



**SERVICE SCHEDULE 1
TERMS AND CONDITIONS FOR
STANDARD OFFER AND DIRECT ACCESS SERVICES**

Terms and Conditions

The following Terms and Conditions and any changes authorized by law will apply to Standard Offer and Direct Access services made available by Arizona Public Service Company (APS or Company). These Terms and Conditions are considered a part of all rate schedules, except where specifically excluded or changed by a written agreement. For a Customer whose service requirements are of unusual size or characteristics, additional or special contract arrangements may be required. If there is a conflict between any provision of a rate schedule and these Terms and Conditions, the provisions of the rate schedule apply.

1. Application for Service

Before supplying service APS will verify the identity of Applicant. Applicants may be required to appear at Company's place of business to produce proof of identity, sign an application, or execute a contract for service before APS supplies service. If there is no signed application or contract for service, APS's standard contract terms apply and the supplying of Standard Offer or Direct Access services and Customer's acceptance of service forms a service agreement between APS and the Customer for delivery, acceptance, and payment for services.

1.1 Grounds for Refusal of Service - APS may refuse service if any of the following conditions exist:

- (A) The Applicant has an outstanding amount due with APS for the same class of service and is unwilling to make payment arrangements that are acceptable to Company.
- (B) A condition exists that in Company's judgment is unsafe or hazardous.
- (C) The Applicant has failed to meet APS's security-deposit requirements outlined in Section 3.
- (D) The Applicant is known to be in violation of a Company Tariff.
- (E) The Applicant fails to furnish the funds, service, equipment, rights-of-way or Easements required to serve the Applicant and that have been specified by APS as a condition for providing service.
- (F) The Applicant falsifies his or her identity for the purpose of obtaining service.
- (G) Service is already being provided at the address for which the Applicant is requesting service.
- (H) Service is requested by an Applicant, and a prior Customer, who will reside at, or benefit from service at the premises, owes APS a delinquent bill for the same class of service, from the same or a prior service address.
- (I) The Applicant has failed to obtain any required permit or inspection indicating that the Applicant's facilities comply with current local construction and safety codes.



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2. Service-Establishment Charges

A Service-Establishment Charge of \$8.00 for residential or \$33.00 non-residential plus applicable adjustments will be assessed each time APS is asked to establish or re-establish electric service, or to make a special read without a disconnect and calculate a bill for a partial month.

2.1 Multiple Connects - If multiple connects are performed during the same site visit, in the same Applicant name, at the same address, and for the same class of service, APS will assess the Service-Establishment Charge once for every two Delivery Points.

2.2 After-hours Charge -The Customer must also pay an after-hours charge plus applicable adjustments if the Customer requests service, as defined in A.A.C. R14-2-203.D.3, be established or re-established after 5:00 p.m. on a day other than the day of request. The after-hours charge will be \$8.00 for residential with standard metering, \$137.00 plus applicable adjustments for residential with non-standard metering or \$164.00 plus applicable adjustments for non-residential.

2.3 Same-Day Connect Charge - The Customer must also pay a same-day connect charge of \$87.00 plus applicable adjustments if the Customer requests service, as defined in A.A.C. R14-2-203.D.3, be established or re-established on the same business day the request is being made, and APS agrees to work the request on the same day of the request. This will be charged regardless of the time the order may be worked by APS on that day. APS may, where no additional costs are incurred by Company, waive the same-day fee.

2.4 Non-Standard Service Request Charge -The Customer must also pay \$164.00 plus applicable adjustments per crew-person per hour when Customer requests services that do not meet the definition of Service-Establishment as defined in A.A.C. R14-2-203.D.3 and that require the availability of Company representatives after-hours, on a weekend day, or on a Company holiday. Examples of non-standard service requests are Customer-requested outages for maintenance and metering-equipment installations that include instrument transformers. The number of representatives used by APS to fulfill a request is in the Company's sole discretion. Customers will be given notice of estimated charges before the work is performed.

2.5 Waiving of Service Establishment Charge - Company may waive the Service-Establishment Charge if:

(A) The establishment of service is effective with the last Meter read date billed and a field trip is not required because Applicant accepts responsibility for energy billed and not yet paid.

(B) Applicant has an active Landlord Automatic Transfer of Service Agreement on file with Company.



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3. Establishing Credit, Security Deposits and other forms of Credit Assurance

When credit cannot be established as provided for in Section 3.1 and 3.2 or when it is determined that the Applicant left an unpaid final bill owed to another utility company, the Applicant will be required to place a security deposit to secure payment of bills for service.

3.1 Residential Establishment of Credit - APS will not require a security deposit from a new Applicant for service at a primary or secondary residence if the Applicant can meet any of the following requirements:

- (A) The Applicant has had service of a comparable nature with APS within the past two years and was not delinquent in payment more than twice during the last 12 consecutive months or been disconnected for nonpayment.
- (B) Company receives an acceptable credit rating, as determined by Company, for the Applicant from a credit-rating agency used by Company.
- (C) The Applicant can produce a letter regarding verification of credit from an electric utility where service of a comparable nature was last received within six months of the current date, and the utility states that the Applicant had a timely payment history for the prior 12 consecutive months.
- (D) If in lieu of a security deposit, Company receives an acceptable deposit-guarantee notification from a social or governmental agency or a surety bond in a sum equal to the required deposit.

3.2 Nonresidential Establishment of Credit - All nonresidential Applicants will be required to place a cash deposit to secure payment of bills for service, unless:

- (A) The Applicant had service of a comparable nature with Company within the past two years and was not delinquent in payment more than twice during the last 12 consecutive months and was not disconnected for nonpayment.
- (B) The Applicant provides a noncash security deposit in the form of a surety bond, irrevocable letter of credit, or assignment of monies in an amount equal to the required security deposit.

3.3 General Deposits Guidelines - If a security deposit is required, a separate deposit may be required for each service location.

- (A) Customer's security deposits will not preclude Company from terminating an agreement for service or suspending service if Customer fails to meet service-agreement obligations.
- (B) Company may choose to accept less than the full deposit required at time of service establishment based on Customer's financial condition.
- (C) A security deposit may increase or decrease if the Customer's average consumption increases or decreases by more than 10% for residential accounts or 5% for nonresidential accounts within 12 consecutive months and credit has not been established.



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(D) Where three or more additional residential services are requested, Company may require Customer to establish or reestablish a security deposit.

- 3.4 Residential Security Deposits** - Residential security deposits will not exceed two times the Customer's average monthly bill as estimated by Company. APS may require a residential Customer to establish or reestablish a security deposit if the Customer becomes delinquent in the payment of two or more bills within a 12 consecutive month period or has been disconnected for non-payment during the last 12 months.
- 3.5 Nonresidential Security Deposits** - Nonresidential security deposits will not exceed two and one-half times the Customer's maximum monthly billing as estimated by Company. APS may require a nonresidential Customer to establish or reestablish a security deposit if the Customer becomes delinquent in the payment of two or more bills within 12 consecutive months or if the Customer has been disconnected for nonpayment during the last 12 months, or when the Customer's financial condition may jeopardize the payment of the bill, as determined by Company based on the results of using a credit-scoring worksheet. Company will inform all Customers of the Arizona Corporation Commission's complaint process should the Customer dispute the deposit based on the financial data.
- 3.6 Deposit Interest** - Cash deposits held by APS six months (183 days or longer) earn interest from the date the deposit was collected at the established one-year Treasury Constant Maturities rate, effective on the first business day of each year, as published on the Federal Reserve Website.
- 3.7 Deposit Refunds** - If the Customer terminates all service with Company, their security deposit may be credited to any remaining final bills. Any remaining credit balance will be refunded to the Customer of record within 30 days.
- 3.8 Residential security deposits** or other instruments of credit will automatically expire or be credited or returned to the Customer's account after 12 consecutive months of service, if the Customer has not been delinquent in payments more than twice and the Customer has not filed bankruptcy in the last 12 months.
- (A) Nonresidential security deposits** and noncash deposits on file with Company will be reviewed after 24 months of service and will be returned if:
- (1) The Customer has not been delinquent in payments more than twice, has not been disconnected for non-payment, and has not filed for bankruptcy during the previous 12 consecutive months; and
 - (2) Customer's financial condition does not warrant an extension of the security deposit.



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4. Rates

The Customer's service characteristics and service requirements determine the selection of the applicable rate schedule.

4.1 Rate Selection - APS will use reasonable care in initially establishing service to the Customer under the most advantageous rate schedule applicable to the Customer. Because of varying Customer usage patterns and other reasons beyond APS's reasonable knowledge or control, Company cannot guarantee that the most economic applicable rate will be applied. APS will not make any refunds in any instance where it is determined that the Customer would have paid less for service had the Customer been billed on an alternate rate or provision of that rate.

4.2 Rate Information - APS will provide, in accordance with A.A.C. R14-2-204, a copy of any rate schedule applicable to the Customer for the requested type of service. In addition, APS will notify its Customers of any changes in Company Tariff affecting those Customers.

4.3 Optional Rates - Optional rate schedules are available for certain classes of service. After establishing service a Customer may choose an alternate rate schedule effective from the next regularly scheduled Meter reading, after the appropriate metering equipment is reprogrammed or installed. No further rate schedule changes may be made within the succeeding 12 month period. If the rate schedule or contract under which the Customer is provided service specifies a term, the Customer may not exercise its option to select an alternate rate schedule until expiration of that term.

5. Billing

Billing Periods for service normally consist of approximately 30 days unless otherwise designated under rate schedules, through contractual agreement, or at Company option.

5.1 Payment of Bills - The Customer is responsible for paying bills until service is ordered discontinued and Company has had reasonable time to secure a final Meter reading for those services involving energy usage, or, if nonmetered services are involved, until Company has had reasonable time to process the disconnect request.

5.2 Failure to Receive Bills or Notices (including notices of disconnection) which have been properly placed in the United States mail or sent through alternative billing forms, such as electronic mail, will not prevent such bills from becoming delinquent or prevent the notices from being effective, or relieve the customer of their obligations.

5.3 Incentive for Electronic Payments - A monthly incentive of \$0.48 per Customer will be given to Customers who elect to pay their bills using the Company's electronically transmitted payment options AutoPay, SurePay or similar programs.



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- 5.4 Billing Errors** - When an error is found in the billing sent to the Customer, APS will correct the error to recover or refund the difference between the original billing and the correct billing. Adjusted billings will not be sent for periods beyond the applicable statute of limitations from the date the error is discovered.
- 5.5 Corrected Charges for Overbilling** - Refunds or credits to Customers resulting from overbillings will be made promptly upon discovery by Company.
- 5.6 Corrected Charges for Underbilling** - Except as specified below, corrected charges for underbillings will be limited to three months for residential accounts and six months for nonresidential accounts. Customers will be given an equal length of time, such as the number of months underbilled, to pay the backbill without late-payment penalties. Where the account is billed on a special contract or nonmetered rate, corrected charges for underbillings will be billed in accordance with the contract or rate-schedule requirements and is not limited to three or six months as applicable.
- (A) Where service has been established but no bills have been rendered, corrected charges for underbillings will go back to the date service was established.
 - (B) Where there is evidence of Meter Tampering or energy diversions, corrected charges for underbillings will go back to the date Meter Tampering or energy diversions began, as determined by Company, and APS is not required to give an equal length of time, such as the number of months underbilled, to pay the backbill. APS will work with Customer to establish a payment plan that is acceptable to Company.
 - (C) Where lack of access to the Meter (caused by the Customer) has resulted in estimated bills, corrected charges for underbillings will go back to the Billing Month of the last Company-obtained Meter-read date.
 - (D) Where actual Customer usage can be determined without estimating reads, corrected charges for underbillings are not limited to three or six months, as applicable. In no event may such rebilling exceed the applicable statute of limitations.
- 5.7** Company may forgo correcting a billing error if the amount over or under billed is de minimis and the cost of rebilling does not justify the cost and time required to rebill.

6. Collection Policy

The following collection policies apply to all Customer accounts:

- 6.1 Delinquent Bills** - All bills rendered by Company are due and payable no later than 15 calendar days from the billing date. Any payment not received within this time frame are delinquent. All delinquent accounts, for which payment has not been received, are subject to the provisions of Company's termination procedure.



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Company may suspend or terminate a Customer's service for nonpayment of any Arizona Corporation Commission approved charges.

- 6.2 Late Charges** - All delinquent charges, including past due security deposits, are subject to a late charge at the rate of 18% per annum (1.5% per month) plus applicable adjustments.
- 6.3 Transfer of Outstanding Bills** - If a Customer has two or more services with APS and one or more services are terminated for any reason leaving an outstanding bill, and the Customer is unwilling to make payment arrangements that are acceptable to Company, Company may transfer the balance due on the terminated service to any other active account of the Customer for the same class of service. The Customer's failure to pay the active account will result in the suspension or termination of service. If service is requested by two or more individuals, Company has the right to collect the full amount owed from any one of the Customers.
- 6.4 Dishonored Payments** - If Company is notified by the Customer's financial institution that it will not honor a payment tendered by the Customer for payment of any bill, Company may require the Customer to make payment in cash, or by money order, certified or cashier's check, or other means that guarantee the Customer's payment to Company.
- (A) The Customer will be charged a fee of \$15.00 plus applicable adjustments for each instance where the Customer's payment is not honored by the Customer's financial institution.
- (B) The tender of a dishonored payment in no way relieves the Customer of the obligation to pay Company under the original terms of the bill, or defers the Company's right to terminate service for nonpayment of bills.
- (C) Where the Customer has tendered two or more dishonored payments in the past 12 consecutive months, Company may require the Customer to make payment in cash, or money order or cashier's check for the next 12 consecutive months.
- 6.5 Collection Agency Referrals** - All unpaid delinquent final bills may be referred to a collection agency for collection. If collection-agency referral is warranted, Customer may be responsible for the associated collection-agency fees incurred.

7. Termination of Service

- 7.1** To avoid termination of service, the Customer will make payment in full, including any necessary deposit as outlined in Section 3, or make payment arrangements that are satisfactory to Company.
- 7.2** If service is terminated, APS will not restore service until the conditions which resulted in the termination have been corrected to the satisfaction of Company.



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APS may also require payment of Same-Day and After-Hours charges prior to restoring service

7.3 Termination of Service With Notice - APS may, without liability for injury or damage, and without making a personal visit to the site, disconnect service to any Customer for any of the reasons stated below, if Company has met the notice requirements established by the Arizona Corporation Commission:

- (A) Customer's violation of any applicable rules of the Arizona Corporation Commission or Company Tariff.
- (B) A Customer's failure to pay a Delinquent Bill for services provided by Company.
- (C) The Customer's breach of a written contract for service.
- (D) The Customer's failure to comply with Company's deposit requirements.
- (E) The Customer's failure to provide Company with satisfactory and unassisted access to Company's equipment.
- (F) When necessary to comply with an order of any governmental agency having jurisdiction.
- (G) A prior Customer's failure to pay a Delinquent Bill for utility services where the prior Customer continues to reside on the premises.
- (H) Failure to provide or retain rights-of-way or Easements necessary to serve the Customer.
- (I) Company learns of the existence of any condition in Section 1.1 - Grounds For Refusal of Service.

7.4 Termination of Service Without Notice - Company may, without liability for injury or damage, disconnect service to any Customer without advance notice under any of the following conditions:

- (A) If Company observes, or has evidence of, a hazard to the health or safety of persons or property;
- (B) If Company has evidence of Meter Tampering or fraud.
- (C) If Company has evidence of unauthorized resale or use of electric service.
- (D) The Customer fails to comply with the curtailment procedures imposed by Company during a supply shortage.

7.5 Termination of Service for Dishonored Payment - Before reconnecting service, payment of funds resulting from a dishonored payment and all other delinquent amounts will be required in cash, money order, or certified funds. If Customer has already received a notice of disconnection at the time the bill became past due, APS may, without liability for injury or damage, disconnect service without additional notice under any of the following conditions:

- (A) When Customer makes payments to avoid or stop disconnection with a dishonored payment and has already received a notice at the time the bill became past due.



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(B) When Customer pays to reconnect service with a dishonored payment and has already received a notice at the time the bill became past due.

7.6 Termination Process Charges - Company will require payment of a Field Call Charge of \$10.00 plus applicable adjustments when an authorized Company representative travels to the Customer's site to accept payment on a delinquent account, notify of service termination, make payment arrangements, or terminate the service. This charge only applies for field calls resulting from the termination process.

(A) If a termination is required at the pole the reconnection charge will be \$89.00 plus applicable adjustments.

(B) If a termination is in underground equipment the reconnection charge will be \$135.00 plus applicable adjustments.

7.7 Emergency Termination Process Rules

The following amended rules shall be part of Section 7 of this document:

(A) Notwithstanding subsections 7.1 through 7.6, the Company shall:

(1) Not disconnect residential service to a customer:

- a. From June 1 through October 15;
- b. If the local weather forecast will include weather conditions that the Commission has determined, by order, are especially dangerous to health;
- c. If the customer has paid at least half of the customer's outstanding bill balance within the last 25 days;
- d. The customer's outstanding bill balance is less than or equal to \$75.00;
- e. If the customer can establish through medical documentation that, in the opinion of a licensed medical physician, termination would be especially dangerous to the health of a customer or a permanent resident residing on the customer's premises; or
- f. If life support equipment used in the home that is dependent on utility service for operation of such apparatus.

(2) Provide notice of the following using the customer's preferred method of communication on file, to a customer whose service would be disconnected except for subsection 7.7(A)(1);

- a. The customer would have been disconnected if not for subsection 7.7(A)(1);
- b. The reason that the Company is not permitted to disconnect service;
- c. The customer's continued financial responsibility for the charges accruing to the account for energy used;



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- d. The potential actions the customer may take to prevent the disconnection of service when subsection 7.7(A)(1) no longer applies; and
 - e. The requirement to enter into a payment plan as specified in subsection (C).
- (B) The Company shall not disconnect residential service unless the Company's office is open to the public on the day of disconnection and the day following the day of disconnection.
- (C) A customer whose service disconnection was prevented by subsection 7.7A(1) shall be required, after the no disconnect period set forth in subsection 7.7A(1)(a) has ended, to either pay the outstanding bill balance or enter into a payment plan with the Company in which the customer agrees to pay the outstanding bill balance in installments over a period of four months and to keep the customer's account current. The Company shall not impose any late fees or interest on any past due amounts that would otherwise accrue during the period of June 1 through October 15.
- (D) If a customer is delinquent on the account and has a deposit with the Company, the Company shall use the deposit to pay the delinquent amount before disconnecting service, then allow the customer time to repay the deposit in installments over a period of four months.

8. Metering & Metering Equipment

8.1 Standard Metering - The Company's standard method of measuring energy usage is through the use of Automated Metering Infrastructure (AMI) metering equipment. All customers will be served using the Company's standard metering equipment unless:

- (A) the customer is in a remote location where wireless technology is not available or AMI equipment cannot otherwise be used; or
- (B) the customer meets all eligibility requirements for non-standard metering and voluntarily requests non-standard metering.

8.2 Non-Standard Metering - The Company's non-standard billing meter is the digital meter. A digital meter records energy electronically and displays the usage measurements. This meter does not employ any communications technology and must be read manually each month. Certain optional rates may not be available to customers who select a non-standard meter.

8.3 Non-Standard Metering Eligibility - Only residential customers, in whose name service is being provided, may request non-standard metering. Customers who have an existing, purchased or leased rooftop solar distributed generation (DG) system, or customers with newly installed rooftop solar, are not eligible for non-standard metering.



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8.4 Non-Standard Metering Charges -The following charges will apply when a customer voluntarily requests, and is granted, non-standard metering as described in Section 8.1(B):

- (A) Monthly Meter Reading Charge: \$5.00
- (B) Non-Standard Metering Set-up Fee: A \$50.00 one-time charge for customers with existing AMI meter.
- (C) Customers in a remote location where wireless technology is not available or AMI equipment cannot otherwise be used [see 8.1(A)] will not be billed a non-standard meter reading charge.

8.5 Discontinuation of Non-Standard Metering - The Company may replace a non-standard meter with a standard meter, without notifying the customer prior to replacement, under any of the following conditions:

- (A) Company employees observe or have evidence of a safety hazard to employees, customers, or Company or customer property.
- (B) Company employees observe or have evidence of meter tampering, energy diversion, or fraud.
- (C) Company has evidence of unauthorized resale of electricity.
- (D) Company employees have received verbal or physical threats, including, but not limited to, verbal threats while installing meters or performing maintenance to Company equipment, and physical threats such as weapons or dogs.
- (E) All terms and conditions in Section 7, regarding termination of service, will also apply.

8.6 Measuring Customer Service - All energy sold to the Customer by Company will be measured by commercially acceptable measuring devices. Where it is impractical to meter loads, such as street lighting, security lighting, or special installations, consumption will be determined by Company. The readings of the Meter will be conclusive as to the amount of electric power supplied to the Customer unless there is evidence of Meter Tampering or energy diversion or unless a test reveals the Meter is in error by more than 3%, either fast or slow.

8.7 Meter Rereads - When requested by Customer, APS will reread the customer's Meter within 10 working days after the request. The cost of each reread is \$14.00 plus applicable adjustments if the original reading was not in error.

8.8 Meter Testing - APS tests its Meters regularly in accordance with a Meter testing and maintenance program approved by the Arizona Corporation Commission. APS will individually test a Company owned and maintained Meter upon Customer request. If after testing, a Meter is found to be more than 3% in error, either fast or slow, correction will be made of previous readings and adjusted bills will be rendered.



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8.9 Meter Test Charge - If the Meter is found to be within the plus or minus 3% limit, Company may charge the Customer \$44.00 plus applicable adjustments for Meter test if the Meter is removed from the site and tested in the meter shop, or \$93.00 plus applicable adjustments if the Meter remains on site and is tested in the field.

8.10 Meter Tampering - If there is evidence of Meter Tampering or energy diversion, the Customer, person, or entity demonstrated to have tampered with the Meter, or benefited from the tampering or diversion will be billed for the estimated energy and, if applicable, Demand, for the period in which the energy diversion took place. Additionally, where there is evidence of Meter Tampering, energy diversion, or by-passing the Meter, the Customer, person or entity demonstrated to have tampered with the Meter or diverted energy will also be charged the cost of the investigation as determined by Company.

9. Service Installations & Metering - The Customer's service installation will normally be arranged to accept only one type of service at one Point of Delivery to enable service measurement through one Meter. If the Customer requires more than one type of service, or total service cannot be measured through one Meter according to Company's regular practice, separate Meters will be used and separate billing rendered for the service measured by each Meter.

9.1 Customer Equipment - The Customer must install and maintain all wiring and equipment beyond the Point of Delivery except for Company's Meters and special equipment. The Customer's entire installation must conform to all applicable construction standards and safety codes, and the Customer must furnish an inspection or permit if required by law or by Company. In circumstances where a clearance is not required by law, Company may require Customer to execute a Letter In-Lieu of Electrical Clearance. The Customer must also provide, in accordance with APS's current service standards and Electric Service Requirements Manual, at no expense to Company, and close to the Point of Delivery, a space that is, in the Company's opinion, both suitable and sufficient for installing, accessing and maintaining Company's metering equipment. A current version of the Electric Service Requirements Manual is available on-line on the Company's website.

9.2 Special Meter-Reading Device - Where a Customer requests, and Company approves, a special Meter-reading device or communications services or devices to accommodate the Customer's needs, the cost for the additional equipment and usage fees are the Customer's responsibility.

9.3 Totalized Metering and Billing - Company normally meters and bills each site separately. But, at Customer's request, adjacent and contiguous sites (not separated by private or public property or right of way), operated as one integral unit under the same name and as a part of the same business, may at Company's option, be considered a single site as specified in Company's Schedule 4, Totalized



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Metering of Multiple Service Entrance Sections at a Single Site for Standard Offer and Direct Access Service.

9.4 Service Connections - Company is not required to install or maintain any lines and equipment on the Customer's side of the Point of Delivery except its Meter.

- (A) For overhead service, the Point of Delivery is where Company's service conductors terminate at the Customer's weatherhead or bus rider.
- (B) For underground service, the Point of Delivery is where Company's service conductors terminate in the Customer's or development's service equipment. The Customer must furnish, install, and maintain any risers, raceways, or termination cabinet necessary for installing Company's underground service conductors.
- (C) For special Applications where service is provided at voltages higher than the standard voltages specified in the Electric Service Requirements Manual, the designated Point of Delivery must be mutually agreed on by the parties.
- (D) For the mutual protection of the Customer and Company, only authorized employees or agents of Company or the Load Serving ESP are permitted to make and energize the connection between Company's service wires and the Customer's service entrance conductors. APS employees must carry Company-issued identification that they will show on request.

10. Customer Obligations

10.1 Load Characteristics - The Customer must exercise reasonable care to ensure that the electrical characteristics of its load, such as deviation from sine-wave form (a minimum standard is IEEE 519) or unusual short interval fluctuations in Demand, do not impair service to other Customers or interfere with operating any telephone, television, or other communication facilities. Customer must meet power factor requirements as specified in the applicable rate schedules.

10.2 Easements - All suitable Easements or rights-of-way required by Company for any portion of an extension to serve a Customer, which is either on sites owned, leased, or otherwise controlled by the Customer or developer, or other property required for the extension, will be furnished in Company's name by the Customer without cost to or condemnation by Company and in reasonable time to meet proposed service requirements. All Easements or rights-of-way granted to, or obtained on behalf of Company will contain terms and conditions that are acceptable to Company. When Company discovers that the Customer or the Customer's agent is performing work, has constructed facilities, or has allowed vegetation to grow, adjacent to or within an Easement or right-of-way or Company-owned equipment, and the work, construction, vegetation, or facility poses a hazard, or violates federal, state, or local laws, ordinances, statutes, rules, or regulations, or significantly interferes with Company's safe use, operation, or



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maintenance of, or access to, equipment, or facilities, Company will notify the Customer or the Customer's agent and take whatever actions are necessary to eliminate the hazard, obstruction, interference, or violation at the Customer's expense. Company will notify the Customer in writing of the violations.

10.3 Access for Repair, Maintenance and Service Restoration - Company's authorized agents must have satisfactory unassisted 24 hour a day, seven days a week access to Company's equipment located on Customer's sites for the purpose of repair, maintenance, and service-restoration work that Company may need to perform.

10.4 Access for Install, Inspect, Read, or Remove - Company's authorized agents must have satisfactory unassisted access to the Customer's sites at all reasonable hours to install, inspect, read, or remove its Meters or to install, operate, or maintain other Company property, to verify that Customer is in compliance with its obligations, or to inspect and determine the connected electrical load.

10.5 Trip Charge - A trip charge of \$22.00 for residential or \$26.00 for non-residential, plus applicable adjustments will be assessed each time an authorized Company representative travels to a site and is unable to complete a Customer's service request because of lack of access to the Point of Delivery.

10.6 Six Months No Access - If Company, in its opinion, does not have satisfactory unassisted access to the Meter after six months (not necessarily consecutive) of good-faith efforts to work with the Customer, then Company has sufficient cause to terminate service or deny any rate options where, in Company's opinion, access is required.

10.7 Remedies - The remedy for unassisted access will be at APS's discretion and may include the installation by Company of a specialized Meter. If a specialized Meter is installed, the Customer will be billed the difference between the otherwise applicable Meter for Customer's rate and the specialized Meter plus the cost incurred to install the specialized Meter as a one-time charge and any reoccurring incremental costs. If service is terminated as a result of failure to provide unassisted access, APS verification of unassisted access will be required before service is restored. Written termination notice is required before disconnecting service under this section.

11. Company Obligations

11.1 Customer-Specific Information - Customer-specific information will not be released without Customer's specific prior written authorization unless the information is requested by a law-enforcement or other public agency, or is requested by the Arizona Corporation Commission or its staff, or is reasonably required for legitimate account-collection activities, or is necessary to provide efficient, effective, safe, or reliable service to the Customer. Customer-specific information may be provided to suppliers of goods or services under contract with



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Company if the goods or services will help Company to provide efficient, effective, safe, or reliable service; and the contract includes a requirement that the information be kept confidential and be used only to fulfill the supplier's obligations to Company.

11.2 Service Voltage -Company will deliver electric service to the designated Point of Delivery, as specified in Section 9.4 of this Schedule, at the standard voltages specified in the Company's Electric Service Requirements Manual and as specified in A.A.C. R14-2-208.F. Company may deliver service for special applications at higher voltages, with prior approval from Company's Engineering Department and in accordance with Company's Schedule 3, Conditions Governing Extensions of Electric Distribution Lines and Services approved by the Arizona Corporation Commission.

12. Limitations on Liability of Company

12.1 Service Interruptions - Company is not liable to the Customer for any damages caused by Load Serving Electric Service Provider's equipment or failure to perform, fluctuations, interruptions, or curtailment of electric service, except where caused by Company's willful misconduct or gross negligence.

- (A) Company may, without incurring any liability, suspend the Customer's electric service for periods reasonably required to permit Company to accomplish repairs to, or changes in, any Company's facilities.
- (B) The Customer is responsible for protecting Customer's own sensitive equipment from harm caused by variations or interruptions in power supply.
- (C) If a national emergency or local disaster results in disruption of normal service, Company may, in the public interest and on behalf of Electric Service Providers or Company, interrupt service to other Customers to provide necessary service to civil-defense or other emergency-service agencies on a temporary basis until normal service to these agencies can be restored.

12.2 Use of Service or Apparatus - The Customer will save Company harmless from and against all claims for injury or damage to persons or property occasioned by or in any way resulting from the services being provided by Company or their use on the Customer's side of the Point of Delivery. Company has the right to suspend or terminate service if Company learns of service use by the Customer under hazardous conditions.

- (A) The Customer will exercise all reasonable care to prevent loss or damage to Company property installed on the Customer's site for the purpose of supplying service to the Customer. The Customer is responsible for payment for loss or damage to Company property on the Customer's site arising from neglect, carelessness, or misuse, and will reimburse Company for the cost of necessary repairs or replacements.



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- (B) The Customer is responsible for payment of any equipment damage or estimated unmetered usage resulting from unauthorized breaking of seals, interfering with, tampering with, or by-passing the Meter.
- (C) The Customer is responsible for notifying APS of any failure in Company's equipment.

12.3 Removal of Facilities - Upon termination of service, Company may, without liability for injury or damage, dismantle and remove its facilities, installed for the purpose of supplying service to the Customer, and Company will have no further obligation to serve the Customer.

13. Successors and Assigns - Agreements for Service are binding on and for the benefit of the successors and assigns of the Customer and Company, but no assignments by the Customer are effective until the Customer's assignee agrees in writing to be bound and until the assignment is accepted in writing by Company.

14. Warranty - There are no understanding, agreements, representations, or warranties, expressed or implied (including warranties regarding merchantability or fitness for a particular purpose), not specified here or in the applicable rules of the Arizona Corporation Commission concerning the sale and delivery of services by Company to the Customer. These Terms and Conditions and the applicable rules of the Arizona Corporation Commission state the entire obligation of Company in connection with sales and deliveries.

15. Direct Access Service - *NOTE: Retail Electric Competition is currently on hold in APS Service Territory.*

15.1 Direct Access Service Request (DASR) - A Direct Access Service Request charge of \$10.00 plus any applicable adjustments will be assessed to the Electric Service Provider (ESP) submitting the DASR each time Company processes a Request (RQ) type DASR as specified in Company's Schedule 10, Terms and Conditions for Direct Access.

15.2 Direct Access Service - Direct Access Service will be effective upon the next Meter read date if DASR is processed 15 calendar days before that read date and the appropriate metering equipment is in place. If a DASR is made less than 15 calendar days before the next regular read date, the effective date will be at the next Meter read date. The above timeframes are applicable for Customers changing their selection of ESP or for Customers returning to Standard Offer service.

(A) Any Customer that selects Direct Access service may return to Standard Offer service in accordance with the rules, regulations, and orders of the Arizona



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Corporation Commission. The Customer will not be eligible for Direct Access service for the succeeding 12 months.

- (B) If a Customer returning to Standard Offer, in accordance with the rules, regulations and orders of the Commission, was not given the required notification in accordance with the rules and regulations of the Commission by their Load Serving ESP of its intent to cease providing competitive services then the above provision will apply only if the Customer fails to select another ESP within 60 days of returning to Standard Offer service.
- (C) Unpaid charges incurred before the Customer selects Direct Access will not delay the Customer's request for Direct Access. These charges remain the responsibility of the Customer to pay. Normal collection activity, including discontinuing service, may result from failure to pay.
- (D) Where the ESP is the MSP or MRSP, and the ESP or its' agent fails to provide the Meter data to Company under Company's Schedule 10 Section 8.16, Meter Reading Data Obligations, Company may, at its option, obtain the data or estimate the billing determinants.
- (E) Where Company is the MRSP, Company will, at the request of the Customer or the ESP, reread or test the Customer's Meter within 10 working days after the request. The cost of each reread or test may be applied to the Customer or ESP when applicable.
- (F) All energy sold to the Customer by MRSP will be measured by commercially acceptable measuring devices and under the terms and conditions of Company's Schedule 10 - Terms and Conditions for Direct Access.

15.3 Direct Access Deposits - If the Customer chooses to change from Standard Offer to Direct Access services, the deposit may be decreased by an amount that reflects the portion of the Customer's service being provided by a Load Serving ESP. If the Load Serving ESP is providing ESP Consolidated Billing under Company's Schedule 10 Section 7, the entire deposit will be credited to the Customer's account; or, if the Customer chooses to change from Direct Access to Standard Offer service, the requested deposit amount may be increased by an amount under Section 3.3 which reflects that Company is providing bundled electric service.

15.4 Direct Access and Company Equipment

- (A) **Meters** - A Meter Service Provider (MSP) or its authorized agents may remove Company's metering equipment under Company's Schedule 10 Terms and Conditions for Direct Access. Meters not returned to Company or returned damaged will result in charge to the MSP of the replacement costs, plus an administration fee of 15%, less five year's depreciation.
- (B) **Lock-rings** - Company will lease lock-ring keys to MSP's or their agents who are authorized to remove Company Meters under the terms and conditions of



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Company's Schedule 10 at a refundable charge of \$70.00 plus applicable adjustments per key. The charge will not be refunded if a key is lost, stolen, or damaged. If Company must replace 10% of the issued keys within any 12 month period because of loss by the MSP's agent, Company may, rather than leasing additional lock ring keys, require the MSP to arrange for a joint meeting. All lock-ring keys must be returned to Company within five working days if the MSP or its authorized agents are:

No longer permitted to remove Company Meters under the conditions of Company's Schedule 10;

(1) No longer authorized by the Arizona Corporation Commission to provide services; or

(2) The ESP Agreement has been terminated.

(C) Site Meetings - If the MSP, the Customer, or the Customer's agent requests a joint site meeting for removal of Company metering and associated equipment or lock ring, a base charge of \$62.00 plus applicable adjustments per site will be assessed. Company may assess an additional charge of \$53.00 plus applicable adjustments per hour for joint site meetings that exceed 30 minutes. If Company must temporarily replace the MSP's Meter or associated metering equipment during emergency situations or to restore power to a Customer, the above charges may apply.



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DEFINITIONS

Applicant means a person requesting the utility to supply electric service. [A.A.C. R14-2-201-(2)]

Application means a request to the utility for electric service, as distinguished from an inquiry as to the availability or charges for such service. [A.A.C. R14-2-201-(3)]

Billing Month means the period between any two regular readings of the utility's Meters at approximately 30 day intervals. [A.A.C. R14-2-201-(5)]

Billing Period means the time interval between two consecutive Meter readings that are taken for billing purposes. [A.A.C. R14-2-201-(6)]

Company holidays (as referred to in section 2.4) are New Year's Day, Martin Luther King Jr. Day, Memorial Day, Independence Day, Labor Day, Veterans Day, Thanksgiving Day, the day after Thanksgiving, and Christmas Day.

Customer means the person or entity in whose name service is rendered, as evidenced by the signature on the Application or contract for that service, or by the receipt and/or payment of bills regularly issued in his name regardless of the identity of the actual user of the service. [A.A.C. R14-2-201-(9)]

Delinquent Bill means a bill in which current electric charges are considered past due (15 *calendar* days after the statement date).

Demand means the rate at which power is delivered during any specified period of time. Demand may be expressed in kilowatts, kilovolt-amperes, or other suitable units. [A.A.C. R14-2-201-(12)]

Distribution Lines means the utility lines operated at distribution voltages which are constructed along public roadways or other bona fide rights-of-way, including Easements on Customer's property. [A.A.C. R-14-2-201-(13)]

Easement means a property owner ("Grantor") grants the right to use the owner's land to another party. An easement gives Company the right to have Company lines on property not owned by the Company. This allows Company to build, replace, repair, operate and maintain electrical equipment for the safe transmission and distribution of electricity. The Grantor may continue to use the land along the easement within certain limitations.



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Landlord Automatic Transfer of Service Agreement is a legal contract established between the customer ("Landlord") and Company, that provides continuous and uninterrupted service to the Landlord during intervals when a Landlord has no tenants. A Service Establishment Charge will not apply and service will automatically be transferred into the Landlord's name. Landlord Automatic Transfer of Service Agreements are available to property owners that have established credit with Company.

Master meter means a meter used for measuring or recording the flow of electricity that has passed through it at a single location where said electricity is distributed to tenants or occupants for their individual usage. [A.A.C. R14-2-201(23)]

Meter means the instrument used for measuring and indicating or recording the flow of electricity that has passed through it. [A.A.C. R14-2-201(25)]

Meter tampering means a situation where a meter has been altered or bypassed without prior written authorization from Company. Common examples are meter bypassing, use of magnets to slow the meter recording, and broken meter seals. [A.A.C. R14-2-201(26)]

Minimum charge means the amount the customer must pay for the availability of electric service, including an amount of usage, as specified in the utility's tariffs. [A.A.C. R14-2-201(27)]

Point of delivery or delivery point means the point where facilities owned, leased, or under license by a customer connects to the utility's facilities. [A.A.C. R14-2-201(31)]

Tariffs mean the documents filed with the Arizona Corporation Commission which list the services and products offered by the utility and which set forth the terms and conditions and a schedule of the rates and charges, for those services and products. [A.A.C. R14-2-201(42)]



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| Statement of Charges | | |
|---|---------------|------------------|
| Description | Charge | Reference |
| Residential Service Establishment Charge | \$8.00 | 2 |
| Nonresidential Service Establishment Charge | \$33.00 | 2 |
| After hours Charge -Residential Standard Metering | \$8.00 | 2.2 |
| After hours Charge -Residential Non-Standard Metering | \$137.00 | 2.2 |
| After hours Charge -Nonresidential | \$164.00 | 2.2 |
| Same Day Connect Charge | \$87.00 | 2.3 |
| Non-Standard Service Request Charge (per crew person, per hour) | \$164.00 | 2.4 |
| Electronically Transmitted Payment Discount | -\$0.48 | 5.3 |
| Dishonored Payment Fee | \$15.00 | 6.4 |
| Field Call Charge | \$10.00 | 7.6 |
| Overhead Reconnection Charge | \$89.00 | 7.6 |
| Underground Reconnection Charge | \$135.00 | 7.6 |
| Non-Standard Metering- Monthly Meter Reading | \$5.00 | 8.4 |
| Non-Standard Metering Set-up fee for customer with existing AMI meter | \$50.00 | 8.4 |
| Meter Reread | \$14.00 | 8.7 |
| Meter test in shop | \$44.00 | 8.9 |
| Meter test at site | \$93.00 | 8.9 |
| Trip Charge - Residential | \$22.00 | 10.5 |
| Trip Charge - Nonresidential | \$26.00 | 10.5 |