



**SERVICE SCHEDULE 10  
TERMS AND CONDITIONS  
FOR DIRECT ACCESS**

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**General Description**

The following terms and conditions and any changes authorized by law will apply to Arizona Public Service Company (Company), Energy Service Providers (ESPs), and their agents that participate in Direct Access under the Arizona Corporation Commission's (ACC) rules for retail electric competition (A.A.C. R14-2-1601, et seq., referred to herein as the "Rules"). "Direct Access customer" refers to any Company retail customer electing to procure its electricity and any other ACC authorized Competitive Services directly from ESPs as defined in the Rules.

Customer Selections

All Company retail customers will obtain service under one of two options:

1. **Standard Offer Service.** With this election, retail customers will receive all services from Company, including metering, meter reading, billing, collection and other consumer information services, at regulated rates authorized by the ACC. Any customer who is eligible for Direct Access who does not elect to procure Competitive Services will remain on Standard Offer Service. Direct Access customers may also choose to return to Standard Offer Service after having elected Direct Access.
2. **Competitive Services (Direct Access).** This service election allows customers who are eligible for Direct Access to purchase electric generation and other Competitive services from an ACC certificated ESP. Direct Access customers with single premise demands greater than 20 kW or usage of 100,000 kWh annually will be required to have Interval Metering, as specified in Section 3.6.1. Under the Rules, and any restrictions herein, the ESP serving these customers will have options available for choosing to offer Meter Services, Meter Reading Services and/or Billing Services on their own behalf (or through a qualified third party), or to have Company provide those services when permitted as specified herein.

**1. General Terms**

- 1.1 Definitions - The definitions of principal terms used in this Schedule will have the same meaning as ascribed to them in the Rules, unless otherwise expressly stated in this Schedule.
  - 1.1.1 Customer - Unless otherwise stated, all references to Customer in this agreement refer to Company customers who are eligible for and have elected Direct Access.
  - 1.1.2 Service Account - Unless otherwise stated, all references to "Service Account" in this agreement will refer to an installed service, identified by a Universal Node Identifier (UNI).



1.1.3 Local Arizona Time – All time references in this Schedule are in Local Arizona Time, which is Mountain Standard Time (MST).

## **2. General Obligations of Company**

### **2.1 Non-Discrimination**

2.1.1 Company will discharge its responsibilities under the Rules in a non-discriminatory manner as to providers of all Competitive Services. Unless otherwise authorized by the ACC, the Federal Energy Regulatory Commission (FERC) or applicable affiliate transactions rules, Company will not:

2.1.1.1 Represent that its affiliates or customers of its affiliates will receive any different treatment with regard to the provision of Company services than other, unaffiliated services providers as a result of affiliation with Company; or

2.1.1.2 Provide its affiliates, or customers of its affiliates, any preference based on the affiliation including but not limited to terms and conditions of service, information, pricing or timing over non-affiliated suppliers or their customers in the provision of Company services.

### **2.2 Transmission and Distribution Service**

Company will offer transmission and distribution services under applicable tariffs, schedules and contracts for delivery of electric generation to Direct Access customers under the provisions of State law, the terms of the ACC's Rules and Regulations, this Schedule, the ESP Service Acquisition Agreement, applicable tariffs and applicable FERC rules.

## **3. General Obligations of ESPs**

### **3.1 Timeliness, Due Diligence and Security Requirements**

3.1.1 ESPs will exercise due diligence in meeting their obligations and deadlines under the Rules to facilitate customer choice. ESPs will make all payments owed to Company in a timely manner.



**SERVICE SCHEDULE 10  
TERMS AND CONDITIONS  
FOR DIRECT ACCESS**

---

3.1.2 ESPs will adhere to all credit, deposit and security requirements specified in the ESP Service Acquisition Agreement and Company tariffs and schedules.

3.2 Arrangements with ESP Customers

ESPs will be solely responsible for having appropriate contractual or other arrangements with their customers necessary to implement Direct Access. Company will not be responsible for monitoring, reviewing or enforcing such contracts or arrangements.

3.3 Responsibility for Electric Purchases

ESPs will be responsible for the purchase of their Direct Access customers' electric generation needs and the delivery of such purchases to designated receipt points as set forth on schedules given to the Scheduling Coordinators ("SCs").

3.4 Company Not Liable for ESP Services

To the extent the customer elects to procure services from an ESP, Company has no obligations to the customer with respect to the services provided by the ESP.

3.5 Load Aggregation for Procuring Electric Generation/Split Loads

3.5.1 ESPs may aggregate individually-metered electric loads for procuring competitive electric generation only. Load aggregation will not be used to compute Company charges or for tariff applicability.

3.5.2 Customers requesting Direct Access Services may not partition the electric loads of a Service Account among electric service options or providers. The entire load of a Service Account must be provided by only one (1) ESP. This provision will not restrict the use of separate parties for metering and billing services.

3.6 Interval Metering

3.6.1 "Interval Metering" refers to the purchase, installation and maintenance of electricity metering equipment capable of measuring and recording minimum data requirements, including hourly interval data required for Direct Access settlement processes and distribution billing. Interval Metering is required for all customers that elect Direct Access and reach a single site maximum demand



**SERVICE SCHEDULE 10  
TERMS AND CONDITIONS  
FOR DIRECT ACCESS**

---

in excess of 20 kW one or more times or annual usage of 100,000 kWh or more. Interval Metering is provided by the ESP, at no cost to Company. Interval Metering is optional for those customers with single site maximum demands that are 20 kW or less or annual usage of less than 100,000 kWh.

- 3.6.2. Company will determine if Customer meets the requirements for Interval Metering based on historical data, or an estimated calculation of the demand and/or usage for new customers.

3.7 Meter Data Requirements

Minimum meter data requirements consist of data required to bill Company distribution tariffs and determine transmission settlement. Company will have access to meter data necessary for regulatory purposes or rate-setting purposes under mutually agreed upon terms with the ESP for such data access.

3.8 Statistical Load Profiles

Company will offer statistical load profiles in place of Interval Metering, for qualifying Customers to estimate hourly consumption for settlement and scheduling purposes. Statistical load profiles will be applied as authorized by FERC.

3.9 Fees and Other Charges

Direct Access customers will pay all applicable fees, surcharges, impositions, assessments and taxes on the sale of energy or the provisions of other services as authorized by law. The ESP and Company will each be respectively responsible for paying such fees to the taxing or regulatory agency to the extent it is their obligation to do so. Both the ESP and Company will be responsible for providing the authorized billing agent the information necessary to bill these charges to the customer.

3.10 Liability In Connection With ESP Services

- 3.10.1 "Damages" will include all losses, harm, costs and detriment, both direct and indirect, and consequential, suffered by Customer or third parties.
- 3.10.2 Company will not be liable for any damages caused by Company conduct in compliance with, or as permitted by, Company's electric rules and tariffs, the ESP Service Acquisition Agreement, the Rules, and associated legal and regulatory



**SERVICE SCHEDULE 10  
TERMS AND CONDITIONS  
FOR DIRECT ACCESS**

---

requirements related to Direct Access service, or as otherwise set forth in Company's Schedule 1.

- 3.10.3 Company will not be liable for any damages caused to Customer by any ESP, including failure to comply with Company's electric rules and tariffs, the ESP Service Acquisition Agreement, the Rules, and associated legal and regulatory requirements related to Direct Access service.
- 3.10.4 Company will not be liable for any damages caused by the ESP's failure to perform any commitment to Customer.
- 3.10.5 An ESP is not a Company agent for any purpose. Company will not be liable for any damages resulting from acts, omissions, or representations made by an ESP in connection with soliciting customers for Direct Access or rendering Competitive Services.
- 3.10.6 Under no circumstances will Company be liable to Customer, ESP (including any entity retained by it to provide competitive services to the customer) or third parties for lost revenues or profits, indirect or consequential damages or punitive or exemplary damages in connection with Direct Access Services. This provision will not limit remedies otherwise available to customers under Company's schedules and tariffs and applicable laws and regulations.

#### **4. Customer Inquiries and Data Accessibility**

- 4.1 Customer Inquiries - For customers requesting information on Direct Access, Company will make available the following information:
  - 4.1.1 Materials to consumers about competition and consumer choices.
  - 4.1.2 A list of ESPs that have been issued a Certificate of Convenience and Necessity to offer Competitive Services within Company's service territory. Company will provide the list maintained by the ACC, but Company is under no obligation to assure the accuracy of this list. Reference to any particular ESP or group of ESPs on the list will not be considered an endorsement or other form of recommendation by Company.



**SERVICE SCHEDULE 10  
TERMS AND CONDITIONS  
FOR DIRECT ACCESS**

---

4.2 Access to Customer Usage Data -For Company customers on Standard Offer Service, Company will provide customer specific usage data to ESP or to Customer, subject to the following provisions:

4.2.1 ESPs may request Customer usage data before submission of a Direct Access Service Request ("DASR") by obtaining and submitting to Company the Customer's written authorization on a Customer Information Service Request ("CISR") form. Company may charge for customer usage data at rates approved by the ACC.

4.2.2 Company will provide the most recent twelve (12) months of customer usage data or the amount of data available for that Customer if there is less than twelve (12) months of usage history.

4.3 Customer Inquiries Concerning Billing Related Issues

4.3.1 Customer inquiries concerning Company charges or services will be directed to Company.

4.3.2 Customer inquiries concerning ESP charges or services will be directed to the ESP.

4.4 Customer Inquiries Related to Emergency Situations and Outages

4.4.1 Company will be responsible for responding to all Standard Offer Service or, in the case of Direct Access customers, distribution service emergency system conditions, outages and safety situation inquiries related to Company's distribution system. Customers contacting an ESP with such inquiries are to be referred directly to Company for resolution. ESPs performing consolidated billing must show Company's emergency telephone number on their bills.

4.4.2 Company may shed or curtail customer load as provided by its ACC-approved tariffs and schedules, or by other ACC rules and regulations.

**5. ESP Service Establishment**

5.1 Before the ESP or its agents can offer Direct Access services in Company's distribution service territory they must meet the applicable provisions as listed:



**SERVICE SCHEDULE 10  
TERMS AND CONDITIONS  
FOR DIRECT ACCESS**

---

- 5.1.1 All ESPs must obtain a Certificate of Convenience and Necessity from the ACC which authorizes the ESP to offer Competitive Services in Company's distribution service territory.
- 5.1.2 All ESPs must register to do business in the State of Arizona and obtain all other licenses and registrations needed as a legal predicate to the ESP's ability to offer Competitive Services in Company's distribution service territory.
- 5.1.3 Load Serving ESPs must satisfy creditworthiness requirements as specified in the ESP Service Acquisition Agreement if the ESP chooses the ESP Consolidated Billing option. If the ESP chooses Company UDC Consolidated Billing, they must enter into a Customized Billing Services Agreement.
- 5.1.4 Load Serving ESPs must enter into an ESP Service Acquisition Agreement with Company.
- 5.1.5 All ESPs must satisfy any applicable ACC electronic data exchange requirements including:
  - 5.1.5.1 The ESP and/or its designated agents must complete to Company's satisfaction all necessary electronic interfaces between the ESP and Company to exchange DASRs and general communications.
  - 5.1.5.2 The ESP or its agent must complete to Company's satisfaction all electronic interfaces between the ESP and Company to exchange meter reading and usage data. This includes communication to and from the Meter Reading Service Provider's (MRSP) server for sharing of meter reading and usage data.
  - 5.1.5.3 The ESP must have the capability to electronically exchange data with Company. Alternative arrangements may be acceptable at Company's option.
  - 5.1.5.4 The ESP and its agents must use Electronic Data Interchange (EDI) using Arizona Standard Formats to exchange billing and remittance data with Company when offering ESP Consolidated Billing or Company UDC Consolidated Billing. The ESP and its agents must use the Arizona Standard Format to exchange meter reading data with Company when



providing meter reading services. Alternative arrangements may be allowed at Company's option.

- 5.1.6 For Company UDC Consolidated Billing or ESP Consolidated Billing options, compliance testing is required. Both parties must demonstrate the ability to perform data exchange functions required by the ACC and the ESP Service Acquisition Agreement. Any change of the billing agent will require a revalidation of the applicable compliance testing. Provided the ESP is acting diligently and in good faith, its failure to complete such compliance testing will not affect its ability to offer electric generation to Direct Access customers. Dual Company/ESP Billing will be performed until the compliance testing is completed to Company's satisfaction.
- 5.1.7 Compliance testing will be required for a MRSP when providing meter reading services to ensure that meter data can be delivered successfully. Any change of the MRSP's system, or any change to the Arizona Standard 867 EDI format, will require a revalidation of the applicable compliance testing.

## **6. Direct Access Service Request (DASR)**

- 6.1 A DASR is submitted under the terms and conditions of the Arizona DASR Handbook, the ESP Service Acquisition Agreement and this section, and will also be used to define the Competitive Services that the ESP will provide the customer.
- 6.2 ESPs will have a CC&N from the ACC; will have entered into an ESP Service Acquisition Agreement with Company, if required, and will have successfully completed data exchange compliance testing before submitting DASRs.
- 6.3 The customer's authorized ESP must submit a completed DASR to Company before Customer can be switched from Standard Offer Service or Competitive Service provided by another ESP. The DASR process described herein will be used for customer Direct Access elections, updates, cancellations, customer-initiated returns to Company Standard Offer Service, or requests for physical disconnection of service and ESP- or customer-initiated termination of an ESP/customer service agreement.
- 6.4 A separate DASR must be submitted for each service delivery point. Each of the five (5) DASR operation types [Request (RQ), Termination of Service Agreement (TS), Physical Disconnect (PD), Cancel (CL) and Update/Change (UC)] has specific field requirements that must be fully completed before the DASR is submitted to Company.





**SERVICE SCHEDULE 10  
TERMS AND CONDITIONS  
FOR DIRECT ACCESS**

---

- A DASR that does not contain the required field information or is otherwise incomplete may be rejected. In accordance with the provisions of the applicable Service Acquisition Agreement, Company may deny the ESP or customer request for service if the information provided in the DASR is false, incomplete, or inaccurate in any material respect. ESPs filing DASRs are thereby representing that they have their customer's authorization for such transaction.
- 6.5 Company requires that DASRs be submitted electronically using Electronic Data Interchange (EDI) or Comma Separated Value (CSV) formats through the Company's web site.
- 6.6 DASRs will be handled on a first-come, first-served basis. Each request will be time and date stamped when received by Company.
- 6.7 Once the DASR is submitted, the following timeframes will apply:
- 6.7.1 Company will respond to RQ, TS, CL and UC DASRs within two (2) working days of the time and date stamp. Company will exercise best efforts (no later than five (5) working days) to provide the ESP with a DASR status notification informing them whether the DASR has been accepted, rejected or placed in a pending status awaiting further information. If accepted, the effective switch date will be determined in accordance with Sections 6.8, 6.9, and 6.12 and will be confirmed in the response to the ESP and the former ESP if applicable. If a DASR is rejected, Company will provide the reasons for the rejection. If a DASR is held pending further information, it will be rejected if the DASR is not completed with the required information within thirty (30) working days, or a mutually agreed upon date, following the status notification. Company will send written notification to the customer once the RQ DASR has been processed.
- 6.7.2 When a customer requests electric services to be disconnected, the ESP is responsible for submitting a PD DASR to Company on behalf of the customer, regardless of the Meter Service Provider (MSP).
- 6.7.2.1 When Company is acting as the MSP, Company will perform the physical disconnect of the service. The PD DASR must be received by Company at least three (3) working days before the requested disconnect date. Company will acknowledge the PD DASR status within two (2) working days of the time and date stamp.



**SERVICE SCHEDULE 10  
TERMS AND CONDITIONS  
FOR DIRECT ACCESS**

---

- 6.7.2.2 When Company is not acting as the MSP, the ESP is responsible for performing the physical disconnect. The ESP will notify Company by DASR of the date of the physical disconnect. Disconnect reads must be posted to the server within three (3) working days following the disconnection.
- 6.8 DASRs that do not require a meter exchange must be received by Company at least fifteen (15) calendar days before the next scheduled meter read date. The actual meter read date would be the effective switch date. DASRs received less than fifteen (15) calendar days before the next scheduled meter read date will be scheduled for switch to Direct Access on the following month's read date.
- 6.9 DASRs that require a meter exchange will have an effective change date to Direct Access as of the meter exchange date. Notification of meter exchange dates will be coordinated between the ESP, MSP and Company's Meter Activity Coordinator ("MAC").
- 6.10 If more than one (1) RQ DASR is received for a service delivery point within a Customer's billing cycle, only the first valid DASR received will be processed in that period. All subsequent DASRs will be rejected.
- 6.11 Upon acceptance of an RQ DASR, a maximum of twelve (12) months of customer usage data, or the available usage for that customer switching from Standard Offer, will be provided to the ESP. If there is an existing ESP currently serving that customer, that ESP will be responsible for submitting the customer usage data to the new ESP. In both cases, the customer usage data will be submitted to the appropriate ESP no later than five (5) working days before the scheduled switch date.
- 6.12 Customers returning to Company Standard Offer service must contact their ESP. The ESP will be responsible for submitting the DASR on behalf of the customer.
- 6.13 ESPs requesting to return a Direct Access customer to Company Standard Offer service will submit a TS DASR and will be responsible for the continued provision of the customer's electric supply service, metering, and billing services until the effective change date.
- 6.14 Customers requesting to return to Company Standard Offer service are subject to the same timing requirements as used to establish Direct Access service. Direct Access customers returning to Company Standard Offer service may be subject to the RCDAC-1.



**SERVICE SCHEDULE 10  
TERMS AND CONDITIONS  
FOR DIRECT ACCESS**

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- 6.15 Company may assess a fee for processing DASRs. All fees are payable to Company within fifteen (15) calendar days after the invoice date. All unpaid fees received after this date will be assessed applicable late fees under Schedule 1. If an ESP fails to pay these fees within thirty (30) days after the due date, Company may suspend accepting DASRs from the ESP unless a deposit sufficient to cover the fees due is currently available or until such time as the fees are paid. If an ESP is late in paying fees, a deposit or an additional deposit may be required from the ESP.
- 6.16 A customer moving to new premises may retain or start Direct Access immediately. The customer must first contact Company to establish a Service Account. The customer will be provided the necessary information that will enable its ESP to submit a DASR. The same timing requirements apply as set forth in Section 6.8 and 6.9.
- 6.17 Billing and metering option changes are requested through a UC DASR and cannot be changed more than once per billing cycle.
- 6.18 Company will not hold the ESP responsible for any customer unpaid billing charges before the customer's switch to Direct Access. Unpaid billing charges will not delay the processing of DASRs and will remain the customer's responsibility to pay Company. Company's Schedule 1 applies in the event of customer non-payment, which includes the possible disconnection of distribution services. Company will not accept any DASRs submitted for customers who have been terminated for nonpayment and have not yet been reinstated. Disconnection by Company of a delinquent customer will not make Company liable to the ESP or third-parties for the customer's disconnection.
- 6.19 Company will not accept DASRs that specify a switch date of more than sixty (60) calendar days from the date the DASR is submitted.

**7. Billing Service Options and Obligations**

- 7.1 Subject to availability, and under the terms in the ESP Service Acquisition Agreement, this Schedule 10, and applicable tariffs and the restrictions therein, ESPs may select among the following billing options:



7.1.1 COMPANY UDC CONSOLIDATED BILLING

7.1.2 ESP CONSOLIDATED BILLING

7.1.3 DUAL COMPANY/ESP BILLING

7.2 COMPANY UDC CONSOLIDATED BILLING

7.2.1 The customer's authorized ESP sends its bill-ready data to Company, and Company sends a consolidated bill containing both Company and ESP charges to the Customer.

7.2.2 Company Obligations:

7.2.2.1 Company will bill the ESP charges and send the bill either by mail or electronic means to the customer. Company is not responsible for computing or determining the accuracy of the ESP charges. Company is not required to estimate ESP charges if the expected bill ready data is not received nor is Company required to delay Company billing. Billing rendered on behalf of the ESP by Company will comply with A.A.C. R14-2-1612.

7.2.2.2 Company bills will include in Customer's bill a detailed total of ESP charges and applicable taxes, assessments and billed fees, the ESP's name and telephone number, and other information provided by the ESP.

7.2.2.3 If Company processes Customer payments on behalf of the ESP, the ESP will receive payment for its charges as specified in Section 7.7.

7.2.3 ESP Obligations

7.2.3.1 Once a billing election is in place as specified in the ESP Service Acquisition Agreement, the ESP may offer Company UDC Consolidated Billing services to Direct Access customers under the terms and conditions of the applicable ACC approved tariff.

7.2.3.2 The ESP will submit the necessary billing information to facilitate billing services under this billing option by Service Account, according to



**SERVICE SCHEDULE 10  
TERMS AND CONDITIONS  
FOR DIRECT ACCESS**

Company's meter reading schedule, and under the applicable tariff.  
Timing of billing submittals is provided for in Section 7.2.4 below.

**7.2.4 Timing Requirements**

- 7.2.4.1 Bills under this option will be rendered once a month. Nothing contained in this Schedule will limit Company's ability to render bills more frequently consistent with Company's existing practices. However, if Company renders bills more frequently than once a month, ESP charges need only to be calculated based on monthly billing periods.
- 7.2.4.2 Except as provided in Section 7.2.4.1, Company will require that all ESP and Company charges be based on the same billing period data.
- 7.2.4.3 ESP charges for normal monthly customer billing and any adjustments for prior months' metering or billing errors must be received by Company in EDI "810" format no later than 4:00 p.m. Local Arizona Time on the third working day following the Last Meter Read/First Bill Date. If billing charges have not been received from the ESP by this deadline, Company will render a bill for Company charges only. The ESP must wait until the next billing cycle, unless there is a mutual agreement for Company to send an interim bill. If Company renders the bill for Company charges only, Company will include a note on the bill stating that ESP charges will be forthcoming. An interim bill issued under this Section may also include a message that Company charges were previously billed.
- 7.2.4.4 ESP charges for a Physical Disconnect Final Bill must be received by 4:00 p.m. Local Arizona Time on the sixth working day following the actual disconnect date. If final billing charges have not been received from the ESP by this date, Company will render the customer's final bill for Company charges only, without the ESP's final charges. If Company renders the bill for Company charges only, Company will include a note on the bill stating that ESP charges will be forthcoming. The ESP must send the final charges to Company. Company will produce and send a separate bill for the final billing charges.

**7.2.5 Restrictions**

Company UDC Consolidated Billing will be an option for individual customer bills only, not an aggregated group of customers. Nothing in this Section precludes each individual customer in an aggregated group, however, from



**SERVICE SCHEDULE 10  
TERMS AND CONDITIONS  
FOR DIRECT ACCESS**

---

receiving the customer's individual bills under Company UDC Consolidated Billing.

**7.3 ESP CONSOLIDATED BILLING**

7.3.1 Company calculates and sends its bill-ready data to the ESP. The ESP in turn sends a consolidated bill to its customer. The ESP will be obligated to provide the customer detailed Company charges to the extent that the ESP receives such detail from Company. The ESP is not responsible for the accuracy of Company charges.

**7.3.2 Company Obligations**

7.3.2.1 Company will calculate all its charges once per month based on existing Company billing cycles and provide these to the ESP to be included on the ESP consolidated bill or as otherwise specified. Company and the ESP may mutually agree to alternative options for the calculation of Company charges.

7.3.2.2 Company will provide the ESP with sufficient detail of its charges, including any adjustments for prior months' metering and billing error, by EDI "810" format. Company charges that are not transmitted to the ESP by 4:00 p.m. Local Arizona Time on the third working day following the Last Meter Read/First Bill Date need not be included in the ESP's bill. If Company's billing charges have not been received by such date, the ESP may render the bill without Company charges unless there is a mutual agreement to have the ESP send an interim bill to the customer including Company charges. The ESP will include a message on the bill stating that Company charges are forthcoming.

7.3.2.3 For a Physical Disconnect Final Bill, Company will provide the ESP with Company's final bill charges by 4:00 p.m. Local Arizona Time on the sixth working day following the actual disconnect date. If Company's billing charges have not been received by such date, the ESP may render the bill without Company charges. The ESP will include a message on the bill stating that Company charges are forthcoming. Company will send the final bill charges to the ESP, and the ESP will produce and deliver a separate bill for Company charges.

**7.3.3 ESP Obligations**



**SERVICE SCHEDULE 10  
TERMS AND CONDITIONS  
FOR DIRECT ACCESS**

---

- 7.3.3.1 Once an ESP Service Acquisition Agreement is entered into, including an appropriate billing election, and all other applicable prerequisites are met, the ESP may offer consolidated billing services to Direct Access customers they serve.
- 7.3.3.2 The ESP bill will include any billing-related details of Company charges. Company charges may be printed with the ESP bill or electronically transmitted. Billing rendered on behalf of Company by the ESP will comply with A.A.C. R14-2-1612.
- 7.3.3.3 Other than including the billing data provided by Company on the customer's bill, the ESP has no obligations regarding the accuracy of Company charges or for disputes related to these charges. Disputed charges will be handled according to ACC procedures.
- 7.3.3.4 The ESP will process customer payments and handle collection responsibilities. Under this billing option, the ESP must pay all charges due to Company and not disputed by the customer as specified in Section 7.7.2.1.
- 7.3.3.5 Subject to the limitations of this Section and with the written consent of the Customer, the ESP may offer customers customized billing cycles or payment plans which permit the Customer to pay the ESP for Company charges in different amounts than Company charges to the ESP for any given billing period. Such plans will not, however, affect in any manner the obligation of the ESP to pay all Company charges in full. Should Customer select an optional payment plan, all Company charges must be billed in accordance with A.A.C. R14-2-210(G).

7.3.4 Timing Requirements

ESPs may render bills more or less frequently than once a month. However, Company will continue to bill the ESP each billing cycle period for the amounts due by the customer for that billing month.

7.4 DUAL COMPANY/ESP BILLING

Company and the ESP each separately bill the customer directly for services provided by them. The billing method is the sole responsibility of Company and the ESP.



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Company and the ESP will process only the customer payments relating to their respective charges.

7.5 Billing Information and Inserts

7.5.1 All customers, including Direct Access customers, will receive mandated legal, safety and other notices equally in accordance with A.A.C. R14-2-204 (B). If the ESP is providing consolidated billing, Company will make available one (1) copy of these notices to the ESP for distribution to customers or, at the ESP's request, in electronic format to the ESP for production and communication to electronically billed Customers. If Company is providing Consolidated billing services, Company will continue to provide these notices.

7.5.2 Under Company UDC Consolidated Billing, ESP bill inserts may be included under the applicable Company tariff.

7.6 Billing Adjustments for Meter and Billing Error

7.6.1 Meter and Billing Error

7.6.1.1 The MSP (including the ESP or Company if providing such services) will resolve any meter errors and must notify the ESP and Company, as applicable, so any billing adjustments can be made. All other affected parties, including the appropriate Scheduling Coordinator, will be notified by the ESP.

7.6.1.2 A billing error is the incorrect billing of Customer's energy or demand. If the MSP, MRSP, ESP or Company becomes aware of a potential billing error, the party discovering the billing error will contact the ESP and Company, as applicable, to investigate the error. If it is determined that there is in fact a billing error, the ESP and Company will make any necessary adjustments and notify all other affected parties in a timely manner.

7.6.1.3 Company UDC Consolidated Billing

7.6.1.3.1 Company will be responsible for notifying Customer and adjusting the bill for its charges to the extent those charges were affected by the meter or billing error.





7.6.1.3.2 The ESP will be responsible for any recalculation of the ESP charges. Following the receipt of the recalculated charges from the ESP, the charges or credits will be applied to Customer's next normal monthly bill, unless there is mutual agreement to have Company send an interim bill to the Customer including the ESP's charges.

7.6.1.4 ESP Consolidated Billing

7.6.1.4.1 The ESP will be responsible for notifying the Customer and adjusting the bill for ESP charges to the extent those charges were affected by the meter or billing error. The Customer will be solely responsible for obtaining refunds of ESP electric generation overcharges from its current and prior ESPs, as appropriate.

7.6.1.4.2 Company will transmit its adjusted charges and any refunds to the ESP with Customer's next normal monthly bill. The ESP will apply the charges to Customer's next normal monthly bill, unless there is a mutual agreement to have the ESP send an interim bill to Customer including Company charges.

7.6.1.5 Dual Company/ESP Billing

7.6.1.5.1 Company and the ESP will be separately responsible for notifying Customer and adjusting its respective bill for their charges.

7.7 Payment and Collection Terms

7.7.1 Company UDC Consolidated Billing

7.7.1.1 Company will remit payments to the ESP for the total ESP charges collected from Customer within three (3) working days after Customer's payment is received. Company is not required to pay amounts owed to the ESP for ESP charges billed but not received by Company.

7.7.1.2 Customer is obligated to pay Company for all undisputed Company and ESP charges consistent with existing tariffs and other contractual arrangements for service between the ESP and the customer.



**SERVICE SCHEDULE 10  
TERMS AND CONDITIONS  
FOR DIRECT ACCESS**

---

7.7.1.3 The ESP is responsible for all collections related to the ESP services on the Customer's bill, including, but not limited to, security deposits and late charges unless otherwise agreed upon in the customized billing services agreement between ESP and Company.

7.7.1.4 Payment for any Company charges for Consolidated Billing is due in full from the ESP within fifteen (15) calendar days of the date Company charges are rendered to the ESP. Any payment not received within this time frame will be assessed applicable late charges under Schedule 1. If an ESP fails to pay these charges before the next billing cycle, Company may revert the billing option for that ESP's customers to Dual Billing under Section 7.10.4. If an ESP is late in paying charges a deposit or additional deposit as provided for in Section 7.11 may be required.

7.7.2 ESP Consolidated Billing

7.7.2.1 Payment is due in full from the ESP within fifteen (15) calendar days after the date Company's charges are rendered to the ESP. The ESP will pay all undisputed Company charges regardless of whether Customer has paid the ESP. All payments received after fifteen (15) calendar days will be assessed applicable late charges under Schedule 1. If an ESP fails to pay these charges before the next billing cycle, Company may revert the billing option for that ESP's customers to Dual Billing under Section 7.10.4. If an ESP is late in paying charges a deposit or additional deposit as provided for in Section 7.11 may be required.

7.7.2.2 Company will be responsible for any follow-up inquiries with the ESP if there is question concerning the payment amount.

7.7.2.3 Company has no payment obligations to the ESP for Customer payments under ESP Consolidated Billing services.

7.7.3 Dual Company/ESP Billing

Company and the ESP are separately responsible for collection of Customer payment for their respective charges.



7.8 Late or Partial Payments and Unpaid Bills

7.8.1 Company UDC Consolidated Billing

- 7.8.1.1 Company will not be responsible for ESP's Customer collections, collecting the unpaid balance of ESP charges from Customers, sending notices informing Customers of unpaid ESP balances, or taking any action to recover the unpaid amounts owed the ESP. The ESP will assume any collection obligations and/or late charge assessments for late or unpaid balances related to ESP charges under this billing option.
- 7.8.1.2 All Customer payments will be applied first to unpaid balances identified as Company charges until such balances are paid in full, then applied to ESP charges. A Customer may dispute charges as provided by A.A.C. R14-2-212, but a Customer will not otherwise have the right to direct partial payments between Company and the ESP.
- 7.8.1.3 ACC rules will apply to late or non-payment of all Company customer charges. Undisputed Company delinquent balances owed on a customer account will be considered late and subject to Company late payment procedures.

7.8.2 ESP Consolidated Billing

The ESP will be responsible for collecting both unpaid ESP and Company charges, sending notices informing Customers of unpaid ESP and Company balances, and taking appropriate actions to recover the amounts owed. Company will not assume any collection obligations under this billing option and ESP is liable to Company for all undisputed payments owed Company.

7.8.3 Dual Company/ESP Billing

Company and the ESP are responsible for collecting their respective unpaid balances, sending notices to Customers informing them of the unpaid balance, and taking appropriate actions to recover their respective unpaid balances. Customer disputes with ESP charges must be directed to the ESP and Customer disputes with Company charges must be directed to Company.



7.9 Service Disconnects and Reconnects

In accordance with ACC rules, Company has the right to disconnect electric service to the Customer for a variety of reasons, including, but not limited to, the non-payment of Company's final bills or any past due charges by Customer, or evidence of safety violations, energy theft, or fraud, by Customer. The following provides for service disconnects and reconnects.

7.9.1 Company will notify Customer and Customer's ESP of Company's intent to disconnect electric service for the non-payment of Company charges before disconnecting electric service to the Customer. Company will further notify the ESP at the time Customer has been disconnected. To the extent authorized by the ACC, a service charge will be imposed on Customer if a field call is performed to disconnect electric service.

7.9.2 Company will reconnect electric service for a fee when the criteria for reconnection have been met to Company's satisfaction. Company will notify the ESP of a Customer's reconnection.

7.9.3 Company will not disconnect electric service to Customer for the non-payment of ESP charges by Customer. In the event of non-payment of ESP charges by Customer, the ESP may submit a DASR requesting termination of the service agreement and request return to Company Standard Offer Service. Company will then advise the Customer that they will be placed on Company Standard Offer Service unless a DASR is received from another ESP on their behalf.

7.10 Involuntary Service Changes

7.10.1 A Customer may have its service of electricity, billing, or metering from an ESP changed to another provider, including Company, involuntarily in the following circumstances:

7.10.1.1 The ACC has decertified the ESP or the ESP otherwise receives an ACC order that prohibits the ESP from serving the customer.

7.10.1.2 The ESP, including its agents, has materially failed to meet its obligations under the terms of its ESP Service Acquisition Agreement with Company (including applicable tariffs and schedules) so as to constitute an Event of Default under the terms of the ESP Service Acquisition Agreement, and Company exercises its contractual right to terminate the ESP Service Acquisition Agreement.



- 7.10.1.3 The ESP has materially failed to meet its obligations under the terms of the ESP Service Acquisition Agreement (including applicable tariffs and schedules) so as to constitute an Event of Default and Company exercises a contractual right to change billing options.
- 7.10.1.4 The ESP ceases to perform by failing to provide schedules through a Scheduling Coordinator whenever such schedules are required, or the ESP fails to have a Service Acquisition Agreement in place with a Scheduling Coordinator.
- 7.10.1.5 The Customer fails to meet its Direct Access requirements and obligations under the ACC rules and Company tariffs and schedules.

7.10.2 Change of Service Election in Exigent Circumstances

In the event Company finds that an ESP or the Customer has materially failed to meet its obligations under this Schedule or the ESP Service Acquisition Agreement such that Company elects to invoke its remedies under Section 7.10 (other than termination of ESP Consolidated Billing under Section 7.10.1.3) and the failure constitutes an emergency (defined as posing a substantial threat to the reliability of the electric system or to public health and safety), or the failure relates to ESP's sale of unscheduled energy, Company may initiate a change in the Customer's service election, or terminate an ESP's ability to offer certain services under Direct Access. In such case, Company will initiate the change or termination by preparing a DASR, but the change or termination may be made immediately notwithstanding the applicable DASR processing times set forth in this Schedule. Company will provide such notice and opportunity to remedy the problem if there are reasonable circumstances prevailing. Additionally, Company will notify the ACC of the circumstances that required the change or the termination and the resulting action taken by Company. The ESP and/or Customer will have the right to seek an order from the ACC restoring the customer's service election and/or the ESP's ability to offer services. Unless expressly ordered by the ACC, the provisions of this section will not disconnect electric service provided to Customer other than as provided in Section 4.4.2.



7.10.3 Change in Service Election Absent Exigent Circumstances

7.10.3.1 In the event Company finds that an ESP has materially failed to meet its obligations under this Schedule or the ESP Service Acquisition Agreement such that Company seeks to invoke its remedies under Section 7.10 (other than termination of ESP Consolidated Billing under Section 7.10.1.3), and the failure does not constitute an emergency (as defined in Section 7.10.2) or involve an ESP's unauthorized energy use, Company will notify the ESP and the ACC of such finding in writing stating the following:

7.10.3.1.1 The nature of the alleged failure;

7.10.3.1.2 The actions necessary to remedy the failure;

7.10.3.1.3 The name, address and telephone number of a contact person at the Company authorized to discuss resolution of the failure.

7.10.3.2 The ESP will have thirty (30) calendar days from receipt of such notice to remedy the alleged failure or reach an agreement with Company regarding the alleged failure. If the failure is not remedied and no agreement is reached between Company and the ESP following this thirty (30) day period, Company may initiate the DASR process set forth in this Schedule to accomplish its remedy and will notify the customers of such remedy. Unless expressly ordered by the ACC, the provisions of this section will not disconnect electric service provided to the customer other than as provided in Section 4.4.2.

7.10.4 Termination of ESP Consolidated Billing

7.10.4.1 Company may terminate ESP Consolidated Billing under the following circumstances:

7.10.4.1.1 The Company will notify affected Customers that ESP Consolidated Billing services will be terminated, and the Company may switch affected Customers to Dual Company/ESP billing as promptly as possible if any of the following occur:



**SERVICE SCHEDULE 10  
TERMS AND CONDITIONS  
FOR DIRECT ACCESS**

---

- 7.10.4.1.1.1 Company finds that the information provided by the ESP in the ESP Service Acquisition Agreement is materially false, incomplete, or inaccurate.
  - 7.10.4.1.1.2 The ESP attempts to avoid payment of Company charges.
  - 7.10.4.1.1.3 The ESP files for bankruptcy.
  - 7.10.4.1.1.4 The ESP fails to have an involuntary bankruptcy proceeding filed against the ESP dismissed within sixty (60) calendar days.
  - 7.10.4.1.1.5 The ESP admits insolvency.
  - 7.10.4.1.1.6 The ESP makes a general assignment for the benefit of creditors.
  - 7.10.4.1.1.7 The ESP is unable to pay its debts as they mature.
  - 7.10.4.1.1.8 The ESP has a trustee or receiver appointed over all, or a substantial portion, of its assets.
- 7.10.4.1.2 If the ESP fails to pay Company (or dispute payment under the procedures set forth in this Schedule) the full amount of all Company charges and fees by the applicable due date, Company will notify the ESP of the past due amount within two (2) working days of the applicable past due date. If the ESP incurs late charges on more than two (2) occasions or fails to pay overdue amounts including late charges within five (5) working days of the receipt of notice by Company, Company may notify the ESP's customers and the ESP that ESP Consolidated Billing services will be terminated, and that Customers will be switched to Dual Billing.
- 7.10.4.1.3 If the ESP fails to comply within thirty (30) calendar days of the receipt of notice from Company of any additional credit, security or deposit requirements set forth in Sections 5.1.3 and 7.11, Company may notify the ESP that ESP Consolidated Billing services will be terminated, and that Customers will be switched to Dual Billing.



**SERVICE SCHEDULE 10  
TERMS AND CONDITIONS  
FOR DIRECT ACCESS**

---

7.10.4.2 Upon termination of ESP Consolidated Billing under Section 7.10.4, Company may deliver a separate bill for all Company charges which were not previously billed by the ESP.

7.10.4.3 Company may reinstate the ESP's eligibility to engage in ESP Consolidated Billing upon a reasonable showing by the ESP that the problems causing the revocation of ESP Consolidated Billing have been cured, including payment of any late charges, reestablishing credit requirements in compliance with Sections 5.1.4 and 7.11, and payment to Company of all costs associated with changing ESP customers' billing elections to and from dual billing.

7.10.4.4 In the event Company terminates ESP Consolidated Billing, Company will return any security posted by the ESP under the ESP Service Acquisition Agreement.

7.10.5 Termination of Company UDC Consolidated Billing

7.10.5.1 Company may terminate Company UDC Consolidated Billing and revert to Dual Billing upon providing thirty (30) calendar days notice to an ESP if ESP fails to pay Company charges in connection with Company UDC Consolidated Billing or otherwise fails to comply with its obligations under Section 7.2.

7.10.5.2 Company may terminate Consolidated Billing upon providing thirty (30) days notice to an ESP if Company cancels or changes the tariff governing Company UDC Consolidated Billing.

7.10.6 Upon termination of ESP Direct Access services under Section 7.10, the provision of the affected service(s) will be assumed by another eligible ESP from which the Customer elects to obtain the affected service(s). Absent an election by Customer, Company will provide such services, until such time that Customer makes an election.

7.10.7 Company will not use involuntary service changes in an anticompetitive or discriminatory manner.





7.11 ESP Security Deposits

- 7.11.1 Company may, at its discretion, require cash security deposits from any ESP that has on more than one occasion failed to pay Company charges or ACC-approved Direct Access charges within the established time frame, such as DASR fees, meter or billing error or service fees, and other fees applicable to an ESP through Schedule 10 and Company's other tariffs and schedules.
- 7.11.2 The amount of the security deposit required will not exceed two and one-half times the estimated maximum monthly bill to the ESP for such charges, and a separate security deposit may be required for separate categories of ESP or Direct Access charges.
- 7.11.3 Security deposits required under Section 7.11 will be in the form of a cash deposit accruing interest as specified in Section 2.7.4 of Company Schedule 1. Company will issue the ESP a nonnegotiable receipt for the amount of the deposit.
- 7.11.4 Company may refuse to accept DASRs from, or provide other Company services to, an ESP that fails to comply within thirty (30) calendar days to a demand that the ESP establish a security deposit under Section 7.11

**8. Meter Services**

- 8.1 Under Direct Access, ESPs may offer certain metering services for Direct Access implementation, including meter ownership, MSP and MRSP services.
- 8.2 Company has the right to offer the following meter services:
  - 8.2.1 Metering and Meter Reading for all Direct Access Customers.
    - 8.2.1.1 If the ESP subcontracts with the UDC for Meter Services they must subcontract for both Metering and Meter Reading Services. The ESP will remain responsible for all cost associated with Metering, Meter Installation, Meter Communications and other MSRP related cost. All such cost will be authorized by the ACC.
  - 8.2.2 Services as authorized by the ACC.



**SERVICE SCHEDULE 10  
TERMS AND CONDITIONS  
FOR DIRECT ACCESS**

---

- 8.2.3 Company reserves the right to perform meter disconnects, regardless of meter ownership, in cases of potential safety hazards or non-payment for Company charges.
- 8.3 A Load Serving ESP may sub-contract Metering or Meter Reading Services to a certificated third party or the UDC. If the ESP sub-contracts any of the components of these services to a third party or UDC, the ESP will, for the purposes of this Schedule, remain responsible for the services including communication equipment, meter reading equipment and associated maintenance necessary to obtain reads from specialized meters that may be required by a Direct Access Customers.
- 8.4 Load Serving ESPs providing Metering or Meter Reading Services to Direct Access customers either on their own or through a third party or UDC assume full responsibility for meeting the applicable meter and communication standards, as well as assuming responsibility for the safe installation and operation of the meter and any personal injuries and damage caused to customer or Company property by the meter or its installation. This liability will lie with the ESP regardless of whether the ESP or its subcontractors perform the work.
- 8.5 Meter Specifications
- 8.5.1 The Director of Utilities Division of the ACC has determined the following specifications and standards will apply to competitive metering where applicable (see Performance Metering Specifications and Standards document):
- 8.5.2 Metering standards (American National Standards Institute):
- ANSI C12.1 Code for Electricity Metering
  - ANSI C12.6 Marketing & Arrangement of Terminals for Phase Shifting Devices used in Metering
  - ANSI C12.7 Watt-hour Meter Socket
  - ANSI C12.10 Electromechanical Watt-hour Meters
  - ANSI C12.13 Electronic TOU Registers for Electricity Meters
  - ANSI C12.18 Type 2 Optical Port
  - ANSI C12.20 0.2% & 0.5% Accuracy Class Meters
  - ANSI C37.90 Surge Withstand Test ANSI 57.13 Instrument Transformers (All CTs & PTs)
  - ANSI Z1.4 Sampling Procedures and Tables for Inspection
  - ANSI Z1.9 Sampling Procedures and Tables for Inspection



- 8.5.3 EEI Electricity Metering Handbook
- 8.5.4 Electric Utilities Service Equipment Requirements Committee (EUSERC)
- 8.5.5 NEC & Local Requirements by jurisdictions
- 8.5.6 Company's Electric Service Requirements Manual (ESRM)
- 8.5.7 National Electrical Safety Code (NESC)
- 8.5.8 ESPs or their contractors providing competitive metering services will also comply with such other specifications or standards determined to be applicable or appropriate by the ACC's Director of Utilities Division.

#### 8.6 Meter Conformity

- 8.6.1 All Direct Access meters will have a visual kWh display and must have a physical interface to enable on-site interrogation of all stored meter data. All meters installed must support the Company's rate schedules.
- 8.6.2 If Company is providing MRSP functions for the ESP, under the Rules, meters must be compatible with Company's AMI meter reading system.
- 8.6.3 No meter or associated metering equipment will be set or allowed to remain in service if it is determined that the meter or its associated equipment did not meet approved specifications, as set forth in Company's ESRM, or is in violation of any code listed in Section 8.5.

#### 8.7 Meter Testing

- 8.7.1 If a manufacturer's sealed meter has not previously been set and the meter was tested within the last twelve (12) months, the meter will be deemed in compliance with ACC standards without additional testing.
- 8.7.2 Any meter removed from service will be processed according to the following table before its re-installation:



**SERVICE SCHEDULE 10  
TERMS AND CONDITIONS  
FOR DIRECT ACCESS**

METER TYPE	REMOVAL REASON	ACTION REQUIRED
1 Ph kWh Electro-Mechanical	Routine	Meter Inspection
1 Ph kWh Electro-Mechanical	Trouble	Meter Test
1 Ph kWh Hybrid or Solid State	Routine	Meter Test
1 Ph TOU (all)	Trouble	Meter Test
3 Ph Meters (all)	All	Meter Test
1 Ph or 3 Ph AMI Meters	All	Meter Test
1 Ph or 3 Ph IDR Meters	All	Meter Test

8.7.3 Meter tests are to be conducted in accordance with ANSI C12.1 recommended testing standards.

8.7.4 Records on meter testing will be maintained by the MSP and provided to the requesting parties within three (3) working days of such a request for such records. The latest meter test record will be kept as long as the meter is in service.

8.8 Meter Test Requests

Under A.A.C. R14-2-209(F), either party may request that the other party perform a meter test, in which instance the requesting party is entitled to witness the test if it so chooses. The requesting party will be notified of the test date and written test results from the testing party. If the meter is found to be within ACC-approved standards, the requesting party will reimburse the other party for all costs incurred in the process of testing the meter (per ACC approved tariffs). The MSP will take reasonable measures to detect meter error. The MSP will notify Company as soon as it becomes aware of any meter that is not operating in compliance with ACC performance specifications. The MSP will make any repairs or changes required to correct the error. ESPs and Company will use a form approved by the ACC Process Standardization Working Group (PSWG) to initiate and respond to such action.

8.9 Meter Identification

8.9.1 The ESP or its agent will install a Company provided unique number on each meter. Company will provide the unique numbers printed on stickers in blocks of up to 1,000 numbers. These stickers must be readily visible from the front of



the meter. The number assigned to that meter will remain solely with that meter while in use in Company's service territory.

- 8.9.2 When an ESP installs either its own meter or a customer owned meter, the ring or lock ring must be secured with a seal that is imprinted with the name and/or logo of the ESP or their agent.

8.10 Installation of metering equipment

- 8.10.1 All metering equipment will be installed according to all applicable ACC requirements and Company's Electric Service Requirements Manual.
- 8.10.2 An ESP or its agent must be authorized by Company to remove a Company owned meter. The Existing Meter Information (EMI) form will be sent to the ESP and MSP within five (5) working days within receiving the DASR acceptance notification indicating a pending meter exchange. When the MSP intends to remove a Company meter, Company must receive a Meter Data Communication Request (MDCR) format at least five (5) working days before the exchange. Upon completion of the meter exchange, the MSP will return the Meter Installation/Removal Notification (MIRN) form to Company by the end of business, three (3) working days from the day of the exchange.
- 8.10.3 The ESP or its agent will inform Company of all meter activity, such as meter installations or exchanges, via the Meter Activity Coordination (MAC) Form within the time frames specified above. If final meter reads are not provided to Company, are inaccurate, or otherwise result in Company not being able to render accurate final bills to customers under ACC Rules and Regulations, the ESP will be responsible for any unbilled, disputed, or unrecoverable amounts and applicable late charges.
- 8.10.4 The ESP or its agent will return the existing meter to Company at one of Company's designated locations identified in the meter drop off list within fifteen (15) working days after its removal, or be charged the cost of the meter and metering equipment and /or any other charges per the applicable ACC-approved tariff. The ESP or its agent will be responsible for damage to the meter occurring during shipment.



8.11 On-Site Inspections/Site Meets

8.11.1 Company may perform on-site inspections of meter installations. The ESP will be notified if the inspections uncover any material non-compliance by the MSP with the approved specifications and standards.

8.11.2 For new construction, the party installing the meter will ensure that the owner/builder has met the construction standards outlined in Company's ESRM, and Company's Transmission and Distribution construction manual, as well as local municipal agency requirements, and any updates, supplements, amendments and other changes that may be made to these manuals and requirements.

Company will perform a preinstallation inspection on all new construction. Local city/county clearances may also be required before energizing any new construction.

8.11.3 Company may require a site meet for: the exchange or removal of an IDR meter which requires an optical device to retrieve interval data; the exchange or removal of equipment at an existing totalized metering installation; a restricted access location for which Company forbids key access; cogeneration sites, bi-directional or detented metering sites; or upon request of an ESP or MSP. The ESP and Company's MAC will coordinate the time of the site meet. If the ESP or MSP miss two (2) site meets, Company may cancel the applicable DASR. Company may charge for a site meet requested by the ESP or MSP, or if the ESP or MSP fails to arrive within thirty (30) minutes of the appointment time, or if the ESP fails to cancel a site meet at least one (1) working day in advance of the appointment time.

8.12 Meter Service Options and Obligations

8.12.1 Meter Ownership will be limited to Company, an ESP, or the customer. The customer must obtain the meter through Company or an ESP. Although a customer may own the electric meter, maintenance and servicing of the metering equipment will be limited to Company, the ESP, or the ESP's qualified representative (MSP).

8.12.2 If the ESP or customer owns the meter, the ESP must own the CTs, PTs, and associated equipment, except as provided in Section 8.12.3. The ESP may



purchase existing CTs and PTs and associated metering equipment from Company at depreciated original cost.

8.12.3 The following provisions apply to the ownership of CTs and PTs.

8.12.3.1 For distribution voltages up to 25kV, the ESP or Company will own the CTs and PTs. For transmission primary voltages (over 25kV), the CTs and PTs will be owned by Company. ESP owned CTs and PTs must meet Company specifications. No CTs and PTs or associated metering equipment will be set or allowed to remain in service if it is determined that the CTs and PTs or their associated equipment does not meet Company's approved specifications, as set forth in Company's Electric Service Requirements Manual in place at the time of installation.

8.12.4 All CT-rated meter installations will utilize safety test switches, and all self-contained commercial metering will utilize safety-test blocks as provided in Company's ESRM. During meter exchanges, the ESP or its agent's employees who are certificated to perform the related MSP activities may install, replace or operate Company test switches and operate Company-sealed customer-owned test blocks.

8.13 Installation Options

8.13.1 The ESP is responsible for Direct Access customer meter installation and associated cost. Company may optionally provide meter installation under the provisions of this Service Schedule.

8.13.2 ESPs or their agents must be certificated by the ACC in order to offer MSP services. The policies and procedures described in this Section 8.13 assume that the MSP and their meter installers have ACC certification. ESPs may elect to offer metering services by:

8.13.2.1 Becoming a certificated MSP.

8.13.2.2 Subcontracting with a third party that is a certificated MSP.

8.13.2.3 Subcontracting with Company under the circumstances described in Section 8.2.

8.14 As part of providing metering services, ESPs or their agents will:



**SERVICE SCHEDULE 10  
TERMS AND CONDITIONS  
FOR DIRECT ACCESS**

---

- 8.14.1 Obtain lock ring keys for meters originally installed by Company or request site meets with Company. Company will issue lock ring keys to certified MSPs upon receipt of a refundable deposit. The deposit will not be refunded if a key is either lost or stolen, and a fee will be applied to replace lost or damaged keys. For more information about the cost of lock rings, standard rings, or lock ring keys, please consult the Company MAC.
- 8.14.2 If lock rings are used they will meet Company requirements. If a meter is installed and the readings are obtained from a source other than a physical inspection, a lock ring must be utilized. Lock rings may be purchased from Company.
- 8.14.3 Provide information to Company on the specifications and other specifics on meters not purchased from or installed by Company.
- 8.14.4 Allow Company to remove the customer's meter, or schedule a site meet to remove the meter transferring from Direct Access to Standard Offer service. If the ESP allows Company to remove meters, ESP will coordinate with Company regarding the return of the meters.
- 8.14.5 Be responsible for obtaining and providing reads from any meter that it installs from the time it is installed to the time it is removed or until meter reading responsibilities are assumed by another ESP or the customer returns to Standard Offer service.
- 8.14.6 Ensure that ESP and MSP employees working in Company's territory follow ACC and other applicable safety standards.
- 8.14.7 Company will notify the ESP immediately and the ESP will notify Company immediately of any suspected unauthorized energy use when a safety hazard exists. In instances where there is not a safety hazard, each party will notify each other within twenty-four (24) hours. The ESP will ensure that a lock ring is installed to secure any meter that does not require a monthly local (i.e., manual) meter read. The Parties agree to preserve any evidence of unauthorized energy use. Once unauthorized energy use is suspected, Company, in its sole discretion, may take any or all of the actions permitted under Company's tariffs and schedules and will notify the ACC of any such action taken.





**SERVICE SCHEDULE 10  
TERMS AND CONDITIONS  
FOR DIRECT ACCESS**

---

8.14.8 Take no action to impede Company's safe and unrestricted access to a customer's service entrance.

8.14.9 Glass over any socket when a meter is removed and a new meter is not installed.

8.15 MSRP Services provided as a responsibility of an ESP

Only certificated MRSP's acting on the ESP's behalf in accordance with ACC regulations will perform MRSP functions. The MRSP for each Direct Access customer will be specified on the DASR received from the ESP. Any changes to Customers MRSP will be updated by the ESP with a "UC" DASR at least 10 days before the next scheduled read date. MRSP obligations and responsibilities are stated in the ACC's Rules and Regulations and include:

- 8.15.1 Meter data for Direct Access Customers will be read, validated, edited, and transferred under Arizona's Validation, Editing, and Estimation Process (VEE). It is the responsibility of the MRSP to comply with this process. In cases where validated data is unavailable for transfer by the posting deadline, it is the responsibility of the MRSP to provide an estimated data file for the entire read cycle until actual meter data is available. At such time as actual data becomes available, a corrected data file will be posted immediately.
- 8.15.2 Both Company and the ESP will have 24-hour/7 days per week access to the MRSP server.
- 8.15.3 Meter read data will include beginning and ending reads as well as the validated usage for load-profiled customers. Validated interval data will be provided for all interval metering customers. Data must be posted to the MRSP server using the Arizona Standard EDI "867" format. Estimated data will contain applicable reason codes under the 867 guidelines.
- 8.15.4 The MRSP will provide Company with access to meter data at the MRSP server as required to allow the proper performance of billing and settlement.
- 8.15.5 MRSPs must have a CC&N from the ACC authorizing it to offer MSRP services, and must be certified in Company territory.
- 8.15.6 MRSPs will read Customer's meter based on the scheduled read date per Company's Yearly Meter Read Schedule. The billing cycle for each meter will contain the full period from read date to the following read date. Interval data cycles will be considered from 00:15 on the read date to 00:00 on the following



read date (i.e. 9/1/00 00:15 through 10/1/00 00:00). The first complete interval timestamp will begin at 00:15 in each cycle. For meter exchanges to Direct Access, the first complete interval through the first read date at 00:00 will constitute the billing cycle. For meter exchanges back to Standard Offer, every interval will be included up to the last full interval before the exchange. It is the responsibility of the MRSP to provide estimation of any intervals that are necessary to constitute the full billing cycle.

8.15.7 The MRSP will provide re-reads or read verifies within ten (10) working days of a request by Company or Customer. The requesting party may be charged per the applicable ACC tariff if the original read was not in error.

#### 8.16 Meter Reading Data Obligations

##### 8.16.1 Accuracy for All Meters

8.16.1.1 Meter clocks will be maintained according to Arizona time within +/- three (3) minutes of the National Time Standard.

8.16.1.2 Meter read date and time will be accurate.

8.16.1.3 All meter reading data will be validated under the approved Arizona VEE guidelines.

##### 8.16.2 Timeliness for Validated Meter Reading Data

Under guidelines established by the Utilities Division Director, one hundred percent (100%) of the validated meter data will be available by 3:00 p.m. Local Arizona Time (MST) on the second, working day after the scheduled read has been completed. If the meter data is not posted, is unavailable, or clearly contains errors by this deadline, the billing determinants including usage (kWh) and demand (kW) may be estimated by Company and the ESP will be charged an approved charge for this service.

##### 8.16.3 Proof of Operational Ability

Before performing MRSP services in Company's distribution service territory, or before making any significant change in MRSP service methodology, each MRSP will perform compliance testing to demonstrate its ability to read meters,



validate data, edit data, estimate missing data and post validated data in Company-compatible EDI format to the MRSP server. In addition, upon installation of the initial meter on Direct Access accounts in Company's distribution service territory, each MRSP will prove its ability to read its meters and post validated data in Company-compatible EDI format to the MRSP server. If the MRSP is unsuccessful in its attempts to meet these requirements, all subsequent requests for meter exchanges will be postponed until the MRSP successfully demonstrates its operational ability.

8.16.4 Retention and Format for Meter Reading Data

8.16.4.1 All meter reading data for a Customer will remain posted on the MRSP server for five (5) working days and will be recoverable for at least three (3) years.

8.16.4.2 Meter reading data posted to the MRSP server will be stored in Company-compatible EDI format.

8.17 Company performing MSP and MRSP functions

If Company is eligible to perform Direct Access related MSP and MRSP functions as defined in Section 8.2, the following restriction applies:

The validated meter read will be posted in EDI format no later than 6 working days following the scheduled read date.

8.18 Non-Conforming Meters, Meter Errors and Meter Reading Errors

8.18.1 Whenever Company, the ESP or its agents becomes aware of any non-conforming meters, erroneous meter services and/or meter reading services that impact billing, it will promptly notify the other parties and the affected Customer. Bills found to be in error due to non-conforming meters or errors in meter services or meter reading services will be corrected by the appropriate parties.

8.18.2 In cases of meter failure or non-compliance, the ESP or its agents will have five (5) working days to correct the non-compliance. If the non-compliance is not remedied within five (5) working days, the following actions may apply:



**SERVICE SCHEDULE 10  
TERMS AND CONDITIONS  
FOR DIRECT ACCESS**

---

- 8.18.2.1 A site meeting may be required when services are being performed. The non-compliant party may be charged an ACC-approved tariff for the meeting.
  - 8.18.2.2 Company may repair the defect, and the other party will be responsible for all related expenses.
  - 8.18.2.3 Company will adhere to the approved Performance Monitoring Standards and follow the steps outlined to address non-compliance by an MRSP.
- 8.18.3 Company may refuse to enter into a new ESP Service Acquisition Agreement, or cancel an existing ESP Service Acquisition Agreement under section 7.10.1.2, with any ESP or its agents that has a demonstrated pattern of uncorrected non-compliance as established above. This provision will not apply if the alleged demonstrated pattern of non-compliance or correction thereof is disputed and is pending before any agency or entity with jurisdiction to resolve the dispute.