



**RATE SCHEDULE R-BASIC L
LARGE RESIDENTIAL SERVICE
PREMIER CHOICE LARGE**

AVAILABILITY

This rate schedule is available to residential Customers with an annual average monthly energy usage of 1,000 kilowatt-hours (kWh) or more who do not have an on-site distributed generation system. For new customers, initial annual average monthly energy usage will be based on historical energy consumption at the Customer's site.

Eligibility for this rate schedule will be frozen on May 1, 2018 for new customers and September 1, 2018 for customers of record prior to May 1, 2018. Charges on this schedule may change.

DESCRIPTION

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

CHARGES

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

Bundled Charges

| | | |
|----------------------|-----------|---------|
| Basic Service Charge | \$0.658 | per day |
| Energy Charge | \$0.13412 | per kWh |

Unbundled Components of the Bundled Charges

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

Basic Service Charge Components

| | | |
|--------------------------|---------|---------|
| Customer Accounts Charge | \$0.290 | per day |
| Metering Charge | \$0.215 | per day |
| Meter Reading Charge | \$0.072 | per day |
| Billing Charge | \$0.081 | per day |



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Energy Charge Components

| | | |
|------------------------|-----------|---------|
| System Benefits Charge | \$0.00276 | per kWh |
| Transmission Charge | \$0.01097 | per kWh |
| Delivery Charge | \$0.03112 | per kWh |
| Generation Charge | \$0.08927 | per kWh |

ADJUSTMENTS

The bill will include the following adjustments:

1. The Renewable Energy Adjustment Charge, Adjustment Schedule REAC-1.
2. The Power Supply Adjustment charge, Adjustment Schedule PSA-1.
3. The Transmission Cost Adjustment charge, adjustment Schedule TCA-1.
4. The Environmental Improvement Surcharge, Adjustment Schedule EIS.
5. The Demand Side Management Adjustment charge, Adjustment Schedule DSMAC-1.
6. The Lost Fixed Cost Recovery Adjustment charge, Adjustment Schedule LFCR.
7. The Tax Expense Adjustor Mechanism charge, Adjustment Schedule TEAM.
8. Direct Access customers returning to Standard Offer service may be subject to a Returning Customer Direct Access Charge, Adjustment Schedule RCDAC-1.
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 |
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| 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 APS's standard voltages available at the Customer site. Three-phase service is required for motors of an individual rated capacity of 7 ½ HP or more.
3. Electric service is supplied at a single point of delivery and measured through a single meter.
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 above.