



**RATE SCHEDULE EPR-5  
CLASSIFIED SERVICE  
RATES FOR RENEWABLE RESOURCE FACILITIES  
OF 100 kW OR LESS FOR PARTIAL REQUIREMENTS**

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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 offered as a three-year pilot program to renewable resource generation facilities with a nameplate service continuous output power rating of 100 kW or less where the customer's generator(s) and load are located at the same premise. Renewable resources eligible to participate in this pilot program include solar and other renewable resources, as defined in A.A.C. R14-2-1618 or other relevant Rules, as it may be modified or updated from time to time. This pilot program is capped at 15 MW of total renewable generation nameplate capacity and is conditioned upon continued and sufficient EPS funding. Participation under this schedule is subject to availability of enhanced metering and billing system upgrades. Any changes to the rate schedule will require approval by the Arizona Corporation Commission.

RECOVERY OF PROGRAM COSTS

Environmental Portfolio Surcharge (EPS) funding will be utilized to recover the metering costs and billing system modification cost. The net lost revenue associated with the pilot program will be deferred for future recovery and will be based on the difference between the retail rate and the Company's avoided cost and applied to the participants' excess generation.

TYPE OF SERVICE

Electric sales to the Company must be single phase or three phase, 60 Hertz, at one standard voltage as may be selected by customer (subject to availability at the premises).

SALES TO THE CUSTOMER

Power sales and special services supplied by the Company to the customer in order to meet the customer's supplemental or interruptible electric requirements will be priced at the Standard Retail Rate as may be selected by the customer. Refer to the Definitions section, No. 5, of this rate schedule to identify rate schedules that qualify for this pilot program.

RATE

Energy will not be purchased from the customer under this schedule; instead, the kWh of energy provided from the customer to the Company will be credited to the customer. Through the net metering method, the customer shall receive the full retail value of the energy components (charges assessed on a kWh basis) of their Standard Retail Rate for the power fed into the system from the customer-owned renewable resource generator(s).

For Non-Time-of-Use Rates:

For customers taking service under a Standard Retail Rate that is not a time-of-use rate, the Customer Supply (kWh) shall be credited against the Customer Purchase (kWh). The Customer's monthly bill shall be based on this net kWh amount. Any monthly Excess Generation will be credited on a kWh basis on the next monthly bill. Excess Generation credits will be carried over to subsequent months in a similar manner if necessary. However, Excess Generation credits remaining at the customer's last monthly bill rendered in the calendar year or at the time of a customer shut off will be zeroed out with no payment made to the customer.



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(RATE Cont)

For Time-of-Use Rates:

For customers taking service under a Standard Retail Rate that is a time-of-use rate, the Customer Supply (kWh) during the on-peak hours shall be credited against the Customer Purchase (kWh) during the on-peak hours. Off-peak Customer Supply will be credited against off-peak Customer Purchase. The Customer's monthly bill shall be based on the net on-peak kWh and net off-peak kWh amounts. Any monthly Excess Generation during the on-peak hours will be credited on a kWh basis towards on-peak Customer Purchase on the next monthly bill. Likewise, off-peak Excess Generation will be credited towards off-peak Customer Purchase on the next monthly bill. Excess Generation credits will be carried over to subsequent months in a similar manner if necessary. However, Excess Generation credits remaining at the customer's last monthly bill rendered in the calendar year or at the time of a customer shut off will be zeroed out with no payment made to the customer.

Service under EPR-5 will require a bi-directional meter. One bi-directional meter will be provided to each participant at no additional charge. The incremental meter costs will be funded by ratepayers through the Environmental Portfolio Surcharge.

CONTRACT PERIOD

Any applicable contract period(s) will be set forth in an Agreement between the customer and the Company.

DEFINITIONS

1. Partial Requirements Service – Electric service provided to a customer that has an interconnected renewable resource generation system configuration whereby the output from 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.

DEFINITIONS (cont)

2. Special Service(s) - The electric service(s) specified in this section that will be provided by the Company in addition to or in lieu of normal service(s).
3. 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 Standard Retail Rate.
4. Pilot Program – The term of this pilot program is three years from the issuance of Decision No. XXXXX. If this experimental pilot rate schedule later becomes a standard Company rate schedule, the Company reserves the right to modify the rate schedule.
5. Standard Retail Rate – Any of the Company's retail rate schedules.
6. Customer Supply – Energy (kWh) from a qualifying customer-owned generator that exceeds the customer's load at a point in time and is fed back into the Company's electric system, as metered by the Company.
7. Customer Purchase – Energy (kWh) that is provided from the Company to the customer to serve the load that is not being served by the customer's qualifying generator, as metered by the Company.



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DEFINITIONS (cont)

8. Excess Generation – Equals the Customer Supply (kWh) less the Customer Purchase (kWh) over a monthly billing period. For time-of-use rates the Excess Generation is computed for on-peak and off-peak periods over the monthly billing period. (Not to be less than zero).

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 Schedule 2, Terms and Conditions for Energy Purchases from Qualified Cogeneration or Small Power Production Facilities. This schedule has 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 interconnection or service agreement.

METERING CONFIGURATION

