



ADJUSTMENT SCHEDULE RCDAC-1 RETURNING CUSTOMER DIRECT ACCESS CHARGE

APPLICATION

The Returning Customers Direct Access Charge ("RCDAC") shall apply to customers, or an aggregated group of customers, of 3 MW or greater who left Standard Offer or special contract service for competitive generation suppliers and desire to return to Standard Offer service. Customers that have been Direct Access customers since the origination of their APS service that request Standard Offer service are considered to be returning customers. The RCDAC can only be applied if the customer(s) wants to return to Standard Offer service and the Company did not include their load in planned resource acquisitions. If APS is provided one year's advance notice of the customer's intent to return to Standard Offer service then they will not be assessed RCDAC. APS may create a special RCDAC in each individual case and require the customer(s) to enter into a service agreement that specifies the charge, its duration, and how it will be applied and collected. In situations where an aggregated group of customers wish to return, each customer from the group will be charged the same rate for the same duration and an Electric Service Agreement will be required from each customer. All provisions of the customer's current applicable rate schedule will apply in addition to this charge.

RATE

The charge will be identified in the Electric Service Agreement between the Customer and the Company and will be in addition to the Standard Offer service charges. The RCDAC will be based on the cost differential between the applicable Standard Offer rate generation component and the cost of the resources required to serve the returning customer(s). The costs associated with serving customers that are required to enter into RCDAC agreements will be kept separate from the retail power supply costs subject to recovery through the Power Supply Adjustment. The types of costs that will be used to develop the RCDAC are incremental Power Supply, Transmission, Ancillary Services and Metering costs as defined in the Returning Customer Direct Access Charge Plan for Administration. These costs will be amortized over an appropriate period to allow their timely recovery. In no event, however, will the RCDAC last longer than 12 months for any individual customer.