



General Description

This Service Schedule applies to any entity (Applicant) requesting to interconnect a generating facility, which is not otherwise subject to the Federal Energy Regulatory Commission (FERC) interconnection processes or rules, to Arizona Public Service Company's (APS or Company) power delivery system. See 18 C.F.R. § 292.306; *Western Massachusetts Electric Co.*, 61 FERC ¶61,182 at p. 61,661-62 (1992), *aff'd* 165 F.3d 922, 926 (D.C. Cir. 1999).

All services described in this Schedule are distinct from any similar-termed services provided by APS under FERC interconnection processes, which are not governed by this Schedule.

The construction or installation of interconnection facilities will be completed in accordance with the provisions of a separate agreement or contract.

1. Applicability

1.1 This schedule will only apply to:

- (A) third-party-owned generation, a Qualifying Facility as defined in 18 C.F.R. § 292.203, for which the total generation output that is transmitted to the APS power delivery system is sold directly to APS; or
- (B) APS-owned generation, generation that otherwise would meet the requirements in 18 C.F.R. § 292.203.

1.2 This Schedule will not apply to a generating facility that is interconnected at less than 1MW on the load side of an APS retail Customer's meter and is primarily intended to serve the Customer's electricity requirements, including, for example, a net metering facility as defined in A.A.C. R14-2-2302.

2. Study Services and Fees

2.1 Feasibility Studies - APS will conduct a preliminary review of the potential impacts of the proposed generating facility on the APS power delivery system. The study will assess the expected capacity requirements of the proposed generator on the delivery system compared with the available system capacity at the point of interconnection and identify any potential overload issues for the delivery system and circuit protection devices. Additionally, this study will provide an initial assessment of the complexity and likely costs for the interconnection.

- (A) The Applicant will identify the proposed project site location before start of the study.
- (B) Although the Feasibility Study is optional, no system impact or cost information will be provided by APS without the study and associated fee.
- (C) The study fee for Interconnections below 69 kV is \$5,000 per study (non-refundable).
- (D) For Interconnections 69 kV and above, Applicant will pay APS's actual cost of performing the study.



2.2 System Impact Studies - APS will conduct a full technical review of the project's impact on the APS power delivery system, including power flow, stability analysis (69 kV and above only), APS system protective device coordination, system protection schemes and voltage drop. This study will determine if any upgrades to APS's system are required to build and interconnect the project as designed.

- (A) The study fee for Interconnections below 69 kV is \$15,000 per study. Fee will be reduced to \$10,000 if a Feasibility Study has been completed by APS for the specific project (non-refundable).
- (B) Applicant will pay APS's actual cost of performing study for Interconnections 69 kV and above.
- (C) Although the System Impact Study is optional, no related information will be provided by APS without the study and fee.

2.3 Facilities Studies - APS will conduct a comprehensive analysis of the actual construction requirements for the APS power delivery system, based on the information from the Feasibility Study and System Impact Study or equivalent information provided by the Applicant or third party. The study will provide the detailed costs of construction and milestones associated with the requirements.

- (A) This study is required for interconnection to the APS's power delivery system.
- (B) Applicant will pay APS's the actual cost of performing the Facility study.

3 Payment of Study Fees

3.1 For Interconnections below 69 kV, study fees will be due before the start of the study.

3.2 For Interconnections 69 kV and above, Applicant will pay APS a \$20,000 deposit before the start of a Feasibility Study or a \$40,000 deposit before the start of a System Impact Study. At the completion of a study the Applicant will pay APS any remaining fees above the deposit or APS will refund any excess deposit amount.

3.3 Before the start of a Facilities Study, Applicant will pay APS a \$55,000 deposit. At the completion of the study the Applicant will pay any remaining fees above the deposit or will be refunded any excess deposit amount.