



**RATE SCHEDULE R-1
RESIDENTIAL SERVICE
FIXED ENERGY CHARGE PLAN**

AVAILABILITY

This rate schedule is available to full requirements residential Customers who do not have an on-site distributed generation system.

DESCRIPTION

This rate has two parts: a basic service charge and an energy charge. Energy charges are based on how much energy or kilowatt-hours (kWh) is used during the month. This rate does not have time-of-use charges, seasonal charges, or a demand charge.

The Customer's applicable rate will be established by the annual average monthly energy consumption as determined by the Company. For Customers with an average monthly energy consumption of 600 kWh or less, the small tier (formerly Basic XS) charge applies. For Customers with an average monthly energy consumption of more than 600 kWh but less than 1,000 kWh, the medium tier (formerly Basic) charge applies. For Customers with an average monthly energy consumption of 1,000 kWh or more, the large tier (formerly Basic L) charge applies. For new residential Customers, initial annual average monthly energy usage will be based on historical energy consumption at the Customer's site.

Annual Review of Appropriate Usage Tier:

Annually in January, the Company will review the Customer's average monthly energy consumption during the previous 12 months. The Company uses Customer data from December of Year 1 through November of Year 2 to evaluate whether a Customer meets the usage criteria of the Customer's rate plan or should be reassigned. The Company will notify the Customer if the Customer's usage is below or exceeds the Customer's current energy usage tier, and that the Customer will be reassigned to a new tier consistent with the Customer's average monthly energy usage. The Company will provide each Customer whose average monthly usage during the year is approaching the next higher tier level at least two warnings about the consequences of exceeding the maximum threshold for the Customer's current tier.

The Company will provide a Customer a one-time waiver of this annual reassignment from the Customer's existing tier to the next higher tier based on the Customer's usage if the Customer contacts the Company.



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CHARGES

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

Bundled Charges

Small - Tier 1 (Previously XS)

Basic Service Charge	\$0.316	per day
Energy Charge	\$0.11298	per kWh

Medium - Tier 2 (Previously Basic)

Basic Service Charge	\$0.400	per day
Energy Charge	\$0.12282	per kWh

Large - Tier 3 (Previously Basic L)

Basic Service Charge	\$0.400	per day
Energy Charge	\$0.13478	per kWh

Unbundled Components of the Bundled Charges

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

Small Tier

Basic Service Charge Components

Customer Accounts Charge	\$0.069	per day
Metering Charge	\$0.103	per day
Meter Reading Charge	\$0.068	per day
Billing Charge	\$0.076	per day

Energy Charge Components

System Benefits Charge:	\$0.00315	per kWh
Transmission Charge	\$0.01097	per kWh
Delivery Charge	\$0.02988	per kWh
Generation Charge	\$0.06898	per kWh



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Medium Tier

Basic Service Charge Components

Customer Accounts Charge	\$0.068	per day
Metering Charge	\$0.188	per day
Meter Reading Charge	\$0.068	per day
Billing Charge	\$0.076	per day

Energy Charge Components

System Benefits Charge	\$0.00315	per kWh
Transmission Charge	\$0.01097	per kWh
Delivery Charge	\$0.02988	per kWh
Generation Charge	\$0.07882	per kWh

Large Tier

Basic Service Charge Components

Customer Accounts Charge	\$0.068	per day
Metering Charge	\$0.188	per day
Meter Reading Charge	\$0.068	per day
Billing Charge	\$0.076	per day

Energy Charge Components

System Benefits Charge	\$0.00315	per kWh
Transmission Charge	\$0.01097	per kWh
Delivery Charge	\$0.02988	per kWh
Generation Charge	\$0.09078	per kWh

ADJUSTMENTS

The Customer's bill will include the following adjustments:

1. The Renewable Energy Adjustment Charge, Adjustment Schedule REAC-1.



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2. The Power Supply Adjustment charges, Adjustment Schedule PSA-1.
3. The Transmission Cost Adjustment charge, Adjustment Schedule TCA-1.
4. The Environmental Improvement Surcharge, Adjustment Schedule EIS.
5. The Demand Side Management Adjustment Charge, Adjustment Schedule DSMAC-1.
6. The Lost Fixed Cost Recovery adjustment charge, Adjustment Schedule LFCR.
7. Direct Access Customers returning to Standard Offer service may be subject to a Returning Customer Direct Access Charge, Adjustment Schedule RCDAC-1.
8. The Tax Expense Adjustor Mechanism charge, Adjustment Schedule TEAM.
9. Any applicable taxes and governmental fees that are assessed on APS’s revenues, prices, sales volume, or generation volume.

RATE RIDERS

Eligible rate riders for this rate schedule are:

E-3	Limited income discount
E-4	Limited income medical discount
GPS-1, GPS-2, GPS-3	Green Power

SERVICE DETAILS

1. APS provides electric service under the Company’s Service Schedules. These schedules provide details about how the Company serves its Customers, and they have provisions and charges that may affect the Customer’s bill (for example, service connection charges).
2. Electric service provided will be single-phase, 60 Hertz at the Company’s standard voltages available at the Customer’s site. Three-phase service is required for motors of an individual rated capacity of 7 ½ HP or more.
3. Electric service is supplied at a single point of delivery and measured through a single meter.



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4. Direct Access Customers who purchase available electric services from a supplier other than APS may take service under this schedule. The bill for these Customers will only include the Unbundled Component charges for Customer Accounts, Delivery, System Benefits, and any applicable Adjustments. If metering and billing services are not available from another supplier, those services will be provided by APS and billed to the Customer at the charges shown below.

5. For purposes of A.R.S. §§ 33-1413.01(B) and 33-2107(B)(3), the prevailing basic service single family residential rate charged by APS as the serving utility or provider is the middle tier of this tariff (Basic - 601-999 kWh).