameplate ampacity of the main service disconnect determines the ampacity of the service entrance. If more than one main disconnect is allowed, the sum of the ampacities shall determine the ampacity of the service entrance for services larger than 400 amps or, at the discretion of SSVEC, the rating of the bus will be used to determine the ampacity of the service.

The Service Entrance ampacity of a circuit breaker type of main disconnect shall be determined by the nameplate ampacity of the circuit breaker(s) but may not be greater than the rating of the Service Entrance equipment.

The Service Entrance ampacity of a fused-switch type of main disconnect shall be determined by the nameplate ampacity of the switch regardless of the fuse size installed.

12. OVERCURRENT PROTECTION: A fuse or circuit breaker shall be in series with each ungrounded conductor to provide overload protection.

13. INTERRUPTING RATING: The Customer shall install Service Entrance equipment and protective devices capable of interrupting and withstanding available short-circuit current. All service disconnect devices (i.e. fused switch or circuit breaker) shall have a minimum interrupting capacity (AIC) of 10,000 amps. Higher AIC ratings may be required at locations with higher available fault currents (NEC 110.9). Consult qualified SSVEC Engineering Department personnel for the available fault current for multiple services and for service from large transformers. When available fault current exceeds 10,000 amps (as calculated by SSVEC), the Customer shall provide equipment to meet the expected maximum fault current (see NEC 110.9 and 230, section VII). The Customer has the option of providing service equipment with an increased AIC rating or installing equipment with current limiting fuses which would limit the maximum fault current to less than 10,000 amps.

14. GROUNDING: An unspliced bonding jumper no smaller than #6 AWG copper shall be used to connect the metering device enclosure (Meter socket, current transformer, service entrance section, etc.) to the grounded conductor. An unspliced bonding jumper shall be used to connect the service disconnect enclosure to the grounded conductor. The bonding jumper may be wire, bus, screw or similar suitable conductor. If wire is used, it shall be no smaller than #6 AWG copper. A bus or strap shall be no smaller than the equivalent of #6 AWG copper wire.

A copper grounding electrode conductor (ground wire) shall be connected on the supply side in the service disconnect enclosure to the grounded conductor and run in approved conduit to a grounding electrode. The grounding electrode conductor shall be no smaller than #4 AWG and no smaller than allowed by the NEC for the size of service connected.

A grounding electrode shall have a resistance to ground of 25 ohms or less, as measured by SSVEC. Electrodes shall be added until the combined electrodes have a resistance to ground of 25 ohms or less as measured by SSVEC.

A current transformer enclosure with multiple switches comprising the service disconnect may have the grounding electrode conductor connect to the grounded conductor in the current transformer enclosure.

The grounding electrode shall be a metal underground water pipe if available within 25 feet. The water pipe electrode shall be supplemented with one or more 5/8 inch by eight-foot copper or copperweld ground rods driven vertically into the ground. Other electrodes as specified in the National Electrical Code will be accepted only if previous arrangement has been made with SSVEC to permit inspection before cover up, etc.

The grounding electrode conductor clamp assembly, including bolts or screws, shall be solid brass, bronze or stainless steel, to prevent failure by corrosion.

The grounding electrode conductor shall be enclosed in Schedule 80 sunlight resistant PVC (preferred) or rigid or intermediate metallic conduit factory stamped with the words RIGID or IMC. Metallic conduit must be bonded at both ends. Electrical metallic tubing (EMT) or other thin wall conduit is not acceptable.

It is desirable to have the grounding electrode conductor connection to the grounding electrode buried. If the grounding electrode is a ground rod, the upper end of a ground rod shall be driven to a point at least six inches below finished grade and, after inspection by SSVEC, shall be covered. If the ground rod is driven through a small hole in concrete or asphalt the connection may be left exposed.

15. MOUNTING AND FASTENING: All parts of pole or wall hung service entrance equipment including conduit, metering socket/enclosure, disconnect device, etc., shall be securely and permanently fastened in a safe and workmanlike manner so the Meter will remain level and plumb. Nails are not acceptable fasteners for conduit. Conduit straps shall be two-hole type and properly sized for the conduit. No run of conduit shall have less than two straps nor have straps more than 5 feet apart. If conduit must be spaced out from the support, suitable spacers and fasteners shall be used. Wooden blocks and plumbers tape are not suitable. Fasteners shall be galvanized, coated or painted to withstand exposure to weather. Conduit or other equipment coating damaged by welding, cutting, etc., shall be coated or painted to restore corrosion resistance. No more than two (2) riser conduits shall be mounted on a service pole.

Service entrances mounted on a wall, pole or other surface shall be no more than six (6) feet and no less than five (5) feet above finished grade to the center of the Meter socket. Mobile home type Meter pedestals shall be no more than five (5) feet and no less than three (3) feet above finished grade to the center of the Meter socket.

Nipples connected to the Meter base shall not be shorter than 3 inches or longer than 6 inches. Holes made in Meter bases, disconnect enclosures, etc., shall be made in a neat and workmanlike manner, and unused holes shall be covered with suitable raintight metallic covers. Damage to the finish, paint, galvanizing, etc., of all exposed ferrous metal parts shall be touched up with paint or a suitable coating to restore corrosion resistance. Poorly painted, ungalvanized or rusty steel enclosures shall be painted to provide corrosion resistance.

16. **TEMPORARY SERVICE ENTRANCES**: The Customer is responsible to verify with SSVEC any restrictions applicable to a temporary service prior to installing any such installation. Temporary service entrances shall meet the same requirements as permanent service entrances.

17. **TEMPORARY SERVICE ENTRANCE CHARGES**: The Customer or contractor shall pay in advance the estimated installation and removal cost (up and down charge) for each specific temporary service connection.

18. **TEMPORARY OVERHEAD SERVICES**: Temporary overhead service entrances may be mounted on a substantial support approved by SSVEC. The service drop attachment point shall be sufficiently high to provide clearances specified by SSVEC. If allowed by SSVEC, a wooden timber or pole furnished by the Customer shall have sufficient strength, be set deep enough and be adequately backfilled to withstand the span tension of the service drop as determined by qualified SSVEC personnel. The wood shall be treated by an approved butt treatment method to retard deterioration.

19. **TEMPORARY UNDERGROUND SERVICES**: The preferred temporary underground service equipment is an approved mobile home type meter pedestal. (~~see~~See EUSERC drawing #307). All standard conditions shall apply. Trench shall be furnished by the Customer or contractor. The conductors may be direct buried and shall not be less than twenty-four (24) inches underground.

Unless otherwise approved, SSVEC will furnish and install the conductors from the transformer or secondary power pedestal and make connection to the terminals in the Customer or contractor furnished meter pedestal. The meter pedestal should be within five (5) feet of the transformer or power pedestal.

20. **FURNISHED BY CUSTOMER**: All parts of the Service Entrance shall be furnished and installed by the Customer or contractor unless the specification states that it will be furnished or installed by SSVEC. All parts of the service entrance that are furnished by the Customer shall remain the property of the Customer, but all Meters, metering transformers, enclosures, poles, etc., that are furnished by SSVEC, shall remain the property of SSVEC.

21. **IDENTIFICATION OF SERVICE ENTRANCE CONDUCTORS**:

GROUNDED NEUTRAL CONDUCTOR: The grounded conductor in all Service Entrances shall be clearly identified. Number 6 AWG copper conductors shall have a permanent outer identification of white or gray or shall be bare. Grounded conductors larger than #6 AWG shall be clearly identified at both ends. Tape, paint, or the use of bare copper conductors is acceptable identification. No bare aluminum conductor shall be used in service entrances.

21.1 Ungrounded single phase conductors: The ungrounded conductors in a three wire single phase service with only one conductor per leg need no identification. Single-phase three wire service entrances with two or more conductors per leg shall have all the ungrounded conductors of each leg clearly identified.

21.2 Ungrounded three phase conductors: The ungrounded conductors of three phase services shall be clearly identified at both ends. The Power leg (highest voltage to ground)

on three phase 4 wire delta services shall be clearly identified by an outer finish that is orange in color or by other effective means per NEC Article 230-56.

22. **PROTECTION AGAINST UNUSUAL LINE CONDITIONS**: SSVEC strongly recommends that the Customer install devices to protect equipment from high or low voltage, phase loss or reversal or imbalance. SSVEC shall not be liable to the Customer for any loss, injury or damage resulting from the Customer's use of his/her equipment or from the use of the Energy from SSVEC or beyond the point of connection of SSVEC wires or other conductors and equipment with the Customer's wires or other conductors and equipment.

IT IS THE CUSTOMER'S RESPONSIBILITY TO PROVIDE ADEQUATE PROTECTIVE EQUIPMENT TO PROTECT THE CUSTOMER'S EQUIPMENT FROM HIGH OR LOW VOLTAGE, PHASE LOSS OR REVERSAL OR ANY UNUSUAL CONDITION.

23. **SIGNAL DISTORTION**: In general the operations of any electrical device or system should not cause excessive distortion of the utility voltage waveform or result in excessive injection of harmonic currents into the utility system to the detriment of SSVEC, its Customers, or other electric utilities. **SSVEC requires that all installations comply with IEEE 519 guidelines at the owner's expense.** SSVEC reserves the right to test and monitor the equipment to ensure compliance to these guidelines. SSVEC reserves the right to require remedial action be taken by the owner at the owner's expense.

Even though equipment may be found to be in compliance with these guidelines, if it can be shown that said equipment is the source of problems for other Customers, for SSVEC or for other utilities within the interconnected power system, SSVEC reserves the right to require that remedial action be taken by the owner at the owner's expense.

EXHIBIT B

COMMERCIAL & RESIDENTIAL (0-200 amperes / 0-600 volts)

SULPHUR SPRINGS VALLEY ELECTRIC COOPERATIVE
SERVICE ENTRANCE REQUIREMENTS
COMMERCIAL AND RESIDENTIAL
0 THROUGH 200 AMPERES
0 TO 600 VOLTS

1. **SCOPE OF SPECIFICATION**: This specification is supplementary to general specification Exhibit A and is not a complete specification.

This specification shall apply to commercial and residential service entrances 0 through 200 amperes inclusive, 0 to 600 volts.

2. **DETERMINATION OF SERVICE ENTRANCE AMPACITY**: The service entrance ampacity shall be the ampacity of the single main service disconnect device. It shall not be larger than 200 amperes for this specification.

3. **SERVICE DISCONNECT**: A main service disconnect shall consist of a single fused switch or circuit breaker.

Exception: Emergency equipment such as a water pump that may be used for firefighting, or emergency lighting, or exit lights, etc. may be connected through one additional main disconnect in addition to the single main service disconnect required in this specification through which only the emergency equipment may be supplied. The additional disconnect shall not affect the required service entrance ampacity, provided the service entrance would be adequate if the emergency equipment were connected through the main service disconnect.

4. **MINIMUM DISCONNECT AMPACITY**: Minimum disconnect ampacity shall be 60 amperes except by written variance by the Engineering Manager. Minimum disconnect ampacity for individually metered dwellings, including mobile homes, shall be 100 amperes unless otherwise allowed by the NEC.

5. **METER SOCKET**: An SSVEC approved Meter socket and enclosure shall be furnished and installed by the Customer or contractor. For single phase underground services an SSVEC approved Meter socket enclosure with single main disconnect and built in pull space shall be used. This enclosure shall conform to EUSERC residential combination Meter panel drawing #301. A mobile home type Meter pedestal manufactured according to EUSERC requirements is acceptable for underground services.

A three phase underground Service Entrance may be constructed upon a suitable permanent wall or frame as follows:

6. **SERVICES UP TO 200 AMPS SHALL USE A METER BASE WITH A BOTTOM-FEED TERMINATION SECTION**: Landing lugs shall accommodate aluminum conductors and have a range up to 250 kcmil. Services other than residential shall use Meter sockets rated

for continuous duty. The continuous duty ampacity shall not be smaller than that of the service disconnect ampacity. The recommended minimum ampacity for all residential and commercial Applications is 200 amps. Commercial installations shall be equipped with a lever type bypass (equivalent to a Milbank U7423-RXL).

7. **POSITION OF POWER LEG**: On three phase four wire delta services, the power leg shall be connected to the right hand Meter base terminals.

8. **POWER LEG CONDUCTOR SIZE**: The power leg (the phase with the highest voltage to ground) conductor, on three phase four wire delta services, shall not be reduced in size from that of the other ungrounded conductors using the manufacturer's neutral provisions.

9. **GROUNDED (NEUTRAL) CONDUCTOR**: The grounded conductor for this specification shall not be reduced in ampacity from that of the ungrounded conductors. The grounded conductor shall be run through and bonded to the Meter socket without a splice, except for underground service entrances.

10. **MULTIPLE SELF-CONTAINED SERVICE ENTRANCES**: "Multiple service" implies more than one Customer (or account) served through separate Meters supplied by common service entrance conductors. A "self-contained" Meter is capable of carrying the total current of the service supplied to the Customer and of being directly connected to the line voltage of the service. Self-contained services do not require external current or potential (voltage) transformers. Therefore, a multiple self-contained service is one serving more than one Customer (or account) through more than one Meter without the use of current or potential transformers.

Multiple self-contained services through a common service entrance conduit or wireway to a suitable manufactured raintight modular-type multi-Meter pack and then to separate Meters and disconnect devices, shall be permitted. This type of service shall consist of not more than six (6) disconnects (one per Meter) and no disconnect larger than 200 amperes nor smaller than 60 amperes. All equipment through which unmetered conductors pass shall have provision for SSVEC to apply a wire security seal(s).

Multiple services consisting of more than six individual services, with a total service ampacity greater than 800 amps, or requiring a disconnect larger than 200 amperes, shall be served through an approved service entrance section manufactured to EUSERC specifications. In these cases, a single main disconnect ahead of the Meters (cold sequence) is also required. The Customer or contractor should contact SSVEC Engineering before constructing a multiple service.

EXHIBIT C

COMMERCIAL & RESIDENTIAL (201-400 amperes / 0-600 volts)

SULPHUR SPRINGS VALLEY ELECTRIC COOPERATIVE
SERVICE ENTRANCE REQUIREMENTS
COMMERCIAL AND RESIDENTIAL
201 THROUGH 400 AMPERES
0 TO 600 VOLTS

1. **SCOPE OF SPECIFICATION**: This specification is supplementary to general specification Exhibit A, and is not a complete specification.

This specification shall apply to commercial and residential service entrances rated 201 through 400 amperes inclusive, 0 to 600 volts. Exception: See Paragraph No. 5.

2. **DETERMINATION OF SERVICE ENTRANCE AMPACITY**: A single main disconnect is normally required. If more than one disconnect is allowed (such as the 320 amp Meter described below), the service entrance ampacity shall be the sum of the ampacity of the main service disconnect(s) devices. It shall not be larger than 400 amperes for this specification. The nameplate ampacity of a fused main switch determines the disconnect ampacity regardless of the fuse size installed. In a circuit breaker type service disconnect, the nameplate ampacity of the main circuit breaker determines the disconnect ampacity. The sum of ratings of the main fused switches or circuit breakers shall not be permitted to exceed the ampacity of any main bus or the manufacturer's equipment rating label.

3. **CURRENT TRANSFORMER ENCLOSURE**: For service entrances of 201 to 400 amperes, as determined by the sum of the nameplate ampacity of the service disconnect(s), a raintight current transformer enclosure, with an approved mounting base for bar-type current transformers shall be used. The enclosure shall be furnished and installed by the Customer or contractor. An approved free-standing service entrance section (see Exhibit D) conforming to EUSERC requirements may be used as an alternative.

For three-wire services, single phase or three phase, the enclosure shall be equivalent or superior to a Circle A W Products 20" x 36" x 11." the Customer will supply the mounting base for the CT's, equivalent to a Beeline 6019-A, and bi-metal supply termination lugs with an upward range to 350 MCM.

For four-wire services, delta (such as 120/240 volt) or wye (such as 120/208 or 277/480 volt), the enclosure shall be equivalent or superior to Circle A W or Milbank Products, 36" x 42" x 11" N3R CT, with a Beeline mounting base 6067HA, or equivalent, installed along with the appropriate termination lugs as noted above. Please note that a 3" hub is the largest factory type hub available for both of these enclosures. Where a larger hub is needed, a knockout type raintight hub shall be used.

When served by underground service entrance conductors, the current transformer enclosure shall be equipped with a neutral deadend block.

4. **METER SOCKET ENCLOSURES**: Meter socket enclosures~~, and potential transformer enclosure~~ if needed, will be furnished and installed by ~~SSVEC~~the customer or contractor. The Meter socket(s) shall be installed not more than 25 lineal feet (50 circuit feet) from the current transformers.

5. **SINGLE PHASE SELF-CONTAINED 320 AMPERE METERS**: A self-contained Meter is capable of carrying the total current of the service supplied to the Customer and of being directly connected to the line voltage of the service. Single phase self-contained 320 ampere Meter socket enclosures which have been tested, listed and labeled by a nationally recognized testing laboratory may be used under certain conditions. When such a socket is used, the preceding paragraphs related to CT installation do not apply. Bolt-in type 400 ampere Meter sockets are not acceptable.

Individually metered residential services may use an approved 320 Meter socket enclosure if the disconnect ampacity does not exceed 400 amperes. The 320 amp Meter socket is not approved for use on commercial installments. Overhead may use either the recommended Meter/main enclosure or a separate Meter socket and disconnect. Services from an underground lateral shall use only the combination Meter/main. A 3" conduit shall be used for the underground riser.

The socket and other service equipment shall be furnished and installed by the Customer or contractor.

6. **POSITION OF POWER LEG**: On three phase, four wire delta services, the power leg shall be installed in the right hand position.

7. **INSTRUMENT TRANSFORMER METERING**: Instrument transformers are used when the current or voltage of a service is too great for a self-contained Meter installation. Current and potential (voltage) transformers, where required, and all associated Meter circuit wiring will be furnished and installed by SSVEC at the time of Service Connection.

8. **GROUNDED (NEUTRAL) CONDUCTOR SIZE**: The grounded conductor for this specification shall not be reduced in ampacity from that of the ungrounded conductors.

EXHIBIT D

COMMERCIAL & RESIDENTIAL (401-3000 amperes / 0-600 volts)

SULPHUR SPRINGS VALLEY ELECTRIC COOPERATIVE
SERVICE ENTRANCE REQUIREMENTS
COMMERCIAL AND RESIDENTIAL
401 THROUGH 3000 AMPERES
0 TO 600 VOLTS

1. **SCOPE OF SPECIFICATION**: This specification is supplementary to the General Specification Exhibit A, and is not a complete specification.

This specification shall apply to residential and commercial service entrances of 401 to 3000 amperes, 0 to 600 volts. Service entrance sections as outlined in this specification shall be permitted, with appropriate design changes, on services of 0 to 3000 amperes.

2. **DETERMINATION OF SERVICE ENTRANCE AMPACITY**: A single main disconnect is required. The service entrance ampacity shall be the ampacity rating of the bus. It shall not be larger than 3000 amperes for this specification. Customers requiring more than 3000 amperes shall consult the SSVEC Engineering Department for special design requirements.

3. **SERVICE ENTRANCE SECTION**: A free-standing service entrance section, conforming to EUSERC specifications, mounted on a concrete pad or floor shall be furnished and installed by the Customer or contractor on all services from 801 to 3000 amperes. A free-standing service entrance section is preferred, but not required, for services rated 401 to 800 amperes.

4. **SERVICE ENTRANCE SECTION LOCATION**: Service entrance sections shall be permitted to be located inside buildings only under the following conditions:

4.1 SSVEC personnel shall be permitted to have access to the service entrance at all reasonable times.

4.2 The main disconnect device shall be operable to an open position (shunt trip) from an outside location accessible to SSVEC personnel at all times.

4.3 The Customer or contractor shall run separate conduits for the metering circuit (1" RIGID minimum) and for remote operation of the main disconnect (1" rigid minimum) a distance not to exceed 25 lineal feet (50 circuit feet) to an approved outside location accessible to SSVEC personnel at all times. Any change in direction of the metering and remote circuits shall be accomplished with an electrical sweep.

4.4 If any of the above conditions is not met, the service entrance section shall be located outside in a place accessible to SSVEC employees at all times, and shall not be locked except by an arrangement agreeable to both the Customer and SSVEC.

If located outside, the service entrance section shall be raintight (NEMA 3R).

5. **METER SOCKETS**: For outside service entrances, Meter sockets, enclosures, meter test switches and panels, per EUSERC drawings, shall be furnished and installed by the Customer or contractor in the manufactured service entrance section. When the service entrance equipment is located inside with metering conduit run outside or, if a wall-mounted CT cabinet is allowed, Meter sockets, meter test switches, and enclosures will be furnished and installed by ~~SSVEC~~the customer and contractor. Any change in direction of the metering conduit shall be accomplished with an electrical sweep.

6. **CURRENT AND POTENTIAL TRANSFORMERS**: Current transformers, ~~Meter test switches~~ and potential transformers, if required, will be furnished and installed at the time of service connection by SSVEC personnel in the space provided by the Customer.

7. **DRAWING SUBMITTAL**: To avoid costly changes, the Customer or contractor shall have the manufacturer submit service entrance section drawings to SSVEC for review and approval by Engineering before the equipment is manufactured. Faxed submittals are not acceptable for approval purposes.

8. **GROUNDED (NEUTRAL) CONDUCTOR SIZE**: The grounded conductor for this specification shall not be reduced in ampacity from that of the ungrounded conductors.

EXHIBIT E

GENERAL MOTOR LOAD (0-500 HORSEPOWER / 0-600 volts)

SULPHUR SPRINGS VALLEY ELECTRIC COOPERATIVE
SERVICE ENTRANCE REQUIREMENTS
GENERAL MOTOR LOAD
0 THROUGH 500 HORSEPOWER
0 TO 600 VOLTS

1. **SCOPE OF SPECIFICATION**: This specification is supplementary to General Specification Exhibit A, and is not a complete specification.

This specification applies to service entrances that are predominately motor loads, usually single motor loads, 0 through 500 horsepower inclusive, 0 to 600 volts.

Before any motor installation larger than 50 HP is planned, qualified personnel in the Engineering Department should be consulted.

- To assure all Customers of uniform, well regulated service, it is necessary that the following motor requirements and general information be adhered to for installations on SSVEC lines.

- Abnormal loads are those requiring non-standard voltages, or three phase motors 200 HP or larger, or single phase motors larger than 10 HP or single phase to three phase converters, or intermittent loads (large welders, electric furnaces, elevators), or other requiring non-standard service characteristics. SSVEC may at its option extend service to an abnormal load.

- Motors and equipment can have special load requirements that cause excessive voltage/current and harmonic changes to SSVEC's system. When SSVEC must install special equipment to protect against SSVEC system problems caused by the Customer's equipment, the Customer shall pay the excess costs.

- SSVEC reserves the right to inspect and test all motors and other devices and equipment which are owned by the Customer and which are, or shall be, connected to SSVEC's lines.

2. **PROTECTION OF MOTORS AND OTHER EQUIPMENT**:

- Under/Over voltage, overload, phase failure (single phasing), phase reversal, Power interruptions and short circuit protection is strongly recommended for each motor installation.

- It is the Customer's responsibility to provide adequate protective equipment to protect the Customer's equipment from high or low voltage, phase loss or reversal or any unusual condition.

- SSVEC will not be responsible in any way for damage to Customer's equipment due to failure of the Customer to provide adequate protective devices, or due to any failure of such devices.

3. VOLTAGE FLUCTUATION LIMITS:

- High starting (locked-rotor) currents create voltage dip which may cause objectionable light flicker and problems operating other equipment. The voltage dip shall not exceed 4% and must be maintained within tolerable limits.

- Voltage caused by the Customer's equipment in excess of these limits may require SSVEC to disconnect the Customer's service until corrective action is taken by the Customer to the satisfaction of SSVEC.

- In addition to complying with starting requirements, running motors with fluctuating loads shall not cause excessive voltage fluctuations.

4. MOTOR STARTING:

Single Phase Motors:

- BELOW 10 HP: CAN BE STARTED ACROSS-THE-LINE.

- 10 HP or Larger: Considered an abnormal load and may be extended service at SSVEC's option. SSVEC engineering will determine on a case by case basis if motor may be extended service.

- Written Pole Motors up to 60 HP: Reduced voltage/current starting limits current at no more than 50% of locked rotor values. SSVEC engineering will need to determine if motor may be extended service.

- Will be limited to 60 HP maximum on SSVEC service.

Three Phase Motors:

- Up to 60 HP: Can be started across-the-line.

- 61 – 150 HP: Reduced Starting Requirements (Use one of the following starting methods)

    - Primary Resistor or Reactor: For resistor starting, register shall be sized to limit starting currents to no more than 60% of locked-rotor current.

    - Autotransformer: Required 50% tap.

- Wye-Delta Start.
- Solid State (soft start): Required 50% or less of starting current setting.
- Part Winding motor may be considered if starting current is limited to 60% (typical range is 60% - 75%) of locked-rotor. SSVEC engineering will determine if service can be extended on a case by case basis.

• 151 – 499 HP: Solid State Start with 50% or less of normal starting current is required. An SSVEC engineering study may be conducted to determine expected voltage dip and determine if alternate settings will be required. Motors 200 hp or larger are considered abnormal loads and may be extended service at SSVEC's option.

• 500 HP or larger Customer will need to provide engineered design. Design should include at a minimum a one-line diagram, load information, and motor starting information.

Engineered design must be signed by an Electrical Engineer with a P.E. license.

Design must be approved by SSVEC engineering before Customer can proceed with project.

If after installation, voltage dip limits are exceeded, the service will be disconnected until corrective action is taken by Customer to the satisfaction of SSVEC.

5. VARIABLE FREQUENCY DRIVES & SINGLE PHASE TO THREE PHASE CONVERTER REQUIREMENTS:

Variable Frequency Drives and Single Phase to Three Phase Converters are considered abnormal loads and may be extended service at SSVEC's option.

The Customer's load shall not exceed the Power quality impact described in IEEE-519, Recommended Practices and Requirements for Harmonic Control in Electric Power Systems. SSVEC reserves the right to test and monitor equipment to ensure compliance to these guidelines. SSVEC reserves the right to require that remedial action be taken by the owner at the owner's expense.

At SSVEC's request, the Customer shall provide an engineered design. Design should include at a minimum a one-line diagram, load information, motor starting information and equipment specifications.

6. AIR-CONDITIONING UNITS (COMPRESSOR MOTORS):

• The high starting (locked-rotor) currents of the compressor motor may cause objectionable light flicker seen by the Customer. In the case of Customer complaints, a three-wire Hardstart kit will be required by SSVEC. The Hardstart or Kickstart kit's installation and costs are the Customer's responsibility. Customers may check with a local HVAC dealer for information on Hardstart or Kickstart kits.

- If light flicker still persists after the Hardstart or Kickstart installations, SSVEC will take corrective action if the voltage at the Customer's Meter extends into Range B voltage, set forth by ANSI/IEEE standards.

7. INFORMATION NEEDED FROM CUSTOMER:

Motor Nameplate information

A. HP- Horsepower

B. RPM - Speed

C. DES – Design Letters (describes motor torque characteristics)

(1) A for low

(2) B for medium

(3) C for special

(4) D for high with high slip

D. CODE – NEMA locked-Rotor Code letter. Ex: G is for KVA/HP 5.6 to 6.3

E. VOLT – Voltage rating. Ex: 208-230/460

F. FLA. – Full load Amp rating. Ex: 24-21.6/10.8

G. FLEF – Full load efficiency

H. FLPF – Full load Power factor

8. DETERMINATION OF SERVICE ENTRANCE AMPACITY:

The service entrance ampacity shall be 125% of the single motor ampacity determined from the National Electrical Code (NEC) but not less than 60 amperes.

To determine the service entrance ampacity of multiple motor loads, see the NEC Article 430. The service disconnect(s) may be larger, but not smaller than the required minimum ampacity.

9. OVER-CURRENT PROTECTION:

All installations under this specification shall have a running overload protection device such as a trip coil, relay or thermal cutout installed in all ungrounded conductors unless there is such a device integral with the motor being protected.

10. METERING REQUIREMENTS:

A. **METER GROUNDING**: All motor frames shall be grounded by a copper equipment grounding conductor, run in the same raceway with the non-grounded conductors. The equipment grounding conductor shall be connected to the grounded conductor and shall be no smaller than allowed by the National Electrical Code.

The point that the equipment grounding conductor fastens to the motor frame shall be visible without removing any part of the equipment. The connection shall be made with a connector designed and suitable for the purpose.

All installations under this specification shall have a running overload protection device such as a trip coil, relay or thermal cutout installed in all ungrounded conductors unless there is such a device integral with the motor being protected.

11. PROTECTION AGAINST UNUSUAL LINE CONDITIONS: SSVEC strongly recommends that the Customer install devices to protect equipment from high or low voltage, phase loss or reversal or imbalance. SSVEC shall not be liable to the Customer for any loss, injury or damage resulting from the Customer's use of his/her equipment or from the use of the Energy from SSVEC or beyond the point of connection of SSVEC wires or other conductors and equipment with the Customer's wires or other conductors and equipment.

IT IS THE CUSTOMER'S RESPONSIBILITY TO PROVIDE ADEQUATE PROTECTIVE EQUIPMENT TO PROTECT THE CUSTOMER'S EQUIPMENT FROM HIGH OR LOW VOLTAGE, PHASE LOSS OR REVERSAL OR ANY UNUSUAL CONDITION.

12. METER GROUNDING: All motor frames shall be grounded by a copper equipment grounding conductor, run in the same raceway with the nongrounded conductors. The equipment grounding conductor shall be connected to the grounded conductor and shall be no smaller than allowed by the National Electrical Code.

The point that the equipment grounding conductor fastens to the motor frame shall be visible without removing any part of the equipment. The connection shall be made with a connector designed and suitable for the purpose.

13. MOTOR LOADS CLASSIFIED BY HORSEPOWER:

A. 0 THROUGH 125 HORSEPOWER:

(1) Meter Socket. An SSVEC approved 7 jaw Meter socket with a lever type bypass and continuous ampacity rating at least equal to the ampacity required of the rest of the service entrance, shall be furnished and installed by the Customer or contractor.

(2) Four Wire Service. A four-wire service entrance is required for all three phase applications. On three phase four wire delta services the Power leg shall be connected to the right hand Meter base terminals.

(3) Grounded Conductor Size. The grounded conductor may not be reduced in size from that of the ungrounded conductors.

B. 126 THROUGH 200 HORSEPOWER:

(1) Four Wire Services. A four-wire service entrance is required. Consult SSVEC Engineering for information on approved CT Enclosures.

(2) Grounded (Neutral) Conductor Size. The grounded conductor may not be reduced in size from that of the ungrounded conductors.

(3) Meter Socket and Enclosure. The Meter socket and enclosure will be furnished and installed by the customer or contractor. ~~and~~ The potential transformer enclosure (if required) will be furnished and installed by SSVEC. The Meter base and potential transformer enclosure shall be installed within 50 (fifty) circuit feet of the current transformer enclosure.

C. 201 THROUGH 500 HORSEPOWER:

(1) Four Wire Services. A four-wire three phase service entrance is required. Consult SSVEC Engineering for information on approved CT Enclosures.

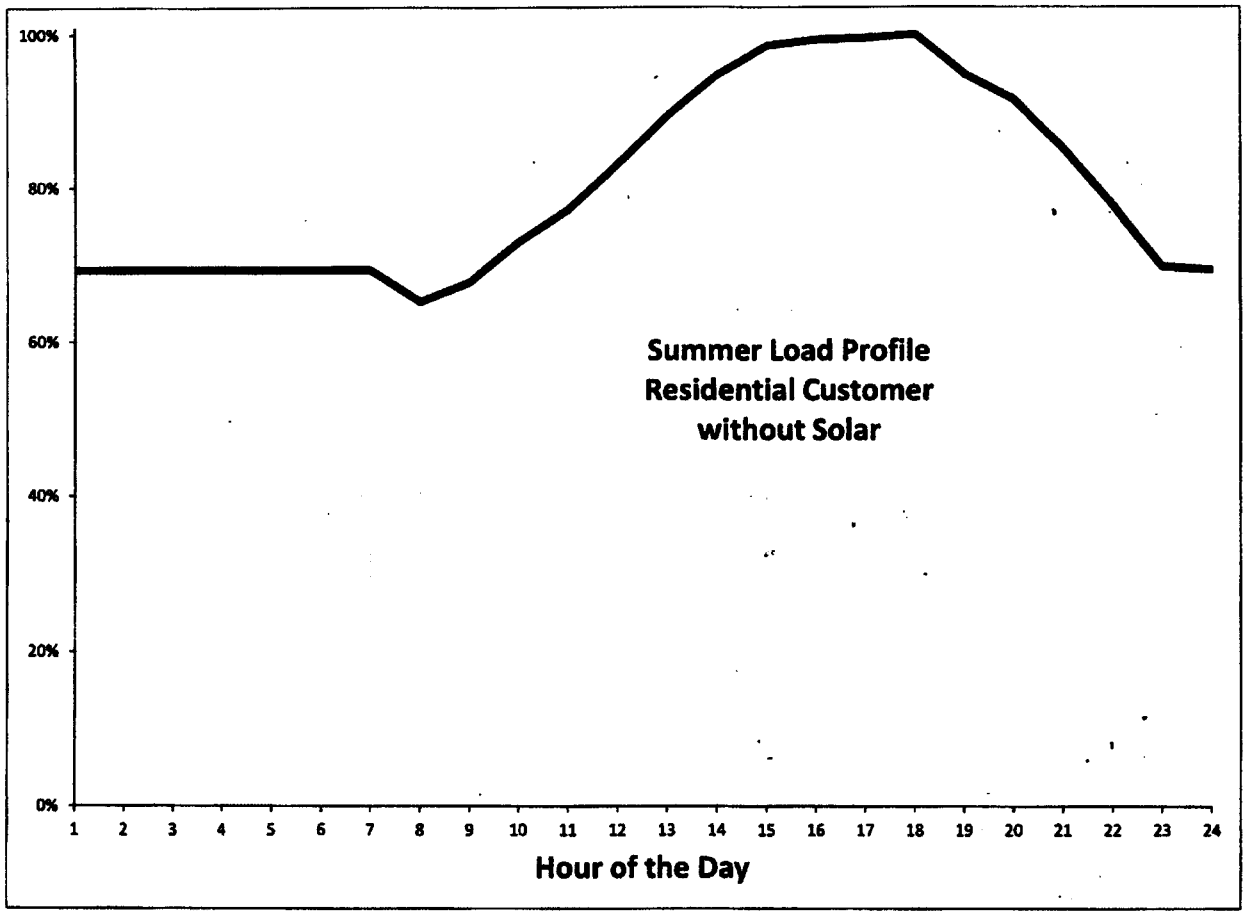
(2) Meter Socket and Enclosure will be furnished and installed by the customer or contractor. The ~~Meter socket and~~ potential transformer enclosure (if required) will be furnished and installed by SSVEC.

(3) Grounded (Neutral) Conductor Size. The grounded conductor may not be reduced in size from that of the ungrounded conductors.

D. MOTOR LOADS LARGER THAN 500 HORSEPOWER:

Special Case. Motor loads larger than 500 horsepower may be served on a special case basis. The Customer shall consult qualified personnel in the Engineering Department before designing the installation.

REBUTTAL EXHIBIT DWH-2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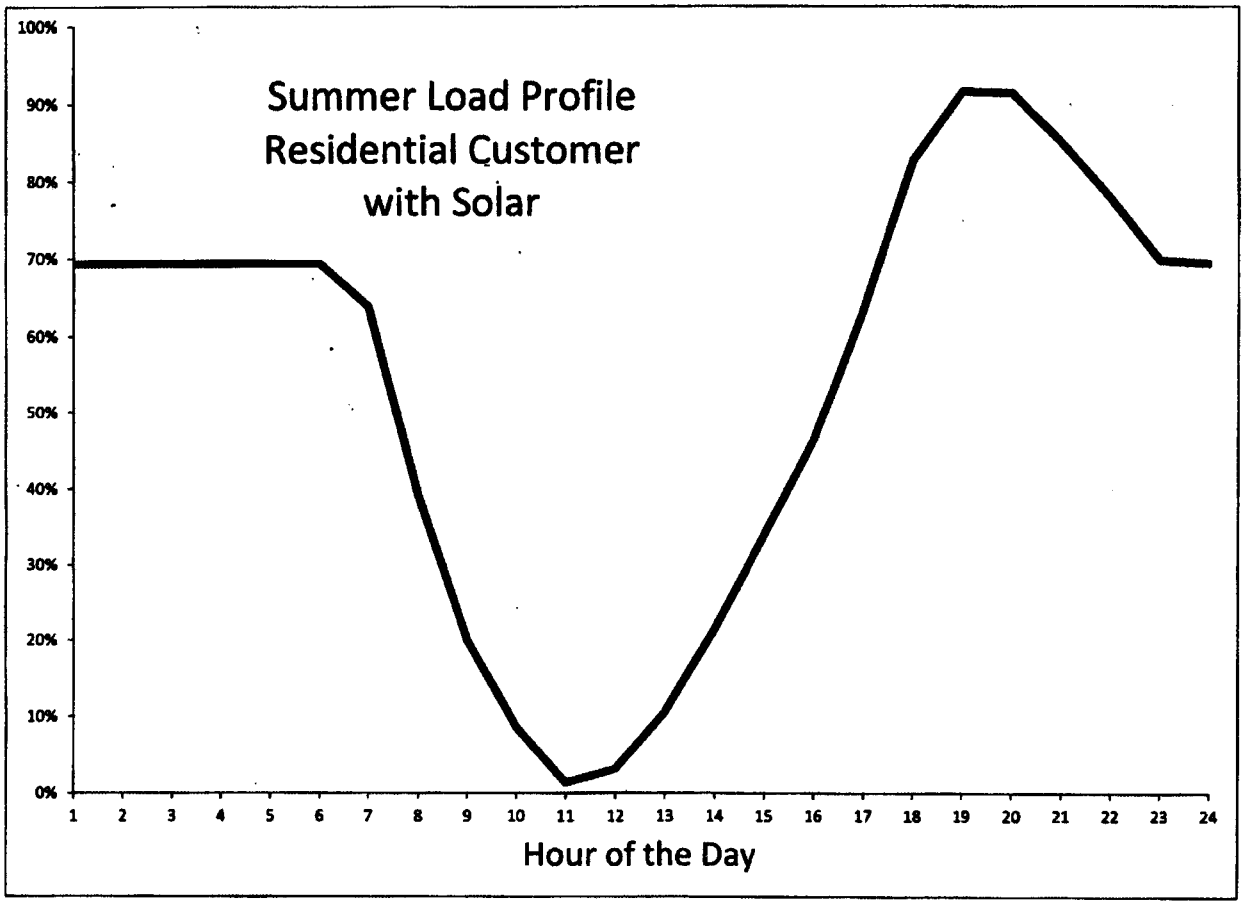
Summer Load Profile
Residential Customer
without Solar
Hour of the Day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Summer Load Profile
Residential Customer
with Solar
Hour of the Day

REBUTTAL EXHIBIT DWH-3

SULPHUR SPRINGS VALLEY ELECTRIC COOPERATIVE, INC.

Willcox, Arizona

STANDARD OFFER TARIFF

Effective

January 1, 2017
Conformed for Compliance January 1, 2017

Decision _____ on MM/DD/YYYY

SULPHUR SPRINGS VALLEY
ELECTRIC COOPERATIVE, INC.
350 N. Haskell Ave
Willcox, Arizona 85643

STANDARD OFFER TARIFF

INDEX

STANDARD OFFER TARIFF

INDEX (Continued)

SULPHUR SPRINGS VALLEY
ELECTRIC COOPERATIVE, INC.
350 N. Haskell Ave
Willcox, Arizona 85643

STANDARD OFFER TARIFF

RATE CLASSIFICATION AND ASSIGNMENT

Rate Classification and Assignment

Rate classification and assignment shall be made by the Cooperative in accordance with the application and type of service provisions in its rate schedules. Rate schedules have been developed for the standard types of service provided by the Cooperative. If Customer's request for Electric Service involves unusual circumstances, usage, or load characteristics not regularly encountered by the Cooperative, the Cooperative may assign a suitable rate classification or enter into a special contract.

Key terms are capitalized in this Standard Offer Tariff manual. The definitions of key terms are provided in the Cooperative's Service Conditions.

ELECTRIC RATES

SULPHUR SPRINGS VALLEY
ELECTRIC COOPERATIVE, INC.
350 N. Haskell Ave
Willcox, Arizona 85643

Effective Date: January 1, 2017

STANDARD OFFER TARIFF

RESIDENTIAL SERVICE
SCHEDULE R

Availability

Available for Residential use throughout the Cooperative's Service Area where the facilities of the Cooperative are of adequate capacity subject to the Cooperative's Service Conditions.

Applicability

To all Single Family Dwellings when all service is supplied at one Point of Delivery through a single Service Line and Energy is metered through one Meter. Service is limited to individual motors of 10 HP or less that will not cause excessive voltage fluctuations.

Not applicable for resale, breakdown, or standby auxiliary service.

Monthly Rate

STANDARD RATE R							
		Distribution Charges					
	Power Supply	Metering	Meter Reading	Billing	Access	Total	Total Rate
Service Availability Charge ($/Customer/Mo)		$4.57	$0.49	$6.16	$3.78	$15.00	$15.00
Energy Charge ($/kWh/Month) All kWh	$0.071165				$0.046353	$0.046353	$0.117518

RESIDENTIAL SERVICE
SCHEDULE R

Monthly Minimum Charge

The monthly Minimum Charge shall be the greater of the following:

1. The Service Availability Charge; or
2. The amount specified in a written contract between the Cooperative and the Customer.

Billing Adjustments

This rate schedule is subject to the following billing adjustments:

1. Wholesale Power and Fuel Cost Adjustment, Schedule BA.
2. Tax Adjustment, Schedule BA.
3. REST Adjustment, Schedule BA.
4. DSM Adjustment, Schedule BA.

Service Conditions

The Service Conditions of the Cooperative, on file with the ACC, shall apply to this schedule. Cooperative policy regarding Meter reading intervals, terms of payments, extended billing periods and collection policy, as filed and approved by the ACC, are stated and published in the Cooperative's Service Conditions.

SULPHUR SPRINGS VALLEY
ELECTRIC COOPERATIVE, INC.
350 N. Haskell Ave
Willcox, Arizona 85643

Effective Date: January 1, 2017

STANDARD OFFER TARIFF

RESIDENTIAL PARTIAL REQUIRMENTS SERVICE, STANDBY SERVICE, BACKUP SERVICE ~~WITH DISTRIBUTED GENERATION~~

ON OR BEFORE APRIL 14, 2015
SCHEDULE R-~~DG~~ PR E

Availability

Available for Residential use for customers ~~with distributed generation connected~~who purchase partial requrements energy service (less than 100% of their electrical requriements), or standby service, or backup service on or before April 14, 2015, throughout the Cooperative's Service Area where the facilities of the Cooperative are of adequate capacity subject to the Cooperative's Service Conditions. This rate is administered in conjunction with "Net Metering Tariff Schedule NM-1," This rate also includes a portion of the distribution wires (acess) cost not included in the kWh charge. This rate includes generation and transmission services including: FERC Mandatory Services of Scheduling, System Control and Dispatch Services; Reactive Supply and Voltage Control.; Regulation and Frequency Response Services; Energy Imbalance Services; Operating Reserve – Spinning Reserve Services; and Operating Reserve – Supplemental Reserve Services.

Per Net Metering Tariff Schedule NM-1 this rate is rescinded after 20 years. As each member reaches their 20 year maximum their service will be transferred to **RESIDENTIAL PARTIAL REQUIREMENTS, STANDBY SERVICE, BACKUP SERVICE AFTER APRIL 14, 2015 SCHEDULE R-PR.**

Applicability

To all Single Family Dwellings when all service is supplied at one Point of Delivery through a single Service Line and Energy is metered through one Meter. Service is limited to individual motors of 10 HP or less that will not cause excessive voltage fluctuations.

Not applicable for resale, breakdown, or standby auxiliary service.

Monthly Rate

STANDARD RATE R-~~DG~~ PR E							
	Power Supply	Distribution Charges					Total Rate
		Metering	Meter Reading	Billing	Access	Total	

Service Availability Charge ($/Customer/Mo)		$4.57	$0.49	$6.16	$13.78	$25.00	$25.00
Energy Charge ($/kWh/Month) All kWh	$0.071165				$0.048603	$0.048603	$0.119768

**RESIDENTIAL SERVICE WITH DISTRIBUTED GENERATION
ON OR BEFORE APRIL 14, 2015
SCHEDULE R-~~DG~~ PR E**

Monthly Minimum Charge

The monthly Minimum Charge shall be the greater of the following:

1. The Service Availability Charge; or
2. The amount specified in a written contract between the Cooperative and the Customer.

Billing Adjustments

This rate schedule is subject to the following billing adjustments:

1. Wholesale Power and Fuel Cost Adjustment, Schedule BA.
2. Tax Adjustment, Schedule BA.
3. REST Adjustment, Schedule BA.
4. DSM Adjustment, Schedule BA.

Service Conditions

The Service Conditions of the Cooperative, on file with the ACC, shall apply to this schedule. Cooperative policy regarding Meter reading intervals, terms of payments, extended billing periods and collection policy, as filed and approved by the ACC, are stated and published in the Cooperative's Service Conditions.

SULPHUR SPRINGS VALLEY
ELECTRIC COOPERATIVE, INC.
350 N. Haskell Ave
Willcox, Arizona 85643

Effective Date: January 1, 2017

STANDARD OFFER TARIFF

RESIDENTIAL PARTIAL REQUIREMENTS SERVICE, STANDBY SERVICE, BACKUP SERVICE ~~WITH DISTRIBUTED GENERATION~~ AFTER APRIL 14, 2015
SCHEDULE R-~~DG~~PR

Availability

Available for Residential use for customers ~~with distributed generation connected~~ who purchase partial requirements energy service (less than 100% of their electrical requriements), or standby service, or backup service after April 14, 2015 throughout the Cooperative's Service Area where the facilities of the Cooperative are of adequate capacity subject to the Cooperative's Service Conditions. This rate also includes a portion of the distribution wires (acess) cost not included in the kWh charge. This rate includes generation and transmission services including: FERC Mandatory Services of Scheduling, System Control and Dispatch Services; Reactive Supply and Voltage Control.; Regulation and Frequency Response Services; Energy Imbalance Services; Operating Reserve – Spinning Reserve Services; and Operating Reserve – Supplemental Reserve Services.

This rate is administered in conjunction with "Parital Requirements Service, Standy Service, Backup Serivce PR-1~~Distributed Generation Tariff DG~~."

Applicability

To all Single Family Dwellings when all service is supplied at one Point of Delivery through a single Service Line and Energy is metered through one Meter. Service is limited to individual motors of 10 HP or less that will not cause excessive voltage fluctuations.

Not applicable for resale, breakdown, or standby auxiliary service.

Monthly Rate

STANDARD RATE R-~~DG~~PR							
	Power Supply	Distribution Charges					Total Rate
		Metering	Meter Reading	Billing	Access	Total	
Service Availability Charge ($/Customer/Mo)		$4.57	$0.49	$6.16	$13.78	$25.00	$25.00
Energy Charge	$0.071165				$0.036452	$0.036452	$0.107617

($/kWh/Month) All kWh							

RESIDENTIAL SERVICE WITH DISTRIBUTED GENERATION AFTER APRIL 14, 2015
SCHEDULE R-~~DG~~PR

Monthly Minimum Charge

The monthly Minimum Charge shall be the greater of the following:

1. The Service Availability Charge; or
2. The amount specified in a written contract between the Cooperative and the Customer.

Billing Adjustments

This rate schedule is subject to the following billing adjustments:

1. Wholesale Power and Fuel Cost Adjustment, Schedule BA.
2. Tax Adjustment, Schedule BA.
3. REST Adjustment, Schedule BA.
4. DSM Adjustment, Schedule BA.

Service Conditions

The Service Conditions of the Cooperative, on file with the ACC, shall apply to this schedule. Cooperative policy regarding Meter reading intervals, terms of payments, extended billing periods and collection policy, as filed and approved by the ACC, are stated and published in the Cooperative's Service Conditions.

SULPHUR SPRINGS VALLEY
ELECTRIC COOPERATIVE, INC.
350 N. Haskell Ave
Willcox, Arizona 85643

Effective Date: January 1, 2017

STANDARD OFFER TARIFF

RESIDENTIAL TIME-OF-USE SERVICE
SCHEDULE RT

Availability

Available for Residential Use throughout the Cooperative's Service Area where the facilities of the Cooperative are of adequate capacity subject to the Cooperative's Service Conditions. Billing under this rate schedule shall become effective beginning with the next regular Meter reading after the Customer has requested service under this schedule and after the Cooperative has installed the appropriate Meter.

Applicability

To all Single Family Dwellings when all service is supplied at one Point of Delivery through a single Service Line and Energy is metered through one Meter. Service is limited to individual motors of 10 HP or less that will not cause excessive voltage fluctuations.

Not applicable for resale, breakdown, or standby auxiliary service.

Monthly Rate

STANDARD RATE RT							
		Distribution Charges					
	Power Supply	Metering	Meter Reading	Billing	Access	Total	Total Rate
Service Availability Charge ($/Customer/Mo)		$4.57	$0.49	$6.16	$5.28	$16.50	$16.50
Energy Charge ($/kWh/Month)							
All On-Peak kWh	$0.173210				$0.046353	$0.046353	$0.219563
All Off-Peak kWh	$0.036580				$0.046353	$0.046353	$0.082933

RESIDENTIAL TIME-OF-USE
SCHEDULE RT

Summer Hours beginning April 16 and continuing through October 15

On-Peak hours shall be 1 p.m. through 7 p.m., Monday through Saturday.

All hours not specified as On-Peak shall be Off-Peak.

Winter Hours beginning October 16 and continuing through April 15

On-Peak hours shall be 6:00 a.m. through 9 a.m. and 6 p.m. through 9:00 p.m., Monday through Saturday. All other hours shall be Off-Peak.

Monthly Minimum Charge

The monthly Minimum Charge shall be the greater of the following:

1. The Service Availability Charge; or
2. The amount specified in a written contract between the Cooperative and the Customer.

Billing Adjustments

This rate schedule is subject to the following billing adjustments:

1. Wholesale Power and Fuel Cost Adjustment, Schedule BA.
2. Tax Adjustment, Schedule BA.
3. REST Adjustment, Schedule BA.
4. DSM Adjustment, Schedule BA.

Service Conditions

The Service Conditions of the Cooperative, on file with the ACC, shall apply to this schedule. Cooperative policy regarding Meter reading intervals, terms of payments, extended billing periods and collection policy, as filed and approved by the ACC, are stated and published in the Cooperative's Service Conditions.

ELECTRIC RATES

SULPHUR SPRINGS VALLEY
ELECTRIC COOPERATIVE, INC.
P.O. Box 820
Willcox, Arizona 85644-0820
Filed by: Creden Huber
Title: CEO/General Manager

Effective Date: January 1, 2017

STANDARD OFFER TARIFF

RESIDENTIAL PREPAID SERVICE
SCHEDULE RPS

Availability

Available, on a voluntary basis, to customers in the territory served by the Cooperative for Residential Use throughout the Cooperative's Service Area where the facilities of the Cooperative are of adequate capacity subject to the Cooperative's Service Conditions.

Schedule RPS is not available at locations where the Customer is enrolled in the Cooperative's Critical Load Program, or with Invoice Groups which include Loans or Special Billings. Participation allowed under this tariff shall be determined by the Cooperative. Customers specified under Arizona Administrative Code R14-2-211.A.5 shall not be eligible for Schedule RPS. These Customers include, but are not limited to, those where termination of service would be especially dangerous to the health of the customer, as determined by a licensed medical physician; those customers where life supporting equipment used in the home is dependent on utility service; and those customers where weather would be especially dangerous to health.

Applicability

Applicable, by request of the customer, to a customer otherwise served under the Cooperative's Rate Schedule R for all Single Family Dwellings when all service is supplied at one Point of Delivery through a single Service Line and Energy is metered through one Meter.

Not applicable to customers that are on Schedule R03 (3-phase), Schedule R-DG E, Schedule R-DG, Schedule NM1, Schedule DG, Customers on Budget Billing, or for resale purposes.

STANDARD OFFER TARIFF

RESIDENTIAL PREPAID SERVICE
SCHEDULE RPS

Service Availability Charge, kWh Rates, and REST Surcharge

RATE RPS							
	Power Supply	Distribution Charges					Total Rate
		Metering	Meter Reading	Billing	Access	Total	
Service Availability Charge ($/Customer/Day)		$0.150247	$0.016110	$0.202521	$0.124273	$0.493151	$0.493151
Energy Charge ($/kWh/Month) All kWh	$0.071165				$0.046353	$0.046353	$0.117518

Billing Adjustments

This rate schedule is subject to the following billing adjustments:

1. Wholesale Power and Fuel Cost Adjustment, Schedule BA.
2. Tax Adjustment, Schedule BA.
3. DSM Adjustment, Schedule BA
4. REST Surcharge as follows:

   The RPS tariff is subject to the REST Surcharge on a per kWh basis as all other SSVEC rates, but with the use of a daily (rather than monthly) REST Surcharge CAP. The methodology for calculating a daily REST surcharge CAP is based on the following formula; the Monthly Residential Rest Surcharge CAP × 12 months ÷ 365 days rounded to nearest mill (1/10 of a penny).

Service Conditions

The following Service Conditions of the Cooperative (based on ARS R14-2 -201 to 213)), on file with the ACC, shall **NOT** apply to this schedule;

1) Section 2.4.1 Credit Policy Residential Service
2) Section 2.4.4 Exceptions Applicable to Sections 2.4.1 and 2.4.3
3) Section 2.4.5 Deposit Procedures
4) Section 2.4.6 Schedule of Deposits
5) Section 2.4.7 Interest on Deposits
6) Section 2.8.3 Frequency and Estimated Bills
7) Section 2.13 Billing information
8) Section 2.15 Terms of Payments
9) Section 2.16.1 Budget Billing
10) Section 2.16.2 Surepay Automatic Payments
11) Section 2.19.1 Notice of Delinquent Status
12) Section 2.20.4 Termination Notice Requirements

STANDARD OFFER TARIFF

RESIDENTIAL PREPAID SERVICE
SCHEDULE RPS

13) Section 2.20.5 Timing of Termination with Notice
14) Section 2.21 Service Termination Procedure

Experimental Service Conditions Applicable to Prepaid Metering Service Only:

2.28 Prepaid Electric Service

A. Availability: The Prepaid Electric Service is available only to new or existing residential members with the following exceptions:

(1) Residential critical load members are excluded from the prepaid electric service program.

(2) Customers identified under A.A.C. R14-2-211.A.5 and those customers under appropriate circumstances but beyond the scope of A.A.C. R14-211.A.5 are not eligible for this rate.

(3) Invoice groups which include loans or special billings.

(4) Customer must have a valid e-mail account and phone capable of receiving the messages and low balance alerts.

B. Enrollment: Member must make a request and complete a Prepaid Electric Service Application.

(1) In addition to the information provided in section 2.3.1, the prepaid applicant is encouraged to provide the following:

a. Secondary e-mail address.

b. Cell phone number with text capability and/or second phone number.

c. Other approved method of communications other than US Postal Mail.

(2) The Cooperative will allow enrollment into prepaid service if the customer meets the eligibility requirements.

a. The Customer must pay all applicable fees prior to commencement of service.

b. Once a $50.00 credit balance has been established the account will be activated.

STANDARD OFFER TARIFF

RESIDENTIAL PREPAID SERVICE
SCHEDULE RPS

C. Billing, Payments, and Information: Paper statements will not be provided under the prepaid program. Billing information, as well as payment and account information can be obtained at:

(1) SSVEC business offices during normal business offices.

(2) Integrated Voice Recognition (IVR) at (520) 458-4691.

(3) Online at www.ssvec.org 24 hours a day.

D. Estimating Prepaid Electric Balances and Customer Notices:

(1) As energy is consumed, the credit balance is reduced until either the balance is exhausted or additional payments are added to the balance. Balances can be checked online at www.ssvec.org at any time.

(2) SSVEC's web interface can provide an estimate of how long the prepaid credit will last according to current usage.

(3) Customers can be notified of their estimated balance by e-mail, and/or other electronic means if customer provides the necessary contact information.

a. The notice will be generated daily when the Customers credit balance is less than their current daily average usage times 4. The daily average usage will be calculated using up to the previous 30 days of consumption history.

b. These estimates are based on the historic information available but can be affected by changes in the customer's usage or needs. The member is responsible for ensuring that a credit balance is maintained on the account.

E. Transfers and optional Debt Recovery for Outstanding Balances:

(1) Accounts that are on existing post paid electric service may be converted to pre paid electric service.

(2) When existing customers that convert from post paid residential service the existing deposit, if any, is applied toward any outstanding balance of the post paid account with the remaining credit applied to prepaid service.

STANDARD OFFER TARIFF

RESIDENTIAL PREPAID SERVICE
SCHEDULE RPS

(3) All post paid fees and unbilled energy charges must be paid in full except for the provisions below:

a. Prepaid accounts are not eligible for payment arrangements. However, there is a debt recovery feature available within limits to recover amounts due from the prior post paid account, when applying for prepaid service. A percentage (20% to 50%) of each prepaid electric service payment can be applied to an outstanding debt up to $400.

b. Outstanding amounts over $400.00 must be paid down to the $400.00 level prior to being eligible for prepaid electric service program.

c. The Customer agrees to make prepaid payments of sufficient amounts to pay down the outstanding amounts in no more than 4 months.

d. If the Customer fails to pay the outstanding balance within the 4 months allowed, SSVEC has the right to disconnect the prepaid service until the outstanding balance has been paid in full.

(4) SSVEC will transfer the existing membership fee on the post paid to the new account where the member will not be required to make an additional payment.

(5) The customer may elect to convert from prepaid electrical service back to post paid service. At which time, the Cooperative may require full payment of the deposit to continue service. Customers who cancel their Pre-paid Accounts may not re-apply for a new Pre-paid Account at the same location for 6 month period.

F. Terminating and Restoring Prepaid Electric Service: Prepaid meters are equipped to allow remote disconnection / reconnection of service.

(1) Service terminated at the request of the member will receive a refund of any remaining credit on the account after all final bill amounts have been calculated.

(2) Electric service may be subject to immediate disconnection any time the account does not have a credit balance.

(3) Following a disconnect because the account does not have a credit balance, the member must pay any unpaid balance from the result of energy consumption from the time the account has reached a zero balance and when the Cooperative issued the disconnection command,

STANDARD OFFER TARIFF

RESIDENTIAL PREPAID SERVICE
SCHEDULE RPS

plus purchase a minimum of $20.00 prepaid electric service, before service is reconnected.

(4) If an account is disconnected because the account does not have a credit balance and does not become current after 10 days, the account will be considered closed and the Cooperative will mail a final bill to the last known address on file for all unpaid charges.

(5) Extreme Weather Events: Service will not be disconnected when the local weather forecast as predicted by the National Oceanographic and Administration Service indicates that the temperature will not exceed 32 degrees for the next Day's forecast. The ACC may determine that other weather conditions are especially dangerous to health as the need arises.

(6) The Cooperative shall not disconnect a prepaid customer due to a negative account balance based on an estimated read that has not been trued up with an actual read.

ELECTRIC RATES

SULPHUR SPRINGS VALLEY
ELECTRIC COOPERATIVE, INC.
P.O. Box 820
Willcox, Arizona 85644-0820
Filed by: Creden Huber
Title: CEO/General Manager

Effective Date: January 1, 2017

STANDARD OFFER TARIFF

RESIDENTIAL AUXILIARY SERVICE
SCHEDULE RA

Availability

Available to Customers taking service under the Residential Service or Residential Time-of-Use Service tariffs for individually metered water wells, shops, and barns requiring less than 50 kVA transformer capacity as determined by the Cooperative and located along the existing Distribution Lines of the Cooperative for single- and/or three-phase service. Single-phase motors will be limited to 10 HP and of a type which will not cause excessive voltage fluctuations.

Applicability

This schedule is applicable for individually metered auxiliary residential service such as; individual or shared water wells, shops and barns and other non-commercial users.

This schedule is not applicable for resale, breakdown, or standby service.

Monthly Rate

STANDARD RATE RA							
	Power Supply	Distribution Charges					Total Rate
		Metering	Meter Reading	Billing	Access	Total	
Service Availability Charge ($/Customer/Mo)		$4.62	$0.49	$6.23	$8.66	$20.00	$20.00
Demand Charge ($/kW/Month) First 3 kW, per kW	$0.00				$1.50	$1.50	$1.50
Demand Charge ($/kW/Month) Over 3 kW, per kW	$6.50				$1.50	$1.50	$8.00
Energy Charge ($/kWh/Month) All kWh	$0.085089				$0.025570	$0.025570	$0.110659

ELECTRIC RATES

RESIDENTIAL AUXILIARY SERVICE
SCHEDULE RA

Monthly Minimum Charge

The monthly Minimum Charge shall be the highest of the following:

1. The Service Availability Charge plus the Demand Charges; or

2. The amount specified in a written contract between the Cooperative and the Customer.

Determination of Billing Demand

The billing Demand shall be the highest 15 minute kW or kVA Demand determined to the nearest 1/10 of a KW or kVA by means of suitable metering equipment, but not less than 3 kW or kVA.

Whenever the power factor at time of maximum capacity is less than 90% or for 3-phase service, the billing capacity may be determined on the basis of kVA capacity instead of kW capacity.

Billing Adjustments

This rate schedule is subject to the following billing adjustments:

1. Wholesale Power and Fuel Cost Adjustment, Schedule BA.
2. Tax Adjustment, Schedule BA.
3. REST Adjustment, Schedule BA.
4. DSM Adjustment, Schedule BA.

Service Conditions

The Service Conditions of the Cooperative, on file with the ACC, shall apply to this schedule. Cooperative policy regarding Meter reading intervals, terms of payments, extended billing periods and collection policy, as filed and approved by the ACC, are stated and published in the Cooperative's Service Conditions.

SULPHUR SPRINGS VALLEY
ELECTRIC COOPERATIVE, INC.
350 N. Haskell Ave
Willcox, Arizona 85643

Effective Date: January 1, 2017

STANDARD OFFER TARIFF

GENERAL SERVICE
SCHEDULE GS

Availability

Available to all Customers who generally require less than 50 kVA transformer capacity as determined by the Cooperative and located along the existing Distribution Lines of the Cooperative for single- and/or three-phase service for commercial lighting, small power, other commercial or business uses, farm use, water pumps such as individually metered domestic and stock wells, and all public buildings. This rate schedule is an optional schedule for irrigation and commercial water service for all pumps requiring less than 50 kVA of transformer capacity. Single-phase motors will be limited to 10 HP and of a type which will not cause excessive voltage fluctuations.

Applicability

This schedule is applicable for commercial use which includes service used by retail or wholesale business, small manufacturing or processing establishments, tourist or trailer camps, motels, stores, restaurants, service stations, professional offices, public buildings, churches, seasonal farm uses such as feed grinders, etc., optional for smaller pumps used for irrigation purposes, domestic and stock wells, sewage pump stations, apartments, where more than one unit is served from an individual meter, and other nonresidential uses under conditions provided in the preceding paragraph.

Except in cases of existing Master-Metered mobile home parks, service under this schedule shall not be resold or shared with others.

All service shall be delivered at one Point of Delivery through a single Service Line and Energy is metered through one Meter.

Normally only single phase service is available by the Cooperative and all motors shall be for single-phase operation. Service will not be furnished where individual single-phase motors in excess of 10 HP are installed except where written permission is granted by the Cooperative.

The Cooperative furnishes three-phase service (normally where motors larger than 10 HP are required) only where such service is already available immediately adjacent to service after giving consideration to the investment required and probable use of three-phase service by the Customer.

GENERAL SERVICE
SCHEDULE GS

Monthly Rate

STANDARD RATE GS							
	Power Supply	Distribution Charges					Total Rate
		Metering	Meter Reading	Billing	Access	Total	
Service Availability Charge ($/Customer/Mo)		$4.62	$0.49	$6.23	$8.66	$20.00	$20.00
Demand Charge ($/kW/Month) First 3 kW, per kW	$0.00				$1.50	$1.50	$1.50
Demand Charge ($/kW/Month) Over 3 kW, per kW	$6.50				$1.50	$1.50	$8.00
Energy Charge ($/kWh/Month) All kWh	$0.085089				$0.025570	$0.025570	$0.110659

Monthly Minimum Charge

The monthly Minimum Charge shall be the highest of the following:

1. The Service Availability Charge plus the Demand Charges; or

2. The amount specified in a written contract between the Cooperative and the Customer.

Determination of Billing Demand

The billing Demand shall be the highest 15 minute kW or kVA Demand determined to the nearest 1/10 of a KW or kVA by means of suitable metering equipment, but not less than 3 kWor kVA.

Whenever the power factor at time of maximum capacity is less than 90%, and on all 3-phase services the billing capacity may be determined on the basis of kVA capacity instead of kW capacity.

GENERAL SERVICE
SCHEDULE GS

Billing Adjustments

This rate schedule is subject to the following billing adjustments:

1. Wholesale Power and Fuel Cost Adjustment, Schedule BA.
2. Tax Adjustment, Schedule BA.
3. REST Adjustment, Schedule BA.
4. DSM Adjustment, Schedule BA.

Service Conditions

The Service Conditions of the Cooperative, on file with the ACC, shall apply to this schedule. Cooperative policy regarding Meter reading intervals, terms of payments, extended billing periods and collection policy, as filed and approved by the ACC, are stated and published in the Cooperative's Service Conditions.

SULPHUR SPRINGS VALLEY
ELECTRIC COOPERATIVE, INC.
350 N. Haskell Ave
Willcox, Arizona 85644-0820

Effective Date: January 1, 2017

STANDARD OFFER TARIFF

GENERAL SERVICE & SMALL POWER TIME-OF-USE SINGLE- AND THREE-PHASE SERVICE SCHEDULE GT

Availability

Available to Customers who generally require less than 50 kVA transformer capacity as determined by the Cooperative and located along the existing Distribution Lines of the Cooperative for single- and/or three-phase service for commercial lighting, small power, other commercial or business uses, farm use, water pumps such as individually metered domestic and stock wells, and all public buildings. This rate schedule is an optional schedule for irrigation and commercial water service for all pumps requiring less than 50 kVA of transformer capacity.

Single-phase motors shall be limited to 10HP and of a type that will not cause excessive voltage fluctuations.

Billing under this rate schedule shall become effective beginning with the next regular Meter reading after the Customer has requested service under this schedule and after the Cooperative has installed the appropriate Meter.

Applicability

Applicable for commercial use including service used by retail or wholesale business, small manufacturing or processing establishments, tourist or trailer camps, motels, stores, restaurants, service stations, professional offices, public buildings, churches, seasonal farm uses such as feed grinders, etc., optional for smaller pumps used for irrigation purposes, domestic and stock wells, sewage pump stations, apartments where more than one unit is served from an individual Meter, and other nonresidential uses under conditions provided in the preceding section.

Except in cases of existing Master-Metered mobile home parks, service under this schedule shall not be resold or shared with others.

All service shall be delivered at one Point of Delivery through a single Service Line and Energy is metered through one Meter.

Service will not be furnished where individual single-phase motors in excess of 10HP are installed except where written permission is granted by the Cooperative.

GENERAL SERVICE & SMALL POWER TIME-OF-USE
SINGLE- AND THREE-PHASE SERVICE
SCHEDULE GT

The Cooperative furnishes three-phase service (normally where motors larger than 10 HP are required) only where such service is already available immediately adjacent to service after giving consideration to the investment required and probable use of three-phase service by the Customer.

Monthly Rate

STANDARD RATE GT							
	Power Supply	Distribution Charges					Total Rate
		Metering	Meter Reading	Billing	Access	Total	
Service Availability Charge ($/Customer/Mo)		$4.62	$0.49	$6.23	$10.66	$22.00	$22.00
Demand Charge ($/kW/Month	$0.00				$1.50	$1.50	$1.50
On-Peak Capacity Charge ($/kW of Billing Capacity)	$18.50				$0.00	$0.00	$18.50
Energy Charge ($/kWh/Month) All kWh	$0.034292				$0.025570	$0.025570	$0.059862

Billing under this rate shall be the sum of the following:

1. The Service Availability Charge
2. The Demand Charge
3. The On Peak Capacity Charge
4. The Energy Charge
5. Any applicable billing adjustments

Summer Hours beginning April 16 and continuing through October 15

On-Peak hours shall be 1 p.m. through 7 p.m., Monday through Saturday.

All hours not specified as On-Peak shall be Off-Peak.

Winter Hours beginning October 16 and continuing through April 15

On-Peak hours shall be 6:00 a.m. through 9 a.m. and 6 p.m. through 9:00 p.m., Monday through Saturday. All other hours shall be Off-Peak.

GENERAL SERVICE & SMALL POWER TIME-OF-USE
SINGLE- AND THREE-PHASE SERVICE
SCHEDULE GT

Determination of Billing Demand

The billing Demand shall be the highest 15 minute kWor kVA Demand determined to the nearest 1/10 of a KW or kVA by means of suitable metering equipment, but not less than 3 kW or kVA. Whenever the power factor at time of maximum capacity is less than 90% or for all 3-phase services, the billing capacity may be determined on the basis of kVA capacity instead of kW capacity.

Determination of Billing Capacity

The monthly Demand capacity shall be based on the highest 15 minute kW Demand determined using suitable metering equipment. All capacities determined to the nearest 1/10 of a kW or kVA. Whenever the power factor at the time of maximum capacity is less than ninety percent (90%) or for all 3-phase services, the billing capacity may be determined on the basis of kVA capacity instead of kW capacity.

Monthly Minimum Charge

The monthly Minimum Charge for any period that service is established shall apply for a period of not less than four consecutive months where only single-phase service is supplied and for not less than six consecutive months (or longer as may be specified in Cooperative's service agreement) where three-phase service is supplied. The monthly Minimum Charge may, at the option of the Cooperative, be determined on a separately metered basis for both single- and three-phase service but shall in no event be less than the highest minimum charge when computed or determined by any of the following methods. The monthly Minimum Charge shall not include any billings made under the Billing Adjustments.

(1) The Service Availability Charge plus the Demand Charges; or

(2) Special installations: Where installations are of unusual character as to electric usage requirements and/or investments, the monthly Minimum Charge will be determined by the Cooperative and set forth in the service Application with the Customer.

Billing Adjustments

This rate schedule is subject to the following billing adjustments:

1. Wholesale Power and Fuel Cost Adjustment, Schedule BA.
2. Tax Adjustment, Schedule BA.
3. REST Adjustment, Schedule BA.
4. DSM Adjustment, Schedule BA.

GENERAL SERVICE & SMALL POWER TIME-OF-USE
SINGLE- AND THREE-PHASE SERVICE
SCHEDULE GT

Service Conditions

The Service Conditions of the Cooperative, on file with the ACC, shall apply to this schedule. Cooperative policy regarding Meter reading intervals, terms of payments, extended billing periods and collection policy, as filed and approved by the ACC, are stated and published in the Cooperative's Service Conditions.

ELECTRIC RATES

SULPHUR SPRINGS VALLEY
ELECTRIC COOPERATIVE, INC.
350 N. Haskell Ave
Willcox, Arizona 85644-0820

Effective Date: January 1, 2017

STANDARD OFFER TARIFF

GENERAL POWER SERVICE RV PARKS
SCHEDULE PRV

DISCONTINUED

Customers taking service under this tariff transferred to Large Power Service.

SULPHUR SPRINGS VALLEY
ELECTRIC COOPERATIVE, INC.
350 N. Haskell Ave
Willcox, Arizona 85644-0820

Effective Date: January 1, 2017

STANDARD OFFER TARIFF

SECURITY LIGHTING
SCHEDULE SL

Availability

Available for security lighting service to all Cooperative Customers located along existing Distribution Lines of the Cooperative. Lighting service for state, county, city, town, political subdivision, homeowners associations, improvement district, or a responsible person or persons for unincorporated communities shall not be served under this rate schedule but shall be served under rate Schedule S.

Applicability

The Cooperative will install and maintain an un-metered shielded 100 Watt High Pressure Sodium, "Security Lamp" or similar fixture controlled by photo-electric cell on any suitable existing pole when a three-year contract for the initial installation of the security light has been executed and accepted by the Cooperative. All lighting installed will be subject to meeting municipal or county lighting ordinances. The Customer shall pay the cost of facilities in accordance with the Line Extension provisions in the Service Conditions.

Monthly Rate

STANDARD RATE SL					
Cooperative-Owned and Maintained Lighting Service	Power Supply	Distribution			Total Rate
		Billing	Access	Total	
100 Watt HPS on Existing Pole	$1.50		$10.24	$10.24	$11.74
35 Watt LP on Existing Pole **	$2.16		$9.58	$9.58	$11.74
35 to 75 Watt LED on Existing Pole	$0.90		$9.58	$9.58	$10.48
Additional Poles for Security Lights			$2.15	$2.15	$2.15

** Applies only to lights presently installed. No additional 35 Watt LP will be installed.

SECURITY LIGHTING
SCHEDULE SL

Billing Adjustments

This rate schedule is subject to the following billing adjustments:

1. Wholesale Power and Fuel Cost Adjustment, Schedule BA.
2. Tax Adjustment, Schedule BA.
3. REST Adjustment, Schedule BA.
4. DSM Adjustment, Schedule BA.

Termination of Contract

A contract may be terminated prior to the expiration of three years if the Customer agrees to pay the Cooperative the original installation cost plus the cost of removal, or payment of balance of the contract, whichever is less.

The Cooperative reserves the right to remove the security light and related equipment at any time in the event more than two service calls in a twelve month period become necessary due to vandalism or other causes over and above the regular maintenance required unless the Customer agrees to pay for the additional calls and related cost incurred.

Other Provisions

All security light facilities, installed by the Cooperative, shall be owned, operated and maintained by the Cooperative. All facilities installed on the Customer's Premises shall be the property of the Cooperative. Security light installations may be made on a temporary basis in accordance with the Service Conditions covering Temporary Service.

Security light installations shall be controlled by light sensitive photo electric cells.

It shall be the Customer's responsibility to notify the Cooperative of any security light maintenance which may be required. Security light installations and maintenance shall be done only during normal business hours.

The Cooperative reserves the right to disapprove the installation of a security light for Customers with an unsatisfactory credit rating or upon leased or rented property or for any other safety or operational reason.

Service Conditions

The Service Conditions of the Cooperative, on file with the ACC, shall apply to this schedule. Cooperative policy regarding terms of payments, extended billing periods and collection policy, as filed and approved by the ACC, are stated and published in the Cooperative's Service Conditions.

SULPHUR SPRINGS VALLEY
ELECTRIC COOPERATIVE, INC.
350 N. Haskell Ave
Willcox, Arizona 85644-0820

Effective Date: January 1, 2017

STANDARD OFFER TARIFF

STREET LIGHTING
SCHEDULE S

Availability

Available for lighting public streets, alleys, thoroughfares, public parks and playgrounds by use of Cooperative's standard facilities where such service is contracted for under this rate schedule by the state, county, city, town, political subdivision, homeowners associations, improvement district, or a responsible person or persons for unincorporated communities. This service is not available to individuals.

Service is from dusk to dawn and Cooperative will own, operate, and maintain the street light system including lamps and globe replacements. New service under this rate schedule will be provided only under the table titled Customer-Provided Facilities and Cooperative Owned and Maintained Lighting Service.

Character of Service

Multiple or series street lighting system provided at the option of Cooperative.

Monthly Rate

COOPERATIVE PROVIDED FACILITIES AND COOPERATIVE OPERATED/MAINTAINED LIGHTING SERVICE					
Type of Fixture and Pole	Power Supply	Distribution			Total Rate
		Billing	Access	Total	
70 Watt HPS	$1.50		$11.66	$11.66	$13.16
100 Watt HPS – Single/Wood	$2.16		$9.72	$9.72	$11.88
100 Watt HPS – Single/Steel	$2.16		$14.90	$14.90	$17.06
100 Watt HPS – Double/Wood	$4.32		$17.61	$17.61	$21.93
100 Watt HPS – Double/Steel	$4.32		$20.11	$20.11	$24.43
35 to 75 Watt LED - Single/Wood	$1.50		$10.38	$10.38	$11.88
35 to 75 Watt LED - Single/Steel	$1.50		$15.56	$15.56	$17.06
35 to 75 Watt LED - Double/Wood	$3.00		$18.93	$18.93	$21.93
35 to 75 Watt LED - Double/Steel	$3.00		$21.43	$21.43	$24.43
150 Watt HPS - Single/Wood	$3.24		$12.32	$12.32	$15.56
150 Watt HPS - Single/Steel	$3.24		$15.56	$15.56	$18.80

STREET LIGHTING SERVICE
SCHEDULE S

COOPERATIVE PROVIDED FACILITIES AND COOPERATIVE OPERATED/MAINTAINED LIGHTING SERVICE					
Type of Fixture and Pole	Power Supply	Distribution			Total Rate
		Billing	Access	Total	
150 Watt HPS - Double/Wood	$6.48		$22.73	$22.73	$29.21
150 Watt HPS - Double/Steel	$6.48		$25.44	$25.44	$31.92
76 to 125 Watt LED - Single/Wood	$2.52		$13.04	$13.04	$15.56
76 to 125 Watt LED - Single/Steel	$2.52		$16.28	$16.28	$18.80
76 to 125 Watt LED - Double/Wood	$5.04		$24.17	$24.17	$29.21
76 to 125 Watt LED - Double/Steel	$5.04		$26.88	$26.88	$31.92
250 Watt HPS - Single/Wood	$5.40		$16.28	$16.28	$21.68
250 Watt HPS - Single/Steel	$5.40		$19.25	$19.25	$24.65
250 Watt HPS - Double/Wood	$10.80		$30.52	$30.52	$41.32
250 Watt HPS - Double/Steel	$10.80		$32.68	$32.68	$43.48
126 to 175 Watt LED - Single/Wood	$3.48		$18.20	$18.20	$21.68
126 to 175 Watt LED - Single/Steel	$3.48		$21.17	$21.17	$24.65
126 to 175 Watt LED - Double/Wood	$6.96		$34.36	$34.36	$41.32
126 to 175 Watt LED - Double/Steel	$6.96		$36.52	$36.52	$43.48
176 to 225 Watt LED - Single/Wood	$4.50		$19.70	$19.70	$24.20
176 to 225 Watt LED - Single/Steel	$4.50		$22.67	$22.67	$27.17
176 to 225 Watt LED - Double/Wood	$9.00		$37.36	$37.36	$46.36
176 to 225 Watt LED - Double/Steel	$9.00		$39.52	$39.52	$48.52

CUSTOMER PROVIDED FACILITIES AND COOPERATIVE OPERATED/MAINTAINED LIGHTING SERVICE					
Type of Fixture and Pole	Power Supply	Distribution			Total Rate
		Billing	Access	Total	
100 Watt HPS - Single/Wood	$2.16		$6.94	$6.94	$9.10
100 Watt HPS - Single/Steel	$2.16		$8.64	$8.64	$10.80
100 Watt HPS - Double/Wood	$4.32		$13.13	$13.13	$17.45
100 Watt HPS - Double/Steel	$4.32		$14.22	$14.22	$18.54
35 to 75 Watt LED - Single/Wood	$1.50		$7.60	$7.60	$9.10
35 to 75 Watt LED - Single/Steel	$1.50		$9.30	$9.30	$10.80
35 to 75 Watt LED - Double/Wood	$3.00		$14.45	$14.45	$17.45
35 to 75 Watt LED - Double/Steel	$3.00		$15.54	$15.54	$18.54
150 Watt HPS - Single/Wood	$3.24		$8.92	$8.92	$12.16

STREET LIGHTING SERVICE
SCHEDULE S

CUSTOMER PROVIDED FACILITIES AND COOPERATIVE OPERATED/MAINTAINED LIGHTING SERVICE					
Type of Fixture and Pole	Power Supply	Distribution			Total Rate
		Billing	Access	Total	
150 Watt HPS - Single/Steel	$3.24		$10.62	$10.62	$13.86
150 Watt HPS - Double/Wood	$6.48		$16.70	$16.70	$23.18
150 Watt HPS - Double/Steel	$6.48		$17.99	$17.99	$24.47
76 to 125 Watt LED - Single/Wood	$2.52		$9.64	$9.64	$12.16
76 to 125 Watt LED - Single/Steel	$2.52		$11.34	$11.34	$13.86
76 to 125 Watt LED - Double/Wood	$5.04		$18.14	$18.14	$23.18
76 to 125 Watt LED - Double/Steel	$5.04		$19.43	$19.43	$24.47
250 Watt HPS - Single/Wood	$5.40		$12.29	$12.29	$17.69
250 Watt HPS - Single/Steel	$5.40		$13.78	$13.78	$19.18
250 Watt HPS - Double/Wood	$10.80		$23.54	$23.54	$34.34
250 Watt HPS - Double/Steel	$10.80		$24.16	$24.16	$34.96
126 to 175 Watt LED - Single/Wood	$3.48		$14.21	$14.21	$17.69
126 to 175 Watt LED - Single/Steel	$3.48		$15.70	$15.70	$19.18
126 to 175 Watt LED - Double/Wood	$6.96		$27.38	$27.38	$34.34
126 to 175 Watt LED - Double/Steel	$6.96		$28.00	$28.00	$34.96
176 to 225 Watt LED - Single/Wood	$4.50		$15.38	$15.38	$19.88
176 to 225 Watt LED - Single/Steel	$4.50		$16.87	$16.87	$21.37
176 to 225 Watt LED - Double/Wood	$9.00		$29.72	$29.72	$38.72
176 to 225 Watt LED - Double/Steel	$9.00		$30.34	$30.34	$39.34

All new street lighting installed shall be H.P. Sodium or LED. All fixtures installed shall be subject to meeting municipal or county lighting ordinances.

Billing Adjustments

This rate schedule is subject to the following billing adjustments:

1. Wholesale Power and Fuel Cost Adjustment, Schedule BA.
2. Tax Adjustment, Schedule BA.
3. REST Adjustment, Schedule BA.
4. DSM Adjustment, Schedule BA.

STREET LIGHTING SERVICE
SCHEDULE S

Special Facilities

Historical or decorative street lighting is considered non-standard and is not provided by the Cooperative. The Cooperative will not provide maintenance on customer-owned special facilities except by a separate maintenance contract. Any existing special facilities will continue to be billed by the standard applicable rate in this Tariff. Any new special facilities will be assigned an appropriate metered Tariff.

Service Conditions

The Service Conditions of the Cooperative, on file with the ACC, shall apply to this schedule. Cooperative policy regarding terms of payments, extended billing periods and collection policy, as filed and approved by the ACC, are stated and published in the Cooperative's Service Conditions.

Other Provisions

Street light facilities may be fed from existing primary, secondary, overhead, or underground systems. If the Customer is to be billed under the table headed "Customer Provided Facilities", the Customer must install the system at its own expense in accordance with the Cooperative's specifications and approvals, or make a contribution in aid of construction to cover the Cooperative's cost of installing the system. The Cooperative will maintain and operate the system except in the case of a special facility installation where there is no maintenance contract.

All street lighting covered by this tariff will be installed and maintained by a separate agreement. Except for normal maintenance, the costs for any changes to a light or street light system after installation will be charged to the customer requesting the changes. In such a case, the old contract is voided and a new agreement executed.

The Customer will provide all easements necessary, if any, at no cost to the Cooperative.

The Customer will make payment to the Cooperative prior to the start of construction as a nonrefundable Contribution in Aid of Construction.

For underground extensions, the Customer will provide all trenching, backfilling, compaction and concrete work according to the Cooperative's specifications at no cost to the Cooperative.

SULPHUR SPRINGS VALLEY
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350 N. Haskell Ave
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Effective Date: January 1, 2017

STANDARD OFFER TARIFF

SEASONAL POWER SERVICE
SCHEDULE SP

DISCONTINUED

Customers taking service under this tariff transferred to Large Power Service.

SULPHUR SPRINGS VALLEY
ELECTRIC COOPERATIVE, INC.
350 N. Haskell Ave
Willcox, Arizona 85644-0820

Effective Date: January 1, 2017

STANDARD OFFER TARIFF

LARGE POWER SERVICE
SCHEDULE P

Availability

Available to all Customers located along existing Distribution Lines of the Cooperative, requiring single or three phase service and who demonstrate or elect to pay a monthly billing minimum of 50 KVA. Service is not available to irrigation customers.

Applicability

All service shall be delivered at one Point of Delivery through a single Service Line and Energy is metered through one Meter.

Except in cases of existing Master-Metered mobile home parks, service shall not be resold by the Customer or shared with others.

Monthly Rate

STANDARD RATE P							
	Power Supply	Distribution Charges					Total Rate
		Metering	Meter Reading	Billing	Access	Total	
Service Availability Charge ($/Customer/Mo)		$4.57	$0.50	$6.31	$43.62	$55.00	$55.00
Demand Charge ($/kVA of Billing Capacity)	$4.00				$4.00	$4.00	$8.00
Energy Charge ($/kWh/Month) All kWh	$0.056274				$0.016746	$0.016746	$0.073020

LARGE POWER SERVICE
SCHEDULE P

Primary Service Discount

For customers who own and maintain the distribution transformer, a discount of $1.00 per kVA of billing capacity will be applied.

Determination of Demand Capacity

The monthly Demand capacity shall be based on the highest 15 minute kVA Demand determined by suitable metering equipment. All capacities determined to the nearest 1/10 of a kVA.

The monthly billing capacity shall be on the kVA capacity as determined above, but in no event shall the billing capacity be less than 50 kVA. For services with dedicated transformers with a transformer capacity specifically requested by the Customer, above those normally used by the Cooperative, the minimum demand shall be 60% of the requested transformer capacity.

Monthly Minimum Charge

The monthly Minimum Charge under this schedule shall be the sum of the above service availability, capacity and Energy charges but not less than $515.00 per month for Customer owned facilities and $565.00 for Cooperative owned facilities. The monthly Minimum Charge shall not include any billing made under the Billing Adjustments.

Billing Adjustments

This rate schedule is subject to the following billing adjustments:

1. Wholesale Power and Fuel Cost Adjustment, Schedule BA.
2. Tax Adjustment, Schedule BA.
3. REST Adjustment, Schedule BA.
4. DSM Adjustment, Schedule BA.

Service Conditions

The Service Conditions of the Cooperative, on file with the ACC, shall apply to this schedule. Cooperative policy regarding Meter reading intervals, terms of payments, extended billing periods and collection policy, as filed and approved by the ACC, are stated and published in the Cooperative's Service Conditions.

SULPHUR SPRINGS VALLEY
ELECTRIC COOPERATIVE, INC.
350 N. Haskell Ave
Willcox, Arizona 85644-0820

Effective Date: January 1, 2017

STANDARD OFFER TARIFF

LARGE POWER SERVICE TIME OF USE
SCHEDULE PT

Availability

Available to Customers located along existing Distribution Lines of the Cooperative who require single- or three-phase service and who demonstrate or elect to pay a monthly billing capacity as specified by the service Application of more than 50 kVA.

Billing under this rate schedule shall become effective beginning with the next regular Meter reading after the Customer has requested service under this schedule and after the Cooperative has installed the appropriate Meter.

Applicability

Where only single-phase service is supplied, this schedule is an optional schedule available to a Customer upon his or her written request. This rate is not available for irrigation Customers.

Except for existing Master Metered mobile home or RV parks, this service shall not be resold by the Customer or shared with others.

Monthly Rate

STANDARD RATE PT							
	Power Supply	Distribution Charges					Total Rate
		Metering	Meter Reading	Billing	Access	Total	
Service Availability Charge ($/Customer/Mo)		$4.57	$0.50	$6.31	$43.62	$55.00	$55.00
On-Peak Capacity Charge $/kVA On-Peak Billing Capacity	$20.00				$0.00	$0.00	$20.00
Off-Peak Capacity Charge $/kVA Off-Peak	$0.00				$4.00	$4.00	$4.00

LARGE POWER SERVICE TIME OF USE
SCHEDULE PT

STANDARD RATE PT							
	Power	Distribution Charges					Total
Billing Capacity							
Energy Charge ($/kWh/Month) All kWh	$0.030300				$0.016746	$0.016746	$0.047046

Billing under this rate shall be the sum of the following:

1. The Service Availability Charge;
2. The On-Peak Capacity Charge;
3. The Off-Peak Capacity Charge;
4. The Energy Charge;
5. Any applicable billing adjustments.

Primary Service Discount

For customers who own and maintain the distribution transformer, a discount of $1.00 per kVA of billing capacity will be applied.

Determination of On-Peak, Near Peak and Off-Peak Billing Capacity

The On-Peak Monthly Billing Capacity and Off-Peak Billing Capacity shall be determined by means of a suitable kVA demand meter. On-Peak and Off-Peak hours shall be determined as follows:

Summer Hours beginning April 16 and continuing through October 15

On-Peak hours shall be 1 p.m. through 7 p.m., Monday through Saturday.

All hours not specified as On-Peak shall be Off-Peak.

Winter Hours beginning October 16 and continuing through April 15

On-Peak hours shall be 6:00 a.m. through 9 a.m. and 6 p.m. through 9:00 p.m., Monday through Saturday. All other hours shall be Off-Peak.

Monthly Minimum Charge

The monthly Minimum Charge under this schedule shall be the sum of the above service availability, capacity and Energy charges but not less than $251.95 per month for Customer owned facilities and $301.95 for Cooperative owned facilities, nor less than the Minimum Charge specified in Customer's service Application with the Cooperative. The monthly Minimum Charge shall not include any billing made under the Billing Adjustments.

LARGE POWER SERVICE TIME OF USE
SCHEDULE PT

Billing Adjustments

This rate schedule is subject to the following billing adjustments:

1. Wholesale Power and Fuel Cost Adjustment, Schedule BA.
2. Tax Adjustment, Schedule BA.
3. REST Adjustment, Schedule BA.
4. DSM Adjustment, Schedule BA.

Service Conditions

The Service Conditions of the Cooperative, on file with the ACC, shall apply to this schedule. Cooperative policy regarding meter reading intervals, terms of payments, extended billing periods and collection policy, as filed and approved by the ACC, are stated and published in the Cooperative's Service Conditions.

ELECTRIC RATES

SULPHUR SPRINGS VALLEY
ELECTRIC COOPERATIVE, INC.
350 N. Haskell Ave
Willcox, Arizona 85644-0820

Effective Date: January 1, 2017

STANDARD OFFER TARIFF

INDUSTRIAL POWER SERVICE
SCHEDULE IP

Availability

Available to all Customers located along existing Distribution Lines of the Cooperative, requiring single- or three-phase service and can demonstrate or elect a minimum billing capacity of 500 kVA. Service under this schedule shall be furnished in accordance with the Cooperative's Service Conditions. Where only single-phase service is supplied, this schedule is an optional schedule available to the Customer upon written request for periods of not less than twelve (12) consecutive months.

Applicability

This service shall not be available for RV Parks. This service shall not be resold by the Customer or shared with others.

Monthly Rate

STANDARD RATE IP							
		Distribution Charges					
	Power Supply	Metering	Meter Reading	Billing	Access	Total	Total Rate
Service Availability Charge ($/Customer/Mo)		$4.57	$0.50	$6.31	$388.62	$400.00	$400.00
Demand Charge ($/kVA of Billing Capacity)	$4.00				$3.00	$3.00	$7.00
Energy Charge ($/kWh/Month)							
First 400 kWh/kVA	$0.056389				$0.016746	$0.016746	$0.073135
Excess kWh/kVA	$0.030000				$0.016746	$0.016746	$0.046746

INDUSTRIAL POWER SERVICE
SCHEDULE IP

Primary Service Discount

For customers who own and maintain the distribution transformer, a discount of $0.50 per kVA of billing capacity will be applied.

Determination of kVA Billing Capacity

The monthly kVA billing capacity shall be the highest 15-minute kVA Demand as determined by means of suitable kVA Demand metering.

The monthly billing capacity shall be the kVA capacity as determined above, but in no event shall the billing capacity be less than:

(1) 500 kVA, nor less than
(2) 60% of the installed dedicated transformer capacity used to supply the Customer's requirements, nor less than
(3) The minimum kVA billing capacity specified in the Customer's service Application or contract with the Cooperative.

Monthly Minimum Charge

The monthly Minimum Charge shall be the sum of the Service Availability Charge and the Capacity Charge. The monthly Minimum Charge shall not include any billing made under the Billing Adjustments.

Billing Adjustments

This rate schedule is subject to the following billing adjustments:

1. Wholesale Power and Fuel Cost Adjustment, Schedule BA.
2. Tax Adjustment, Schedule BA.
3. REST Adjustment, Schedule BA.
4. DSM Adjustment, Schedule BA.

Furnishing of Service Transformer and Associated Equipment

Where individual or unusual substation installations are required to serve the Customer, the Cooperative reserves the right to require the Customer to make, at the Customer's expense, the necessary, complete installation (consisting of transformer, structure, protective devices, etc.) required to provide adequate service to the Customer, and in such event the Customer will own, operate and maintain said installation but will benefit by making a savings of capacity charges as provided in the rate above.

INDUSTRIAL POWER SERVICE
SCHEDULE IP

Service Conditions

The Service Conditions of the Cooperative, on file with the ACC, shall apply to this schedule. Cooperative policy regarding Meter reading intervals, terms of payments, extended billing periods and collection policy, as filed and approved by the ACC, are stated and published in the Cooperative's Service Conditions.

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STANDARD OFFER TARIFF

IRRIGATION SERVICE
SCHEDULE IS

Availability

Available to irrigation, commercial and municipal water systems throughout the Cooperative's service area where the facilities of the Cooperative are of adequate capacity and are adjacent to the premises. Customers will be required to take service under this rate schedule for a twelve month period before being eligible for provision of service under another rate schedule.

Applicability

Electric Service to irrigation pumps and pump-back systems used only for irrigating land used for agricultural purpose and pumps used for commercial and municipal water systems, single-phase motors will be limited to 10 HP and of a type which will not cause excessive voltage fluctuations. The Cooperative may limit the maximum horsepower rating of motors where such may cause interference to other Customers. Normally motors over 10 HP will be three-phase.

Monthly Rate

STANDARD RATE IS							
	Power Supply	Distribution Charges					Total Rate
		Metering	Meter Reading	Billing	Access	Total	
Service Availability Charge ($/Customer/Mo)		$4.60	$0.49	$6.21	$18.70	$30.00	$30.00
Capacity Charge April–Oct $/kVA of Billing Capacity)	$6.75				$1.50	$1.50	$8.25
Energy Charge ($/kWh) April-Oct All kWh	$0.037100				$0.045402	$0.045402	$0.082502
Energy Charge ($/kWh) Nov-Mar First 300 kWh/kVA Excess kWh/kVA	$0.050600 $0.035600				$0.057684 $0.045598	$0.057684 $0.045598	$0.108284 $0.081198

IRRIGATION SERVICE
SCHEDULE IS

Optional Irrigation Load Factor Rate I-L

STANDARD RATE I-L							
	Power Supply	Distribution Charges					Total Rate
		Metering	Meter Reading	Billing	Access	Total	
Service Availability Charge ($/Customer/Mo)		$4.60	$0.49	$6.21	$23.70	$35.00	$35.00
Energy Charge ($/kWh/Month) All kWh	$0.074500				$0.013631	$0.013631	$0.088131

This rate option is available only upon written agreement with individual Customers who are willing to guarantee minimum monthly load factor usage. Customer must be connected for at least five (5) consecutive months.

Determination of Billing Capacity

The monthly kVA Demand capacity shall be based on the highest 15 minute period during the billing cycle by using appropriate metering equipment.

Annual Minimum Charge

The Minimum Charges for each twelve (12) month period or less an irrigation service is connected shall be not less than $345.00, or $35.00 per kVA of Customer's highest monthly kVA billing demand, whichever is greater. Total billings made as normal Service Availability Charge, demand and Energy charges or monthly minimums shall apply to this minimum charge. Any amount billed as wholesale power rate adjustments and as sales tax shall not apply to the minimum. If Electric service is disconnected prior to utilizing the established minimum, or if the minimum has not been used by the end of twelve (12) consecutive monthly billing cycles, whichever occurs first, the remaining amount due as minimum charges shall be due and payable. In no case shall the Minimum Charge be less than established in the contract for service.

Monthly Minimum Charge

The monthly Minimum Charge shall be Service Availability Charge for rate IS. The monthly minimum charge shall be $28.75 per kVa of billing capacity for rate IL. The minimum charge shall not include any billing made under the Billing Adjustments.

IRRIGATION SERVICE
SCHEDULE IS

Billing Adjustments

This rate schedule is subject to the following billing adjustments:

1. Wholesale Power and Fuel Cost Adjustment, Schedule BA.
2. Tax Adjustment, Schedule BA.
3. REST Adjustment, Schedule BA.
4. DSM Adjustment, Schedule BA.

Service Conditions

The Service Conditions of the Cooperative, on file with the ACC, shall apply to this schedule. Cooperative policy regarding Meter reading intervals, terms of payments, extended billing periods and collection policy, as filed and approved by the ACC, are stated and published in the Cooperative's Service Conditions.

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ELECTRIC COOPERATIVE, INC.
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Effective Date: January 1, 2017

STANDARD OFFER TARIFF

CONTROLLED IRRIGATION SERVICE
SCHEDULES CD, CBW & CW

Availability

Available for service to Customers with an installed capacity of 10 HP or greater provided by contract. Service will be initiated only after the contract has been fully executed, returned to and accepted by the Cooperative. Service will be interrupted by use of radio controlled switch equipment. Each installation will be metered to record demand if service is used during a Cooperative peak control time period. Service under this rate schedule is limited to the amount of load that the Cooperative can effectively control for operational purposes. Electric Service under this rate schedule is limited to areas served by SSVEC's control signal. The amount of load served on this rate schedule shall be determined by the Cooperative.

Applicability

Electric Service to irrigation pumps and pump-back systems used only for irrigating land used for agricultural purpose and pumps used for commercial and municipal water systems. The Cooperative may limit the maximum horsepower rating of motors where such may cause interference to other Customers. Normally motors over 10 HP will be three-phase.

Monthly Rate

STANDARD RATE CD, CBW & CW							
		Distribution Charges					
	Power Supply	Metering	Meter Reading	Billing	Access	Total	Total Rate
Service Availability Charge ($/Customer/Mo)		$4.60	$0.49	$6.21	$18.70	$30.00	$30.00
Override Penalty ($/kW of Override Capacity)	$20.00				$0.00	$0.00	$20.00
Energy Charge ($/kWh)							
First 300 kWh/kW	$0.031340				$0.073704	$0.073704	$0.105044
Excess kWh/kW	$0.031340				$0.046317	$0.046317	$0.077657

CONTROLLED IRRIGATION SERVICE
SCHEDULES CD, CBW, & CW

Determination of Billing Demand

The billing Demand to be used in the calculation of the billing shall be the highest 15 minute kW Demand determined to the nearest 1/10 of a KW by means of suitable metering equipment.

Determination of Override Capacity

The over-ride penalty is applicable if controls are overridden during a peak period. The override capacity shall be the highest 15 minute kW demand established during a peak period when controls are overridden as measured by using appropriate metering equipment.

Rate CW

For accounts which are subject to weekly control, the amount billed for first 300 kWh per kW will be reduced 5% each month if kWh usage exceeds 300 kWh per kW and controls are not overridden during a "cut off" period. The discount does not apply to the Service Availability Charge or kWh billed over 300 kWh per kW.

Rate CBW

For accounts which are subject to twice-weekly control, amount billed for first 300 kWh per kW will be reduced 10% each month if kWh usage exceeds 300 kWh per kW and controls are not overridden during a "cut off" period. The discount does not apply to the Service Availability Charge or kWh billed over 300 kWh per kW.

Rate CD

For accounts which are subject to daily control, amount billed for first 300 kWh per kW will be reduced 17% each month if kWh usage exceeds 300 kWh per kW and controls are not overridden during a "cut off" period. The discount does not apply to the Service Availability Charge or kWh billed over 300 kWh per kW.

Other Conditions

The Customer will pay the Cooperative a one time charge of $425 (for the cost of the necessary control equipment which includes materials, equipment and labor) and a mileage fee of $4.50/mile for the service vehicle use and servicemen travel time. A additional service call charge shall be required when the Customer requests a change in service requiring Cooperative personnel to make a trip to the Customer's service location in order to affect such change. The Cooperative reserves the right to utilize the CW, CBW and CD rates for purposes of emergency load Curtailment should conditions warrant.

The Cooperative reserves the right to assign the Day(s) of control and to make periodic reassignments if necessary for all accounts served as "weekly control or twice-weekly control". The Cooperative will initiate control at its discretion on any day in accordance with the provisions in the agreement with the Customer.

CONTROLLED IRRIGATION SERVICE
SCHEDULES CD, CBW, & CW

The Cooperative reserves the right to cancel service, provided under its controlled irrigation rates, if the Customer overrides the load control equipment two or more times in a twelve (12) month period, and/or if the annual kWh usage indicates the service has an annual load factor less than 10% a calendar year.

Minimum Charge

The Minimum Charge for each twelve (12) month period or less an irrigation service is connected shall be not less than $345.00 or $35.00 per kW of Customer's highest monthly kW billing demand, whichever is greater. Total billings made as normal service availability charge, demand and Energy charges or monthly minimums shall apply to this Minimum Charge. If Electric service is disconnected prior to utilizing the established minimum, or if the minimum has not been used by the end of twelve (12) consecutive monthly billing cycles, whichever occurs first, the remaining amount due as minimum charges shall be due and payable. The monthly Minimum Charge shall be the Service Availability Charge. In no case shall the Minimum Charge be less than established in the contract for service.

Billing Adjustments

This rate schedule is subject to the following billing adjustments:

1. Wholesale Power and Fuel Cost Adjustment, Schedule BA.
2. Tax Adjustment, Schedule BA.
3. REST Adjustment, Schedule BA.
4. DSM Adjustment, Schedule BA.

Service Conditions

The Service Conditions of the Cooperative, on file with the ACC, shall apply to this schedule. Cooperative policy regarding Meter reading intervals, terms of payments, extended billing periods and collection policy, as filed and approved by the ACC, are stated and published in the Cooperative's Service Conditions.

SULPHUR SPRINGS VALLEY
ELECTRIC COOPERATIVE, INC.
350 N. Haskell Ave
Willcox, Arizona 85644-0820

Effective Date: January 1, 2017

STANDARD OFFER TARIFF

INTERRUPTIBLE SERVICE
SCHEDULE CD-LARGE

Availability

Available to irrigation, commercial, and municipal systems throughout the Cooperative's service area with installed capacity of 100 HP or greater (must include at least one individual motor rated and loaded at 100 HP), subject to daily control, where the facilities of the Cooperative are of adequate capacity and are adjacent to the premises. Service under this rate schedule is limited to the amount of load that the Cooperative can effectively control for peak shaving purposes. Electric Service under this rate is limited to areas served by SSVEC's control signal. The amount of load served on this rate schedule shall be determined by the Cooperative.

Applicability

Electric Service to irrigation pumps and directly associated water delivery loads connected to the same meter used only for irrigating land used for agricultural purposes and pumps used for commercial and municipal water systems. Subject to all terms and conditions contained in this rate schedule and the Cooperatives Service Conditions.

Monthly Rate

STANDARD RATE CD-LARGE							
	Power Supply	Distribution Charges					Total Rate
		Metering	Meter Reading	Billing	Access	Total	
Service Availability Charge ($/Customer/Mo)		$4.60	$0.49	$6.21	$18.70	$30.00	$30.00
Override Penalty ($/kW of Override Capacity)	$20.00				$0.00	$0.00	$20.00
Energy Charge ($/kWh/Month) All kWh	$0.031340				$0.050388	$0.050388	$0.081728

INTERRUPTIBLE SERVICE
SCHEDULE CD-LARGE

Determination of Override Capacity

The over-ride penalty is applicable if controls are overridden during a peak period. The Override Capacity shall be the highest 15 minute kW Demand established during a peak period when controls are overridden as measured by using appropriate metering equipment.

Other Conditions

Service under this schedule will be offered only by contract and will be initiated only after the contract has been fully executed, returned to and accepted by the Cooperative. Service will be interrupted by use of radio-controlled switch equipment. Each installation will be metered to record demand if service is used outside the established time period. If a Demand is recorded, then an additional charge of $20.00 per kW will be billed in addition to the other charges due for that billing period.

The Customer will pay the Cooperative the actual cost of the necessary control equipment including materials, equipment and labor. The Cooperative reserves the right to utilize the CD-Large rate for purposes of emergency load curtailment should conditions warrant.

Determination of Billing Capacity

The kW of billing capacity will be established by contractual agreement based upon 85% of the pump horsepower.

Monthly Minimum Charge

The Minimum Monthly Charge shall be the Service Availability Charge plus the Energy Charge and appropriate Billing Adjustments. The minimum annual kWh sales under this Tariff will be equal to 2000 hours multiplied by the KW of billing capacity. In no case shall the Minimum Charge be less than established in the contract for service.

Billing Adjustments

This rate schedule is subject to the following billing adjustments:

1. Wholesale Power and Fuel Cost Adjustment, Schedule BA.
2. Tax Adjustment, Schedule BA.
3. REST Adjustment, Schedule BA.
4. DSM Adjustment, Schedule BA.

Service Conditions

The Service Conditions of the Cooperative, on file with the ACC, shall apply to this schedule. Cooperative policy regarding Meter reading intervals, terms of payments, extended billing periods and collection policy, as filed and approved by the ACC, are stated and published in the Cooperative's Service Conditions.

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Effective Date: January 1, 2017

STANDARD OFFER TARIFF

CONTRACT POWER SERVICE
SCHEDULE CP

Availability

Available to Customers within the Cooperative's service area who require more than 1000 kVA of capacity on a twelve (12) month, non-seasonal basis, in accordance with terms and conditions negotiated with the Customer. Contracts are subject to approval by the ACC.

Applicability

This schedule is applicable for all Customers requiring in excess of 1000 kVA non-seasonal electric service. Individual contracts shall include facilities charges as required, demand charges as determined by the Customer's monthly load factor and power factor, Energy charges, margin, wholesale power adjustment, and applicable taxes and governmental assessments. Other billing features such as time of use charges may be negotiated.

The primary voltage required for service will be determined by the Cooperative taking into consideration the Customer's capacity requirements.

Service shall not be resold by the Customer or shared with others.

Monthly Rate

The monthly billing shall be the sum of the Service Availability Charge (1), the Capacity Charge (2), the Energy Charge (3), and Other Charges (4):

(1)	Service Availability Charge	As set forth in the Contract for Service.
(2)	Capacity (Demand) Charge	As set forth in the Contract for Service.
(3)	Energy Charge	As set forth in the Contract for Service.
(4)	Other Charges	As set forth in the Contract for Service

Determination of Billing Capacity

The monthly kVA billing capacity shall be determined in the contract for service.

CONTRACT POWER SERVICE
SCHEDULE CP

Monthly Minimum Charge

The monthly Minimum Charge shall be the sum of the Service Availability Charge and the Capacity Charge. The monthly Minimum Charge shall not include any billing made under the Billing Adjustments. In no case shall the Minimum Charge be less than established in the contract for service.

Billing Adjustments

This rate schedule is subject to the following billing adjustments:

1. Wholesale Power and Fuel Cost Adjustment, Schedule BA.
2. Tax Adjustment, Schedule BA.
3. REST Adjustment, Schedule BA.
4. DSM Adjustment, Schedule BA.

Furnishing of Service Transformer and Associated Equipment

Where individual or unusual substation installations are required to serve the Customer, the Cooperative reserves the right to require the Customer to make, at the Customer's expense, the necessary, complete installation (consisting of transformer, structure, protective devices, etc.) Required to provide adequate service to the Customer and in such event the Customer will own, operate and maintain said installation but will benefit by incurring a savings of capacity charges as part of the contract rate.

Service Conditions

The Service Conditions of the Cooperative, on file with the ACC, shall apply to this schedule. Cooperative policy regarding Meter reading intervals, terms of payments, extended billing periods and collection policy, as filed and approved by the ACC, are stated and published in the Cooperative's Service Conditions.

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Effective Date: January 1, 2017

STANDARD OFFER TARIFF

UNMETERED SERVICE
SCHEDULE UM

Availability

Available to Customers served by the Cooperative at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the Premises served.

Applicability

To Electric Service where the monthly demand and Energy requirements are constant, subject to the limitations set forth in the Special Provisions of this schedule. Billing quantities must be subject to accurate determination without the use of metering equipment, and service must be supplied at one Point of Delivery.

Not applicable to temporary, breakdown, standby, supplementary, residential, or resale service.

Monthly Rate

STANDARD RATE UM							
		Distribution Charges					
	Power Supply	Metering	Meter Reading	Billing	Access	Total	Total Rate
Service Availability Charge ($/Customer/Mo)		$4.57	$0.49	$6.16	$13.28	$24.50	$24.50
Energy Charge ($/kWh/Month) All kWh	$0.071165				$0.025570	$0.025570	$0.096735

Monthly Minimum Charge

The monthly Minimum Charge for any period that service is established shall be the Service Availability Charge. The monthly Minimum Charge shall not include any billing made under the Billing Adjustments.

UNMETERED SERVICE
SCHEDULE UM

Billing Adjustments

This rate schedule is subject to the following billing adjustments:

1. Wholesale Power and Fuel Cost Adjustment, Schedule BA.
2. Tax Adjustment, Schedule BA.
3. REST Adjustment, Schedule BA.
4. DSM Adjustment, Schedule BA.

Service Conditions

The Service Conditions of the Cooperative, on file with the ACC, shall apply to this schedule. Cooperative policy regarding Meter reading intervals, terms of payments, extended billing periods and collection policy, as filed and approved by the ACC, are stated and published in the Cooperative's Service Conditions.

Special Provisions

(1) This rate schedule is applicable only to loads where monthly Demand (kW) and Energy (kWh) requirements remain constant. Monthly Demand may not exceed 1.5 kW for each delivery point. Determination of fixed monthly Energy usage will be based on an average 730 hour month.

(2) Prior written approval by an authorized Cooperative representative is required before service is implemented under this rate schedule.

(3) Prior written approval by an authorized Cooperative representative is required for any change in loads. Unauthorized load change will automatically disqualify Customer from service under this rate schedule.

(4) The Cooperative shall have the right to inspect Customer's load facilities at any time to assure compliance with all provisions of this rate schedule.

(5) Service Disconnection shall conform to same specifications as if service had standard metering.

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Effective Date: January 1, 2017

STANDARD OFFER TARIFF

SCHEDULE OF SERVICE CHARGES
SCHEDULE SC

This schedule sets the amount of various service charges and other miscellaneous charges which have been authorized in the Cooperative's Service Conditions.

1. CHARGES FOR ELECTRIC SERVICE CONNECTIONS.

   a. NEW AND ADDITIONAL SERVICE. A non-refundable service charge of $50.00 plus applicable taxes, shall be imposed for each of the following:

      1) A new or additional Electric Service Connection;

      2) A former Customer reapplying for Electric Service;

      3) For a location change in Electric Service location to a new service address.

   b. SERVICE CONNECTION CALLBACKS. A nonrefundable service charge of $50.00, plus applicable sales tax, shall be imposed for a return trip to connect Electric Service if, at the Customer's request, it was previously made available at the Point of Delivery, if an inaccurate service address provided by the Customer results in a service connection callback, or if the Customer postpones or cancels any service order already completed by the Cooperative. Except in emergency situations, as determined by the Cooperative in its sole discretion, the Cooperative will not connect Electric Service after 9:00 p.m.

   c. PROPERTY DAMAGE. The Customer shall be billed for damages to the Cooperative's equipment or property caused by the Customer or the Customer's employee(s) or agent(s). Such damages and the cost of repair shall be billed at the Cooperative's current rates for labor, transportation, equipment, and materials, less appropriate credit for salvage, if any.

2. SERVICE CALLS DURING REGULAR BUSINESS HOURS.

   A service charge of $75.00, plus applicable sales tax, plus mileage at the applicable IRS rate per mile for the current year will be imposed for a service call performed during regular business hours for one of the following reasons:

   a. Interruptions caused by the Customer's negligence or failure of Customer-owned equipment, even though the Cooperative is unable to perform any work beyond the Point of Delivery. Reasonable efforts will be made to advise the Customer about the responsibility for such charges before the service call starts.

SCHEDULE OF SERVICE CHARGES
SCHEDULE SC

b. Reconnection of Electric Service to any Customer previously disconnected for unlawful use of service (including tampering or theft), misrepresentation to the Cooperative, unsafe conditions, threats to Cooperative personnel or property, failure to permit safe access, detrimental effects of Customer loads on the Cooperative's system, or failure to establish credit and/or follow procedures to establish Electric Service.

c. Premises visits regarding action associated with disconnection of Electric Service for non-payment of a delinquent bill (whether or not service is actually disconnected as a result of such visit) or for reconnection of Electric Service that has previously been disconnected for non-payment. The service charge may be applied in the case of reconnections effectuated through remote metering when the Customer has been disconnected for non-payment of a delinquent bill.

d. Meter testing performed at the written request of the Customer. However, if SSVEC's test shows that the Meter is inaccurate by more than three (3) percent, the service charge will be waived or refunded to the Customer.

3. NON-PAYMENT COLLECTION FEE DURING REGULAR BUSINESS HOURS.

A non-refundable charge of $60.00, plus applicable sales tax, shall be imposed each time an SSVEC employee must make a visit to the Premises regarding action associated with disconnection of Electric Service for non-payment of a delinquent bill or for reconnection of Electric Service that has previously been disconnected for non-payment. This charge shall also apply to reconnections effectuated through remote metering when the Customer has been disconnected for non-payment of a delinquent bill.

4. SERVICE CALLS AFTER REGULAR BUSINESS HOURS.

A service charge of $100.00, plus applicable sales tax, plus mileage at the applicable IRS rate per mile for the current year will be imposed for a service call after regular business hours for one of the following reasons:

a. Interruptions caused by the Customer's negligence or failure of Customer-owned equipment, even though the Cooperative is unable to perform any work beyond the Point of Delivery. Reasonable efforts will be made to advise the Customer about the responsibility for such charges before the service call starts.

b. Reconnection of Electric Service to any Customer previously disconnected for unlawful use of service (including tampering or theft), misrepresentation to the Cooperative, unsafe conditions, threats to Cooperative personnel or property, failure to permit safe access, detrimental effects of Customer loads on the Cooperative's system, or failure to establish credit and/or follow procedures to establish Electric Service. Such work will be performed only when requested and agreed to by the Customer.

c. Premises visits regarding action associated with disconnection of Electric Service for non-payment of a delinquent bill (whether or not service is actually disconnected as a result of such visit) or for reconnection of Electric Service that has previously been

SCHEDULE OF SERVICE CHARGES
SCHEDULE SC

disconnected for non-payment. The service charge may be applied in the case of reconnections effectuated through remote metering when the Customer has been disconnected for non-payment of a delinquent bill.

d. Where SSVEC scheduling will not permit Service Establishment on the same day requested, the Customer can elect to pay the after-hour charge for establishment that day or his service will be established on the next available normal business day.

For the purposes of the Section, the definition of Service Establishment is where the Customer's facilities are ready and acceptable to the Cooperative and Cooperative needs only to install a Meter, read a Meter, or turn on Electric Service. Except in emergency situations, as determined by the Cooperative in its sole discretion, the Cooperative will not make a service call after 9:00 p.m.

5. METER TEST.

A service charge of $50.00 plus a meter test charge of $50.00 plus applicable sales tax shall be imposed for meter testing performed at the written request of the Customer. However, if the Cooperative's test shows that the meter is inaccurate by more than 3%, the service charge and the meter test charge will be waived or refunded to the Customer and Energy charges will be adjusted accordingly for the three (3) immediately previous Billing Periods only.

6. INSUFFICIENT FUNDS (NSF) OR RETURNED PAYMENTS.

A service charge of $25.00 per NSF or returned payment plus a late payment charge (if applicable) of 1.5 percent per month on the unpaid, delinquent balance plus any applicable sales tax, shall be imposed for each collection action taken by the Cooperative, exclusive of collection charges.

7. METER REREADS.

A service charge of $50.00 shall be charged for rereads, provided that the original reading was not in error.

8. LATE PAYMENT CHARGE.

A late payment charge of 1.5 percent per month shall be charged on all outstanding balances which remain unpaid as of each new monthly billing date.

9. PUMP AND EQUIPMENT TESTS.

Pump and equipment tests conducted by large power, water pumping, irrigation, and general service Customers shall be billed under the GS rate. No discounts will be provided for pump and equipment tests.

Billing under this schedule will be increased by an amount equal to the sum of all Federal, State, County, Municipal and other governmental levies.

SULPHUR SPRINGS VALLEY
ELECTRIC COOPERATIVE, INC.
350 N. Haskell Ave
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Effective Date: January 1, 2017

STANDARD OFFER TARIFF

BILLING ADJUSTMENTS
SCHEDULE BA

1. Wholesale Power and Fuel Cost Adjustment

The Cooperative shall, if purchased power or owned generation fuel costs are increased or decreased above or below the base power cost of $0.065857 per kWh sold, flow through such increases or decreases to all applicable rate classes. Purchased power costs and owned generation fuel costs are defined to include all costs recorded in FERC Accounts 501, 518, 547, 555 and 565.

2. Tax and Assessment Clause

To the charges computed in the rate schedule, including all billing adjustments, shall be added the applicable proportionate part of any taxes or government impositions which are or may in the future be assessed on the basis of gross revenue of the Cooperative and/or the price or revenue from the electric Energy or service sold and/or the volume of Energy purchased for sale and/or sold.

3. REST Adjustment

To the charges computed in the rate schedule shall be added the applicable rate as shown in the Renewable Energy Surcharge Tariff.

4. Demand-Side Management (DSM) Adjustment

The Cooperative shall recover its costs for ACC pre-approved DSM programs through a separate DSM adjustment mechanism which shall provide for a separate and specific accounting for pre-approved DSM costs. The DSM Surcharge is set at $0.00027 per kWh per ACC Decision 73930.

SULPHUR SPRINGS VALLEY
ELECTRIC COOPERATIVE, INC.
350 N. Haskell Ave
Willcox, Arizona 85644-0820

Effective Date: October 25, 2013 with Decision 74158

STANDARD OFFER TARIFF

RENEWABLE ENERGY SURCHARGE TARIFF
SCHEDULE REST

Effective: For electrical usage beginning on or about November 1, 2013 and billed beginning with the December 2013 cycle billings. Decision 74158

Applicability

The Renewable Energy Surcharge Tariff is applicable to all consumers located along existing electric distribution lines of the Cooperative, who use the Cooperative's standard service for single- or three-phase service. Surcharges under this schedule will be in accordance with the Cooperative's general rules, terms and conditions, available at the Cooperative's office, which general rules or subsequent revisions thereof are a part of the schedule as if fully written herein.

Rate

$0.00988 per kWh provided by the Cooperative

Subject to the following maximum per month:

Residential Consumers (Rates R, RT)	$ 3.49
General Service (Rates GS, GT, non-residential rates not listed below)	$ 85.00
Irrigation Customers (Rates CD, CW, CD-Large, IL, IS)	$ 50.00
Commercial & Industrial (Rates P, IP, PRV, PT)	$200.00
Industrial (Demand over 3MWs)	$300.00
For Rate RPS only the daily REST CAP shall be	$0.115 per day

Schedule of fee's for SunWatts inspections:

1st inspection	no charge
2nd inspection (if needed*)	$ 75.00
3rd and subsequent inspections (if needed*)	$150.00 ea.

* additional inspections charges are billed to the installation contractor as required when violations of the inter-connection requirements, the National Electric Code, or safety issues are found during the current inspection that cannot be corrected during the first or subsequent inspection. Inspection fees to be returned to the REST funds.

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Effective Date: April 1, 2014 for billing in May 2014 from Decision 74381

STANDARD OFFER TARIFF

OPTIONAL ELECTRIC SERVICE FOR QUALIFIED COGENERATION AND SMALL POWER PRODUCTION FACILITIES OVER 100 KW SCHEDULE COGEN - 1

Availability

In all territory served by the Cooperative where facilities of adequate capacity and suitable voltages are adjacent to the premises served and when all applicable provisions described herein have been met.

Application

The Optional Electric Service for Qualified Cogeneration and Small Power Production Facilities over 100 kW Rate (COGEN-1) is applicable to customers of the Cooperative that own and operate qualified cogeneration and small power production facilities of 100 kW or more that meet qualifying status as defined under 18 CFR, Chapter 1, Part 292, Subpart B of the Federal Energy Regulatory Commission's regulations and pursuant to the Arizona Corporation Commission's Decision No. 52345. The facility's generator(s) and customer's load must be located at the same premise.

The owner of the Qualifying Facility (QF)shall enter into a contract pertaining to the operation of the QF by the QF owner with the Cooperative, the Cooperative's primary power supplier, Arizona Electric Power Cooperative, Inc. (AEPCO), and the Cooperative's transmission provider, Southwest Transmission Cooperative, Inc. (SWTC), to implement this schedule COGEN-1 consistent with the terms and conditions set forth herein.

Supplementary Power

A. Definition of Supplementary Power
Supplementary power is the kW capacity and related kWh energy purchased by the QF in excess of the production capability of the QF's generating equipment.

B. Rates
The rates charged for supplementary power shall be the appropriate standard offer retail Tariff of the Cooperative which is applicable to the QF's class of service or any new retail rate agreed to by the parties and approved by the Arizona Corporation Commission.

C. Determination of Supplementary Energy
Supplementary energy shall be equal to the metered kWh being supplied to the QF, less any kWh billed as standby or maintenance energy.

OPTIONAL ELECTRIC SERVICE FOR QUALIFIED COGENERATION
AND SMALL POWER PRODUCTION FACILITIES
SCHEDULE COGEN - 1

D. Determination of Supplemental Demand
Supplemental demand shall be the greater of:

i. The metered demand, measured in accordance with the Cooperative's appropriate standard offer retail rate schedule, less any standby and maintenance demand; or
ii. The minimum supplemental billing demand specified in the QF's contract.

Standby and Maintenance Power

A. Definition of Standby - Maintenance Power
Standby and maintenance power is the kW capacity and related kWh supplied by the Cooperative attributable to forced or scheduled outages by the QF, respectively.

B. Rates
Reservation/Capacity Charge
The reservation/capacity charge for standby and maintenance power shall be the sum of the distribution billing demand charge in the applicable retail rate schedule plus the applicable demand charges in AEPCO's Tariff and SWTC's Tariff each month, multiplied by the contract Standby Capacity, as determined in Section E. of this section.

Energy Charge
The rate applicable to standby and maintenance energy shall be the sum of the distribution energy charge in the applicable direct access retail rate schedule plus the current energy rate from AEPCO multiplied by the sum of the Standby Energy and maintenance Energy as determined in Sections C and D of this section.

C. Determination of Standby Energy
Standby energy is defined as electric energy supplied by the Cooperative to replace power ordinarily generated by the customer's generation facility during unscheduled full and partial outages of said facility. Standby energy is equal to the difference between the maximum energy output of the customer's generator(s) and the energy measured on the customer's generator meter(s) for the billing period, except those periods where energy supplied by the Cooperative is zero.

D. Determination of Maintenance Energy
Maintenance energy is defined as energy supplied to the customer to a maximum of the Contract Standby Capacity times the hours in the Scheduled Maintenance period. Maintenance periods shall not exceed 30 days and must be scheduled during off peak months. Customer shall supply the Cooperative with

OPTIONAL ELECTRIC SERVICE FOR QUALIFIED COGENERATION
AND SMALL POWER PRODUCTION FACILITIES
SCHEDULE COGEN - 1

a maintenance Schedule for a 12-month period at least 60 days prior to the beginning of that period, which is subject to the Cooperative's approval. Energy used in excess of a 30-day period of unauthorized maintenance energy shall be billed on the Supplemental Power Rate as specified in this Schedule.

E. Contract Standby Capacity kW

Contract Standby Capacity kilowatt (kW) amount is the amount of cogeneration or self-generation capacity for which the customer contracts with the Cooperative for Standby Service. If the contract Standby Capacity is exceeded and not covered by the Supplementary Power provisions of this tariff, then the contract standby capacity is automatically increased to the new level. The Contract Standby Capacity kW cannot exceed the maximum net output rating(s) of the connected generator(s).

Basic Service Charge

The monthly basic service charge shall be the service charge contained in the Cooperative's current applicable retail rate schedule.

Conditions of Service

Scheduled outages for maintenance by the QF shall be submitted each December to AEPCO for the next coming year for its approval. Scheduled outages will not be permitted during the months of April through October.

Interconnection Charge

The QF shall pay all costs associated with any and all additions, modifications or alterations to SWTC's or TRICO Electric Cooperative's electric system necessitated or incurred in the establishment and operation of the interconnection with the QF, including but not limited to any and all modifications required for the metering of power and energy or for the efficient, safe and reliable operation of the QF's facilities with SWTC's electric system or the Cooperative's electric system.

Facility Charge on Dedicated Facilities

The QF shall be required to pay to the Cooperative a monthly facilities charge to recover all related costs of any dedicated facilities constructed to serve the QF on a firm power and energy basis.

Billing Adjustments

This rate shall be subject to all applicable billing adjustments listed on Schedule BA.

OPTIONAL ELECTRIC SERVICE FOR QUALIFIED COGENERATION
AND SMALL POWER PRODUCTION FACILITIES
SCHEDULE COGEN - 1

Service Conditions

The Service Conditions of the Cooperative, on file with the ACC, shall apply to this schedule. Cooperative policy regarding Meter reading intervals terms of payments, extended billing periods and collection policy, as filed and approved by the ACC, are stated and published in the Cooperative's Service Conditions.

Contract Period

As provided in the Cooperative's agreement for service with the customer.

SULPHUR SPRINGS VALLEY
ELECTRIC COOPERATIVE, INC.
350 N. Haskell Ave
Willcox, Arizona 85644-0820

Effective Date: April 1, 2014

STANDARD OFFER TARIFF

COGENERATION QUALIFYING FACILITIES
SCHEDULE QF-1

Availability

In the Cooperative's Certificated Area where its facilities are of adequate capacity and the required phase and suitable voltage are in existence and are adjacent to the premises served.

Application

The Co-Generation Qualifying Facilities Rate (QF-1) is applicable to owners of co-generation qualifying facilities and small power production facilities under 100 kW who are retail customers and who enter into a written contract with the Cooperative with respect to such service. Service shall be supplied at one point of delivery where part or all of the electrical requirements of the customer can be supplied from a source or sources, owned by the customer, and where such sources are connected for parallel operation of the customer's system with the system of the Cooperative. Customer sources may include but are not limited to windmills, water wheels, solar conversion and geothermal devices, each of which is capable of generating less than 100 kW.

Type of Service

The type of service furnished the customer pursuant to this rate tariff shall be determined in the reasonable discretion of the Cooperative.

Monthly Rate

All purchases from the Cooperative and sales to the Cooperative shall be treated separately. For capacity and energy supplied by the Cooperative to the customer, the applicable rate shall apply. For energy supplied by the customer to the Cooperative, the rates shall be as follows:

> For non-firm power the purchase rate will be the sum of the wholesale energy and fuel charges from the Cooperative's wholesale power supplier. For firm service the purchase rate will be the non-firm purchase rate plus ten percent (10%).

Billing Adjustments

This rate shall be subject to all applicable billing adjustments listed on Schedule BA.

COGENERATION QUALIFYING FACILITIES
SCHEDULE QF - 1

Service Conditions

The Service Conditions of the Cooperative, on file with the ACC, shall apply to this schedule. Cooperative policy regarding Meter reading intervals terms of payments, extended billing periods and collection policy, as filed and approved by the ACC, are stated and published in the Cooperative's Service Conditions.

Contract Period

As provided in the Cooperative's agreement for service with the customer.

SULPHUR SPRINGS VALLEY
ELECTRIC COOPERATIVE, INC.
350 N. Haskell Ave
Willcox, Arizona 85643

Effective Date: January 1, 2017

STANDARD OFFER TARIFF

NET METERING TARIFF
SCHEDULE NM-1

Availability

Net Metering service under Schedule NM-1 is an option for all customers of the Cooperative with a qualifying Net Metering Facility installed on or before April 14, 2015, or for Customers who had an accepted SunWatts Incentive/Interconnection application on file with the Cooperative on or before April 14, 2015. This tariff is only available for 20 years (240 months) from the date of install and is limited to the original installation site and original equipment. After 20 years this rate is rescinded. As each member reaches their 20 year maximum their service will be transferred to **RESIDENTIAL PARTIAL REQUIREMENTS, STANDBY SERVICE, BACKUP SERVICE AFTER APRIL 14, 2015 SCHEDULE R-PR.** Rights to the use of this Schedule NM-1 are available to the current and subsequent owners of the qualifying Net Metering facility during the 20-year (240 month) period. Participation under this schedule is subject to availability of enhanced metering and billing system upgrades. The electric energy generated by or on behalf of the member from a qualifying Net Metering Facility and delivered to the Cooperative's distribution facilities may be used to offset electric energy provided by the Cooperative during the applicable billing period.

Net Metering Facility means a facility for the production of electricity that:

a. Is operated by or on behalf of the customer and is located on the customer's premises;
b. Is intended to provide part or all of the customer's requirements for electricity;
c. Uses Renewable Resources, a Fuel Cell or CHP (as defined below);
d. Has a generating capacity less than or equal to 125% of the customer's total connected load, 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 in phase with the Cooperative's existing distribution system.

Service under this tariff is available provided the rated capacity of the customer's Net Metering Facility does not exceed the Cooperative's service capacity. The customer shall comply with all of the Cooperative's interconnection standards. The customer is also required to sign and complete the Net Metering Application prior to being provided Net Metering Service. This service is also referred to as Partial Requirements Service.

Metering

NET METERING TARIFF
SCHEDULE NM-1

Metering installed for the service provided under this tariff shall be capable of registering and accumulating the kilowatt-hours (kWh) of electricity flowing in both directions in a billing period.

The customer requesting Net Metering shall pay for the incremental cost difference of the bi-directional meter required for Net Metering and the standard meter, with a monthly fee of $2.70.

Monthly Billing

If the kWh supplied by the cooperative exceeds the kWh that are generated by the customer's Net Metering Facility and delivered back to the cooperative during the billing period, the customer shall be billed for the net kWh supplied by the Cooperative in accordance with the rates and charges under the customer's standard rate schedule.

If the electricity generated by the customer's Net Metering Facility exceeds the electricity supplied by the Cooperative in the billing period, the customer shall be credited during the next billing period for the excess kWh generated. That is, the excess kWh during the billing period will be used to reduce the kWh supplied (not kW or kVA demand or customer charges) and billed by the Cooperative during the following billing period.

Customers taking service under time-of-use rates who are to receive credit in a subsequent billing period for excess kWh generated shall receive such credit during the next billing period during the on- or off- peak periods corresponding to the on- or off- peak periods in which the kWh were generated by the Customer.

As of January 1, 2015, the "true up" month to meet the requirements of R14-2-2306 (F) will be September only. In the "true up" month or when the account is closed, the Cooperative shall issue a check or billing credit to customers with Net Metering Facilities for the balance of any credit due in excess of amounts owed by the customer to the Cooperative for Non-Firm Power. The payment for any remaining credits shall be at the Cooperative's Annual Average Avoided Cost which is $0.0258 per kWh. Amounts over $100.00 will be paid by check lesser amounts will be a billing credit. The Customer may also elect to donate the payment to the SSVEC Foundation or Operation RoundUP. Any payment for Firm Power will be pursuant to a separate contract.

NET METERING TARIFF
SCHEDULE NM-1

Definitions

1. Annual Average Avoided Cost is defined as the average wholesale fuel and energy cost per kWh charged by the Cooperative's wholesale power supplier(s) during the previous 12 months calculated with the receipt of the May wholesale power bills. The Annual Average Avoided Cost will then be applied in the September or March* "true up" period or when a NET Meter Account is closed during the Net Metering Calendar Year. SSVEC will submit an updated NET Meter tariff prior to July 1st to the ACC for approval of the Average Avoided Cost and post the updated value to the SSVEC website and copies of the NET Metering tariff are available at any Cooperative office.

   * *For those Customers who are "grandfathered" using the March "true up"*

2. Calendar Year: For the purpose of determining the billing credit for the balance of any credit due in excess of amounts owed by the customer to the Cooperative, the Calendar Year for NET Metering is defined as September 1 through August 31 (September billing cycle).
3. Renewable Resource means natural resources that can be replenished by natural processes, including Biomass, Biogas, Geothermal, Hydroelectric, Solar or Wind as defined in A.A.C. R14-2-2302(2) &(3).
4. Combined Heat and Power or CHP (also known as cogeneration) means 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.
5. Fuel Cell means a device that converts the chemical energy of a fuel directly into electricity without intermediate combustion or thermal cycles. The source of the chemical reaction must be from Renewable Resources.
6. Determining the customers 125% capacity from load data:
   a. In the absence of demand data (for residential and small business) the highest 12 months (calendar year) kWh consumption in the previous three years, will be divided by 2190 (average annual PV production hours) to determine the 100% capacity level in kW which will achieve a "net zero" home or business. To which the 125% will be applied
   b. For customers with a demand history it will be 125% of the highest demand in the most current 12 month period. Demand history can be obtained by a billing meter with a demand register or demand data acquired by the Automatic Meter Reading (AMR) system.
7. Partial Requirements Services- Electric service provided to a customer that has an interconnected Net Metering Facility whereby the output form 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. 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.
9. 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.
10. Standard Rate Schedule- Any of the Company's retail rate schedules with metered kWh charges.
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 applicable Standard Retail Rate Schedule.

SULPHUR SPRINGS VALLEY
ELECTRIC COOPERATIVE, INC.
350 N. Haskell Ave
Willcox, Arizona 85643

Effective Date: January 1, 2017

STANDARD OFFER TARIFF

PARTIAL REQUIREMENTS SERVICE, STANDBY SERVICE, BACKUP SERVICE
~~DISTRIBUTED GENERATION~~ TARIFF
SCHEDULE ~~DG~~PR-1

Availability

Parital Requirements Service, Standby Service, Backup ~~Distributerd Generation~~ service under Schedule ~~DG~~ PR-1 is an option for all customers of the Cooperative who purchase partial requirements energy service (less than 100% of their electrical requriements), or standby service, or backup service~~with a qualifying Distributed Generation Facility installed~~ after April 14, 2015, or who submitted an accepted SunWatts Incentive/Interconnection application after April 14, 2015. Participation under this schedule is subject to availability of enhanced metering and billing system upgrades. The electric energy generated by or on behalf of the member from a qualifying Distributed Generation Facility and delivered to the Cooperative's distribution facilities may be used to offset electric energy provided by the Cooperative during the applicable billing period.

Distributed Generation Facility means a facility for the production of electricity that:

a. Is operated by or on behalf of the customer and is located on the customer's premises;
b. Is intended to provide part or all of the customer's requirements for electricity;
c. Uses Renewable Resources, a Fuel Cell or CHP (as defined below);
d. Has a generating capacity less than or equal to 125% of the customer's total connected load, 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 in phase with the Cooperative's existing distribution system.

Service under this tariff is available provided the rated capacity of the customer's Distributed Generation Facility does not exceed the Cooperative's service capacity. The customer shall comply with all of the Cooperative's interconnection standards. The customer is also required to sign and complete the Distributed Generation Application prior to being provided Distributed Generation Service. This service is also referred to as Partial Requirements Service.

Metering

STANDARD OFFER TARIFF
PARTIAL REQUIREMENTS, STANDBY SERVICE, BACKUP SERVICE ~~**NET METERING**~~
TARIFF
SCHEDULE ~~NM-2~~PR-1

Metering installed for the service provided under this tariff shall be capable of registering and accumulating the kilowatt-hours (kWh) of electricity flowing in both directions in a billing period.

PARTIAL REQUIREMENTS SERVICE, STANDBY SERVICE, BACKUP SERVICE~~NET METERING~~ TARIFF
SCHEDULE ~~DG~~PR-1

The customer requesting Distributed Generation service shall pay for the incremental cost difference of the bi-directional meter required for Distributed Generaton service and the standard meter, with a monthly fee of $2.70.

Monthly Billing

All kWh delivered by SSVEC to the Customer will be billed on the rate charged to the Customer under the applicable Standard Rate Schedule.

All kWh received from Customer (Customer produced excess energy) will be credited on a monthly basis by SSVEC to the Customer at the ACC approved Annual Average Avoided Cost per kWh as stated in Schedule NM-1. Customer excess energy cannot be "banked," "saved," or "rolled forward" for use in a future month.

There is no Annual True-Up month under this Schedule DG as the accounts are trued-up monthly.

Definitions

1. Annual Average Avoided Cost is defined as the average wholesale fuel and energy cost per kWh charged by the Cooperative's wholesale power supplier(s) during the previous 12 months calculated with the receipt of the May wholesale power bills. SSVEC will submit an updated Net Metering tariff (Schedule NM-1) prior to July 1st to the ACC for approval of the Average Avoided Cost and post the updated value to the SSVEC website. Copies of the Net Metering NM-1 tariff are available at any Cooperative office.
2. Renewable Resource means natural resources that can be replenished by natural processes, including Biomass, Biogas, Geothermal, Hydroelectric, Solar or Wind as defined in A.A.C. R14-2-2302(2) &(3).
3. Combined Heat and Power or CHP (also known as cogeneration) means 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.
4. Fuel Cell means a device that converts the chemical energy of a fuel directly into electricity without intermediate combustion or thermal cycles. The source of the chemical reaction must be from Renewable Resources.

PARTIAL REQUIREMENTS SERVICE, STANDBY SERVICE, BACKUP SERVICE~~NET METERING~~ TARIFF
SCHEDULE ~~DG~~PR-1

5. Determining the customers 125% capacity from load data:
   a. In the absence of demand data (for residential and small business) the highest 12 months (calendar year) kWh consumption in the previous three years, will be divided by 2190 (average annual PV production hours) to determine the 100% capacity level in kW which will achieve a "net zero" home or business. To which the 125% will be applied
   b. For customers with a demand history it will be 125% of the highest demand in the most current 12 month period. Demand history can be obtained by a billing meter with a demand register or demand data acquired by the Automatic Meter Reading (AMR) system.
6. Partial Requirements Services- Electric service provided to a customer that has an interconnected Net Metering Facility whereby the output form 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.
7. 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.
8. 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.
9. Standard Rate Schedule- Any of the Company's retail rate schedules with metered kWh charges.
10. 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 applicable Standard Retail Rate Schedule.

ELECTRIC RATES

SULPHUR SPRINGS VALLEY
ELECTRIC COOPERATIVE, INC.
350 N. Haskell Ave
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Effective Date: January 1, 2017

STANDARD OFFER TARIFF

ESTIMATION METHODOLOGIES
SCHEDULE EM

Application

The Estimation Methodologies Rate (EM) is applicable for purposes of bill estimation for all tariffs in the event a valid meter reading cannot be acquired. The Cooperative will make every reasonable attempt to secure an accurate reading of the meter. The Cooperative will make special efforts to secure an accurate reading of the meters for accounts with demand reading.

This rate is not applicable to resale or standby services.

Conditions for Estimated Bills

Estimated bills will be issued only under the following conditions:

A. Labor shortages or work stoppages beyond the control of the Cooperative.
B. Severe weather conditions, emergencies or other causes beyond the Cooperative's control which prevent the Cooperative from reading the meter.
C. Circumstances that make it dangerous or impossible to read the meter, including but not limited to: locked gates, blocked access to meters, threatening or abusive conduct of customers, vicious or dangerous animals or missing meters.
D. Failure of a customer who reads his own meter to deliver his meter reading to the Cooperative in accordance with the requirements of the Cooperative billing cycle.
E. To facilitate timely billing for customers using load profiles.
F. Communications issues with Prepaid Metering (see item H below)

Notice of Estimation

Each bill based on estimated usage will indicate that it is an estimated bill and note the reason for estimation.

NET METERING TARIFF
SCHEDULE EM

Estimation Procedures

SSVEC currently utilizes a customer information system (CIS) and/or billing personnel for billing, bill calculations and bill estimations.

A. Detailed descriptions of estimation procedures for each of the conditions are numbered 1-12 below include but are not limited to:

	Conditions for Estimated Bills	Estimation Procedures
1.	A kWh estimate with at least one year of history for the same customer at same premise or new customer with at least one year of premise history	Estimate using the kWh, same month one year prior and/or the amount of usage during the preceding month, from the same premise.
2.	A kWh estimate with less than 12 months' history for the same customer at same premise.	Estimate using the kWh of the preceding month from the same premise.
3.	A kWh estimate with less than 12 months' history for a new customer but with history on the premise.	Estimate using the kWh of the preceding month from the same premise.
4.	A kWh estimate with no prior consumption history.	Bill the fixed monthly customer charge plus applicable taxes only. The kWh will be billed with the next valid read in accordance with the Arizona Administrative Code.
5.	A kW estimate with a least one year of history for the same customer at same premise or new customer with one year of premise history.	Calculate the estimate using the kW, same month one year prior and/or the preceding month, from the same premise.
6.	A kW estimate with less than 12 months' history for the same customer at same premise.	Calculate the estimate using the kW of the preceding month from the same premise.
7.	A kW estimate with less than 12 months' history for a new customer but with history on the premise.	Calculate the estimate using the kW of the preceding month from the same premise.
8.	A kW estimate with no prior consumption history.	Do not estimate: a service order is issued for a meter technician to obtain a valid read.

NET METERING TARIFF
SCHEDULE EM

9.	Time-of Use estimate with at least one year of history for the same customer at same premise or new customer with at least one year of premise history.	Time-of-Use has two readings, "on-peak" and "off-peak". - Calculate the estimate using the "on peak" and "off-peak" kWh reads, same month one year prior and/or the preceding month from the same premise.
10.	Time-of-Use estimate with less than 12 months' history for the same customer at same premise.	Time-of-Use has two readings, "on-peak" and "off-peak". - Calculate the estimate using the "on peak" and "off-peak" kWh of the preceding month from the same premise.
11.	Time-of-Use estimate with less than 12 months' history for a new customer but with history on the premise.	Time-of-Use has two readings, "on-peak" and "off-peak". - Calculate the estimate using the "on peak" and "off-peak" kWh of the preceding month from the same premise.
12.	Time-of-Use estimate with no prior consumption history for a new customer at new premise.	- Bill the fixed monthly customer charge plus applicable taxes only. The kWh will be billed with the next valid read in accordance with the Arizona Administrative Code.

B. Variance in estimation methods for differing conditions.

Examples of differing causes for estimation include, but are not limited to: tampering, energy diversion, damaged or destroyed meter, partial meter failure, and meter reading equipment failure.

In the event the meter has been tampered with or destroyed, or energy diversion has occurred, the methods referred to in item A. above still apply, prorating the usage if the estimation period is less than a full billing cycle. Examples;

Tampering and/or Energy Diversion:

A valid read was obtained on October 1, Year Two. A tampering or energy diversion is discovered on October 15th, the meter has the same reading from October 1, Year Two. An investigation reveals the service is active and electricity is being consumed. The same service history indicated a kWh usage of 900 kWh for the month of October Year One. A manual estimate will prorate based upon a daily average of the 900 kWh divided by the number of days in the history record the same month (31) for a total of 29 kWh per day times the number of days tampered (15) for a final estimate of 435 kWh.

If the service does not have a 12 month history the same formula is used with the past 3 month average.

NET METERING TARIFF
SCHEDULE EM

In the event the investigation reveals evidence that the tampering or energy diversion occurred for a period exceeding one month, the Cooperative will use the applicable estimation procedure to the point in time that the tampering or energy diversion may be definitely fixed, or 12 months.

Meter Damaged/Destroyed:

The same estimation procedure as described in item A. above is used if it is determined that the damage or destruction is caused by the customer to the point in time that the damage or destruction may be definitely fixed or 12 months.

In the event the damage or destruction is otherwise caused, the estimation procedure is the same as described in item A. above, but the customer responsibility is limited to 3 months for residential customers and 6 months for non-residential customers.

Partial Meter Failure:

If a meter is found to be deficient in recording any portion of the actual usage, the kW and kWh are estimated based on the percentage of deficiency for a period limited to 3 months for residential customers and 6 months for non-residential customers.

C. Conditions when estimations are calculated by the CIS system.

The CIS system calculates the estimate when the meter of a service does not record a valid read for the normal billing cycle for any of the reasons listed under "Conditions for Estimated Bills" above.

D. Conditions when estimations are made manually

The manual estimate is made by SSVEC personnel when there is a partial meter failure, weather related differences (previous years usage is reflective of unseasonable or greatly varied temperatures), or there is tampering, or a damaged/destroyed meter for less than the normal billing cycle and the bill must be prorated.

E. Procedures to minimize the need for using estimated data.

If feasible, the meter reader is asked to return to the service for a valid read. If the service has access problems an Offsite Meter Reading (OMR) or Automated Meter Reading (AMR) device may be installed. However, the Cooperative shall have the right of safe ingress to and egress from the customer's premises at all reasonable hours for any purpose reasonably connected with property used in furnishing service and the exercise to any and all rights secured to it by law or the Arizona Corporation Commission.

NET METERING TARIFF
SCHEDULE EM

F. Procedures for estimating first and final bills.

First and final bills are not estimated unless the meter fails. If the reading is not recorded for the first bill, the first bill is issued for the fixed monthly charges plus applicable taxes only. The total kWh will be billed on the first valid read. The final bill is not issued until such time a valid read is secured.

In the event of metering equipment that is damaged, destroyed or absent for the first or final bill, the estimate is the same as B. and D. above.

In the event of metering equipment failure for the first or final bill, the estimate is the same as B. and D. above.

In the event of metering equipment failure, is damaged, destroyed or absent for an account with a demand reading, for the first or final bill, the kWh and/or kW estimate is based on the connected equipment operating characteristics.

G. Procedure for estimation using customer specific data.

If there is no service history available on which to base an estimate, the kWh and/or kW estimate is based on the connected equipment operating characteristics.

H. Prepaid Electric Service Estimation Methodology.

If there are communication issues that prevent the Cooperative from obtaining a valid daily kWh reading, the kWh consumption will continue to accumulate in the meter. When a valid daily reading results in a negative account balance, the Customer will be notified* that they have 2 business days to replenish the account to avoid disconnection for a negative balance. The web portal will indicate no usage for the days with missing kWh readings.

If after 7 days of no valid kWh readings, the Cooperative will physically check and/or replace the meter, the Customer will be notified* and one of the following actions will be applied to determine or estimate the kWh consumption;

1. If a valid reading can be obtained from the meter and the reading results in a negative account balance, the Customer will have a minimum of *5* business days to bring the account into a positive balance to avoid disconnection for a negative account balance.
2. If the Cooperative cannot obtain a valid reading from the meter, SSVEC will use the last valid 5 day average kWh consumption, to determine the amount of kWh to be applied to the account. If this calculated billing results in the account having a negative account balance the Customer will have a minimum of 5 business days to bring the account into a positive balance to avoid disconnection for a negative account balance.

NET METERING TARIFF
SCHEDULE EM

3. If the Customer does not have any prior consumption history, SSVEC will bill the daily fixed charges, plus applicable taxes only. If this billing results in the account having a negative account balance, the Customer shall have a minimum of 5 business days to bring the account into a positive balance to avoid disconnection.

**Notice given in this order: 1) by phone. 2) voice mail, 3) written letter. or 4) e-mail (if available)*