



**RATE SCHEDULE LEGACY ECT-2
RESIDENTIAL TIME-OF-USE SERVICE
WITH DEMAND CHARGE FOR
LEGACY ON-SITE DISTRIBUTED GENERATION**

AVAILABILITY

This rate schedule is available to residential Customers that qualify for the residential solar grandfathering program.

This rate schedule will be frozen on September 1, 2017. This means a residential Customer that was already taking service under this rate schedule before that date may continue service under the terms of the grandfathering program. Other residential Customers must meet the qualification requirements of the grandfathering program to take service under this schedule.

A residential Customer may remain on this rate schedule for up to 20 years from the date their solar generator was interconnected to the Company's distribution grid. After that time, the residential Customer will not be eligible for a grandfathered solar Legacy rate. Instead, the residential Customer will be served under an applicable retail rate of their choice.

DESCRIPTION

This rate has three parts: a basic service charge, a demand charge for the highest amount of demand (kW) averaged in a one hour On-Peak period for the month, and an energy charge for the total energy (kWh) used for the entire month. The energy charge will vary by season (summer or winter) and by the time of day that the energy is used (On-Peak or Off-Peak).

TIME PERIODS

The On-Peak time period for this rate schedule is 12 p.m. to 7 p.m. Monday through Friday. All other hours are Off-Peak hours.

The following holidays are also included in the Off-Peak hours:

- New Year's Day - January 1*
- Memorial Day - Last Monday in May
- Independence Day - July 4*
- Labor Day - First Monday in September
- Thanksgiving - Fourth Thursday in November
- Christmas Day - December 25*

*If these holidays fall on a Saturday, the preceding Friday will be Off-peak. If they fall on a Sunday, the following Monday will be Off-Peak.

The rate also varies by summer and winter seasons. The summer season is the May through October billing cycles and the winter season is the November through April billing cycles.



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CHARGES

The monthly bill will consist of the following charges, plus adjustments:

Bundled Charges

Basic Service Charge:		\$0.643	per day
	Summer	Winter	
On-Peak Demand Charge:	\$15.614	\$10.756	per kW
On-Peak Energy Charge:	\$0.10256	\$0.06647	per kWh
Off-Peak Energy Charge:	\$0.05109	\$0.04750	per kWh

Unbundled Components of the Bundled Charges

Bundled Charges consist of the components shown below. These are not additional charges.

Basic Service Charge Components

Customer Accounts Charge:	\$0.275	per day
Metering Charge	\$0.215	per day
Meter Reading Charge	\$0.072	per day
Billing Charge	\$0.081	per day

Demand Charge Components

	Summer	Winter	
Delivery On-Peak kW Charge	\$5.205	\$2.776	per kW
Generation On-Peak kW Charge	\$10.409	\$7.980	per kW

Energy Charge Components

System Benefits Charge:	\$0.00276	per kWh
Transmission Charge:	\$0.01097	per kWh

	Summer	Winter	
Delivery Charge for all kWh:	\$0.01619	\$0.01839	per kWh
Generation On-Peak kWh Charge:	\$0.07264	\$0.03435	per kWh
Generation Off-Peak kWh Charge:	\$0.02117	\$0.01538	per kWh



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The kW used to determine the demand charge above will be the highest amount of demand averaged in a one-hour On-Peak period for the month.

ADJUSTMENTS

1. The Renewable Energy Adjustment Charge, Adjustment Schedule REAC-1.
2. The Power Supply Adjustment charges, Adjustment Schedule PSA-1.
3. The Transmission Cost Adjustment charge, Adjustment Schedule TCA-1.
4. The Environmental Improvement Surcharge, Adjustment Schedule EIS.
5. The Demand Side Management Adjustment charge, Adjustment Schedule DSMAC-1.
6. The Lost Fixed Cost Recovery Adjustment charge, Adjustment Schedule LFCR.
7. The Tax Expense Adjustor Mechanism charge, Adjustment Schedule TEAM.
8. Any applicable taxes and governmental fees that are assessed on APS's revenues, prices, sales volume, or generation volume.

Customers that interconnected an on-site renewable distributed generation system to the Company's distribution grid after January 1, 2014 will also be charged the Legacy Adjustment for Distributed Generation, Rate Rider Legacy LFCR DG.

RATE RIDERS

Eligible rate riders for this rate schedule are:

CPP (RES)	Critical Peak Pricing (Residential)
EPR-2	Partial requirements - Net billing
EPR-6 Legacy Frozen	Partial requirements - Legacy Net Metering
Legacy E-3	Limited income discount - Legacy
Legacy E-4	Limited income medical discount - Legacy
GPS-1, GPS-2, GPS-3	Green Power



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RESIDENTIAL GRANDFATHERING PROGRAM

The terms and conditions for the solar grandfathering program for residential Customers are as follows:

1. Existing solar customers with systems interconnected to the Company's distribution grid prior to September 1, 2017 and who otherwise qualify for this rate schedule may continue service under the grandfathering program.
2. Customers who (i) submit a complete application for interconnection to the Company before September 1, 2017; (ii) include in their interconnection application a fully executed sales or lease contract for their rooftop solar system; and (iii) install their rooftop solar system and obtain approval by the appropriate Authority Having Jurisdiction within 180 days of their interconnection application being accepted, and otherwise qualify for this rate schedule may take service under the grandfathering program. If the interconnection is delayed by a third party or APS through no fault of the Customer or the Customer's installer, the Customer will have 270 days to complete their interconnection.
3. The grandfathered period will be 20 years from the customer's initial interconnection date and applies to the site where the system is located.
4. Over the term of the grandfathering period, a Customer may not increase the capacity of their grandfathered solar generation unit by more than a total of 10% or 1 kW, whichever is greater.
5. Customers may not move their solar generation unit to another site.
6. The grandfathering may be transferred to a new customer purchasing the home.
7. The Customer may remain on their current Legacy rate schedule but may not move between alternative grandfathered Legacy rate schedules.
8. The Customer will be subject to changes in annual adjustor rates including the rate structure and level.
9. Frozen Rate Rider Legacy LFCR-DG will continue to apply, if applicable.
10. A Customer may leave the grandfathering program and be served under a non-Legacy rate schedule. However, the Customer may not subsequently return to the grandfathering program at a later date.



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SERVICE DETAILS

1. 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).
2. Electric service provided will be single-phase, 60 Hertz at APS's standard voltages available at the Customer site. Three-phase service is required for motors of an individual rated capacity of 7 ½ HP or more.
3. Electric service is supplied at a single point of delivery and measured through a single meter.

FROZEN