



**RATE SCHEDULE XHLF
GENERAL SERVICE
EXTRA HIGH LOAD FACTOR**

AVAILABILITY

This rate schedule is available to Customers: (i) whose monthly maximum demand is 5,000 kW or more; (ii) with a load factor of 92% or more for a minimum of nine months of the prior 12 month period; and (iii) where the Customer also seeks the Economic Development and Sustainability features described below, the Customer must also meet a monthly demand of 15,000 kW, and the 50% Carbon Free Activity requirement set out in this rate schedule.

Customers will be required to execute an Electric Supply Agreement (ESA) that specifies certain provisions of their electric service, such as a contract length, minimum and maximum monthly loads, special charges, and other service details, including maintenance.

Customers with monthly demands of 15,000 kW or greater may choose to be served with transmission level service by providing the Company with a contribution in aid of construction (CIAC) in lieu of purchasing transmission level facilities. For new Customers, this will be addressed in their Line Extension Agreement pursuant to Service Schedule 3. The Customer will be required to execute a maintenance contract and share in the cost of replacement facilities. Under this option, the Company may also finance the CIAC at the Company's weighted average cost of capital established in its most recent rate case. This financing period will not exceed 10 years.

50% CARBON FREE ACTIVITY REQUIREMENT AND SUSTAINABILITY FEATURES

In addition to having a monthly demand of at least 15,000 kW and having a load factor of 92%, a Customer within the Company's service territory seeking to manage sustainability goals, must demonstrate that it is carbon free for at least 50% of its energy consumption on an annual basis within APS territory. The 50% requirement can be met through Renewable Energy Credits, Carbon Credits, carbon offsets or demonstrated improvement in Carbon Free Activity, and will be specified in the Customer's ESA with the Company. Carbon Free Activities are load shifting, new load added during carbon free curtailment periods, advancements in electrification, energy storage or electric vehicle charging during carbon free curtailment periods.

The Economic Development and Sustainability features below will be limited to an additional 50 MW of load annually per Customer and will not exceed 500 MW in total Customer load unless there is sufficient long-term market liquidity to do so, as determined by APS in its sole discretion. APS will evaluate long-term market liquidity with Customer's receiving service under this rate schedule at least once per year.



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DESCRIPTION

This rate has three parts: a basic service charge, a demand (kW) charge consisting of the average kW supplied during the 15-minute period of maximum use during the billing period, and an energy (kWh) charge for the energy used for the entire month.

Monthly load factor will be established using the formula:

$$\text{Monthly Load Factor} = \text{Billed kWh} / (\text{Billed kW} * \text{Billing Days} * 24 \text{ hours})$$

CHARGES

The monthly bill will be calculated at the following rates or the minimum rates, whichever is greater, plus any adjustments incorporated in this rate schedule:

Bundled Service

Customers Served at Secondary Voltage		
Basic Service Charge	\$ 4.818	per day
Demand Charge	\$ 16.989	per kW
Energy Charge	\$ 0.03498	per kWh

Customers Served at Primary Voltage		
Basic Service Charge	\$ 7.489	per day
Demand Charge	\$ 15.735	per kW
Energy Charge	\$ 0.03498	per kWh

Customers Served at Transmission Voltage		
Basic Service Charge	\$ 36.560	per day
Demand Charge	\$ 12.284	per kW
Energy Charge	\$ 0.03498	per kWh



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Unbundled Standard Offer Service

Bundled Charges consists of the Components shown below. These are not additional charges.

Basic Service Charge Components		
Customer Accounts	\$ 3.433	per day
Meter Reading	\$ 0.009	per day
Billing	\$ 0.028	per day
Meter (only one applies)		
Instrument-Rated Meter	\$ 1.348	per day
Primary Meter	\$ 4.019	per day
Transmission Meter	\$ 33.090	per day
Demand Charge Components		
Transmission Charge	\$ 3.236	per kW
Generation - Capacity	\$ 8.668	per kW
Delivery (only one applies)		
Secondary Service	\$ 5.085	per kW
Primary Service	\$ 3.831	per kW
Transmission Service	\$ 0.380	per kW
Energy Charge Components		
Generation - Fuel	\$ 0.03183	per kWh
System Benefits	\$ 0.00315	per kWh

The kW for billing will be the greater of:

- a. The average kW supplied during the 15-minute period of maximum use during the monthly billing period; or
- b. The minimum kW specified in a service agreement.

MINIMUM BILL

The bill will not be less than the minimum amount specified in the Customer's service agreement or contract.



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ECONOMIC DEVELOPMENT AND SUSTAINABILITY

Qualifying Customers will be eligible for one or more of the following additional features:

1. The “Generation – Fuel” and “Power Supply Adjustment Charges” may be replaced with a loss adjusted market proxy index price using the Intercontinental Exchange (ICE) day-ahead on and off-peak prices for the Palo Verde hub, or successor index, plus a non-bypassable fuel cost and administrative fee of \$0.00270 per kWh. In any billing cycle, the combined average of the on and off-peak market proxy index price shall not be less than zero.
2. An Economic Development discount, for new load only, not to exceed 35% on the bundled or unbundled “Generation – Capacity” charge referenced above for a period not to exceed six years. Such terms and date for implementation of the discount will be specified in the Customer’s ESA with the Company, based on an evaluation of criteria as described in the Company’s Service Schedule 9.
3. A “Generation – Capacity” Credit denominated on a dollar per kW basis for providing APS the ability to remove the load from APS’s system through a microgrid, battery or otherwise that provides APS sufficient flexible control of the Customer’s load on APS’s system. The Credit will be based on a resource planning analysis and will be specified in the Customer’s ESA with the Company. The sum of the Economic Development discount and Generation Capacity Credit shall not exceed the “Generation – Capacity” charge specified in this Rate Schedule XHLF. To the extent a Customer is otherwise receiving a capacity credit from the Company, the capacity generating this credit is not also eligible for the “Generation – Capacity” credit described herein.
4. If a Customer fails to meet a 92% load factor in a particular billing cycle solely due to load growth within that billing cycle, the billing cycle will not count against the Customer’s compliance with the load factor provisions in this Rate Schedule XHLF.
5. If a Customer meets its carbon free demonstration through renewable resources under its ownership or control, the Customer may not schedule energy into the Company’s service territory to self supply energy.



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ADJUSTMENTS

The bill will include the following adjustments:

1. The Renewable Energy Adjustment Charge, Adjustment Schedule REAC-1, unless the Customer has demonstrated its 50% carbon free commitment described above. Customer loads for Customers who have demonstrated their carbon free commitment will not be included in APS’s load for purposes of determining achievement of the Commission’s Renewable Energy Standard. This provision will be reviewed if the Commission’s Renewable Energy Standards are modified or replaced.
2. The Power Supply Adjustment charges, Adjustment Schedule PSA-1, unless the Customer has selected the loss adjusted market proxy index price mechanism.
3. The Transmission Cost Adjustment charge, Adjustment Schedule TCA-1.
4. The Environmental Improvement Surcharge, Adjustment Schedule EIS.
5. Direct Access Customers returning to Standard Offer service may be subject to a Returning Customer Direct Access Charge, Adjustment Schedule RCDAC-1. This will be set out in the ESA.
6. The Demand Side Management Adjustment Charge, Adjustment Schedule DSMAC-1.
7. The Tax Expense Adjustor Mechanism charge, Adjustment Schedule TEAM.
8. Any applicable taxes and governmental fees that are assessed on APS’s revenue, prices, sales volume, or generation volume.

RATE RIDERS

Eligible rate riders for this rate schedule are:

GPS-1, GPS-2, GPS-3	Green Power
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Qualifying Customers taking service under the Economic Development and Sustainability provisions of this rate schedule are not eligible for rate riders GPS-1, GPS-2, or GPS-3.



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POWER FACTOR REQUIREMENTS

1. The Customer's load must not deviate from phase balance by more than 10%.
2. Customers receiving service at voltage levels below 69 kV must maintain a power factor of 90% lagging. The power factor cannot be leading unless the Company agrees.
3. Customers receiving service at voltage levels of 69 kV or above must maintain a power factor of $\pm 95\%$.
4. The Company may install certain monitoring equipment to test the Customer's power factor. If the load doesn't meet the requirements the Customer will pay the cost to install and remove the equipment.
5. If the load does not meet the power factor requirements the Customer must resolve the issue. Otherwise, the Customer must pay for any costs incurred by the Company for investments on its system necessary to address the issue. Also, until the problem is remedied, the Company may compute the Customer's monthly billing demand with kVA instead of kW.

SERVICE DETAILS

1. The type of service provided under this schedule will be three-phase, 60 Hertz, at the Company's standard voltages that are available within the vicinity of the Customer site.
2. Daily metering charges apply to typical installations. Customers requiring specialized Equipment may incur additional metering charges that reflect the additional cost.
3. Customers that self-provide some of their electrical requirements from primary on-site generation will be billed according to one of the partial requirement rate riders.
4. Electrical service must be supplied at one point of delivery and measured through one meter unless otherwise specified in a service agreement.
5. This schedule is not applicable to breakdown, standby, supplemental, residential or resale service.
6. Direct Access Customers who purchase available electric services from a supplier other than APS may take service under this Schedule, but are not eligible for the Economic Development and Sustainability features. The bill for these Customers will only include the Unbundled Component charges for Customer Accounts, Delivery, System Benefits, and any applicable



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Adjustments. If metering and billing services are not available from another supplier, those services will be provided by the Company and billed to the Customer at the charges shown above.

7. APS provides electric service under the Company's Service Schedules. These schedules provide details about how the Company serves its Customers, and they have provisions and charges that may affect the Customer's bill (for example, service connection charges).