



**RATE SCHEDULE E-51
CLASSIFIED SERVICE
OPTIONAL ELECTRIC SERVICE FOR QF's OVER 100 kW**

AVAILABILITY

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

APPLICATION

This rate schedule is applicable only to qualified cogeneration and small power production facilities greater than 100 kW that meet qualifying status as defined under 18 CFR, Chapter 1, Part 292, Subpart B of the Federal Energy Regulatory Commission regulations and pursuant to Arizona Corporation Commission Decision No. 52345. The facility's generator(s) and load must be located at the same site.

Applicable only to those customers being served on the Company's Rate Schedule E-51 prior to July 1, 1996.

TYPE OF SERVICE

The type of service provided under this schedule will be single or three phase, 60 Hertz, at one standard voltage as may be selected by the customer subject to availability at the customer's site.

RATES

The bill shall be the sum of the amounts computed under A., B., C., and D. below, including any applicable adjustments:

A. Basic Service

Cogeneration Basic Service Charge:	\$ 0.276	per day
Generation Meter Charge:	\$ 0.828	per day per meter

B. Supplemental Service

Supplemental service will be provided in accordance with the rate levels contained in General Service Rate Schedule E-32 or E-34, whichever is applicable based upon Customer's maximum Supplemental demand.

C. Standby Service

Monthly Reservation Charge: \$ 2.488 per kW of Contract Standby Capacity

The Monthly Reservation Charge will be adjusted in accordance with the Determination of Monthly Reservation Charge paragraph below.

Standby Energy Charge:

May – October Billing Cycles (Summer)	November – April Billing Cycles (Winter)
\$0.05802 per kWh during On-Peak hours, plus \$0.03342 per kWh during Off-Peak hours	\$0.04471 per kWh during On-Peak hours, plus \$0.03342 per kWh during Off-Peak hours



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RATES (cont)

D. Maintenance Service

Maintenance Energy: \$ 0.03342 per kWh

DETERMINATION OF MONTHLY RESERVATION CHARGE

For initial service, the Monthly Reservation Charge shall be: the product of (\$24.88/kW multiplied by a Forced Outage Rate (FOR) of 10%) multiplied by the customer's applicable Contract Standby Capacity. At the end of the first 6 summer billing months, the initial FOR of 10% will be replaced by the actual FOR experienced by the cogeneration system during on-peak summer hours. The customer's summer on-peak FOR will then be reevaluated annually each November for the preceding 12-month period to be used in the calculation of the customer's Reservation Charge for the current and succeeding 11 months.

DETERMINATION OF SUPPLEMENTAL SERVICE

Supplemental service shall be defined as demand and energy contracted by the customer to augment the power and energy generated by the customer's generation facility.

Supplemental demand shall be equal to the maximum 15 minute integrated kW demand as calculated for every 15-minute interval as the demand of the Supply meter plus the demand of the Generator meter(s) less the Contract Standby Capacity of the customer's cogenerator(s).

Supplemental energy shall be equal to all energy supplied to the customer as determined from readings of the Supply meter, less any energy determined to be either Standby or Maintenance energy as defined in this Schedule.

DETERMINATION OF STANDBY ENERGY

Standby Energy shall be defined to be electric energy supplied by Company to replace power ordinarily generated by the customer's generation facility during unscheduled full and partial outages of said facility.

When the sum of the energy measured on both the Supply and Generator(s) Meters is greater than the maximum energy output of the generator(s) at Contract Standby Capacity, the Standby Energy shall be equal to the summation of the differences between the maximum energy output of the generator(s) at Contract Standby Capacity and the energy measured on the Generator Meter(s) for every 15-minute interval of the month, except when maintenance power is being utilized or those intervals where energy measured on the Supply Meter is zero. When the sum of the energy measured on both the Supply and Generator(s) Meters is less than the maximum energy output of the generator(s) at Contract Standby Capacity, then the Standby energy shall be that energy measured on the Supply Meter.

All Standby Energy exceeding 250 kWh/kW of Contract Standby Capacity in a billing period will be billed at the otherwise applicable rate for Supplemental Service.



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DETERMINATION OF MAINTENANCE ENERGY

Maintenance energy shall be defined as energy supplied to the customer up to a maximum of the Contract Standby Capacity times the hours in the Scheduled Maintenance period for that energy used only during the Scheduled Maintenance period. Maintenance periods shall not exceed 30 days per cogeneration unit during any consecutive 12-month period and must be scheduled during the winter billing months. The customer shall supply the Company with a Maintenance Schedule for a 12-month period at least 60 days prior to the beginning of that period, which shall be subject to Company approval. Energy used in excess of a 30-day period or unauthorized maintenance energy shall be billed on either the Standby or Supplemental Rate as specified in this Schedule.

METERING

The Company will install a Supply Meter at its point of delivery to the customer and a Generator Meter(s) at the point(s) of output from each of the customer's generators. All meters will record integrated demand and energy on the same 15-minute interval basis as specified by the Company.

DEFINITIONS

1. Contract Standby Capacity - the measured kW output of each cogeneration unit at time of start-up test, which will be re-evaluated annually each November and specified in the customer's Agreement for Service, however, not to exceed the customer's actual total load.
2. Forced Outage Rate - the ratio of the standby energy used during the customer's summer on-peak hours to the product of the Contract Standby Capacity multiplied by the customer's total summer on-peak hours.
3. Generator Meter - the time-of-use meter used to measure in 15-minute intervals the total power and energy output of each of the customer's cogeneration units.
4. Supply Meter - the time-of-use meter used to measure in 15-minute intervals the total power and energy supplied by the Company to the customer.
5. Time Periods - On-Peak Period: 11 a.m. - 9 p.m. Monday through Friday
Off-Peak Period: All Other Hours

Mountain Standard Time shall be used in the application of this rate schedule.

POWER FACTOR

The customer deviation from phase balance shall not be greater than ten percent (10%) at any time. Customers receiving service at voltage levels below 69 kV shall maintain a power factor of 90% lagging but in no event leading unless agreed to by Company. Service voltage levels at 69 kV or above shall maintain a power factor of $\pm 95\%$ at all times. In situations where Company suspects that a customer's load has a non-confirming power factor, Company may install at its cost, the appropriate metering to monitor such loads. If the customer's power factor is found to be non-conforming, the customer will be required to pay the cost of installation and removal of VAR metering and recording equipment.

Customers found to have a non-conforming power factor, or other detrimental conditions shall be required to remedy problems, or pay for facilities/equipment that Company must install on its system to correct for problems caused by the customer's load. Until such time as the customer remedies the problem to Company satisfaction, kVa may be



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POWER FACTOR (cont)

substituted for kW in determining the applicable charge for billing purposes for each month in which such failure occurs.

ADJUSTMENTS

1. The Environmental Portfolio Surcharge shall be applied to every retail electric service as set forth in the Company's Adjustment Schedule EPS-1 or successor schedules as approved by the Arizona Corporation Commission.
2. The bill is subject to the Power Supply Adjustment factor as set forth in the Company's Adjustment Schedule PSA-1 pursuant to Arizona Corporation Commission Decision No. 67744 and Arizona Corporation Commission Decision No. 69663.
3. The bill is subject to the Transmission Cost Adjustment factor as set forth in the Company's Adjustment Schedule TCA-1 pursuant to Arizona Corporation Commission Decision No. 67744.
4. The bill is subject to the Environmental Improvement Surcharge as set forth in the Company's Adjustment Schedule EIS pursuant to Arizona Corporation Commission Decision No. 69663.
5. The bill is subject to the Competition Rules Compliance Charge as set forth in the Company's Adjustment Schedule CRCC-1 pursuant to Arizona Corporation Commission Decision No. 67744.
6. Direct Access customers returning to Standard Offer service may be subject to a Returning Customer Direct Access Charge as set forth in the Company's Adjustment Schedule RCDAC-1 pursuant to Arizona Corporation Commission Decision No. 67744.
7. The bill is subject to the Demand Side Management Adjustment charge as set forth in the Company's Adjustment Schedule DSMAC-1 pursuant to Arizona Corporation Commission Decision No. 67744.
8. The bill is subject to the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of APS and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

TERMINATION PROVISION

Should the customer cease to operate his cogeneration unit(s) for 60 consecutive days during periods other than planned scheduled maintenance periods, the Company reserves the option to terminate the Agreement for service under this rate schedule with the customer.

CONTRACT PERIOD

Any applicable contract period will be set forth in the Company's standard Agreement for Service.

TERMS AND CONDITIONS

Service under this rate schedule is subject to the Company's Schedule 1, Terms and Conditions for Standard Offer and Direct Access Services and the Company's Schedule 10, Terms and Conditions for Direct Access. These schedules have provisions that may affect the customer's bill. In addition, service may be subject to special terms and conditions as provided for in a customer contract or service agreement.