



AVAILABILITY

The Interruptible Rate Program (IRR) rate schedule is available to Customers on Rate Schedules E-34 or E-35.

Customers cannot participate in Rate Rider IRR in conjunction with other demand response programs and rate riders such as Critical Peak Pricing (CPP-GS), Peak Solutions, Power Partners, and other programs and rates that may be offered from time to time.

Participation under this schedule is subject to the availability of required metering and communication equipment compatible with the Customer’s applicable retail rate schedule and electrical service configuration and availability of the necessary load data to establish the Baseline Load. The Company will provide any required equipment.

DESCRIPTION

Rate Rider IRR is a demand response program where a Customer has the ability to choose how many hours and days per year the Customer’s energy usage can be interrupted during the summer months. The Company’s request to lower energy usage is called an event.

The Customer agrees to the amount of load reduction in an executed contract. Customers may enroll in this rider in the months of October through December in any calendar year.

TIME PERIODS

Events may occur June through September, all days of the week including holidays, from 12 noon to 8 p.m.

Customers will choose the maximum number of Events and hours per Event per Program Year from the following options:

Option	Max Hours per Event	Max Number of Events	Max Interruptible Hours
1	4	20	80
2	8	10	80

APS will not call more than one interruption event per day. APS will call at least 2 events per year. The Customer will choose either a 30-minute or 2-hour notice period. The Company will notify the Customer of an event by e-mail, cell phone, land line, text message or pager as chosen by the Customer. The Customer is responsible for receiving notification and acknowledging receipt of that notification to the Company within 15 minutes of receipt.



CREDITS

The Customer will receive a capacity credit and an energy credit for reducing hourly usage during all event hours. The capacity credit will be derived by multiplying the average actual interrupted demand for all events in a calendar year by the Customer by the applicable capacity credit rate. The energy credit will be derived by multiplying the energy reduced for all events in a calendar year by the Customer by the applicable energy credit rate.

The credits will be issued once a year in November through a direct payment or a bill credit, at the Company's option.

The credit rates will be revised from time to time, as approved by the Arizona Corporation Commission, but will not change during the Program Year.

All Customers participating in a five-year agreement will be subject to any revised credit rates for the calendar year, regardless of the number of years remaining on their contract.

1 Year Agreement Credit Rate:

Option	30 Minute Notice		2-Hour Notice	
	Capacity \$/kW-Yr	Energy \$/kWh	Capacity \$/kW-Yr	Energy \$/kWh
1	\$7.975	\$0.09969	\$7.178	\$0.08972
2	\$5.995	\$0.07493	\$5.395	\$0.06745

5 Year Agreement Credit Rate:

Option	30 Minute Notice		2-Hour Notice	
	Capacity \$/kW-Yr	Energy \$/kWh	Capacity \$/kW-Yr	Energy \$/kWh
1	\$9.882	\$0.12353	\$8.894	\$0.11117
2	\$7.428	\$0.09285	\$6.685	\$0.08356

If at least 50% of the data necessary to calculate kW is available, any missing kW values will be estimated using the average of the available hourly data for a specific event. If less than 50% is available, the missing kW values will be estimated using the Customer's agreed level of load reduction in the contract.



SERVICE DETAILS

1. For any Event Year, if the Average Shortfall Demand is greater than 5% and less than or equal to 10% of the Required Interrupted Demand, the Customer will receive 50% of the capacity credit. If the Average Shortfall Demand exceeds 10% of the Required Interrupted Demand, the Customer will not receive a capacity credit. In either case, the Customer will continue to receive 100% of the energy credit. The penalty will not apply to the first Event of the Customer's first Program Year on Schedule IRR.
2. If the Customer terminates participation prior to the contract term in a five-year agreement, the Customer will pay the Company a penalty equal to the relevant Capacity Credit rate times the Required Interrupted Demand from the most recent Event Year (with a minimum of 500 kW) times the number of years remaining on the agreement. The total penalty shall be assessed at the time of termination.
3. If a Customer terminates participation prior to the contract term in a one-year or a five-year agreement, the Customer will not be allowed to participate in the rate for the two subsequent years.
4. All the terms and charges in the Customer's rate schedule, other than those specifically included here, continue to apply to electric service provided under this rider.