AVAILABILITY

This rate schedule is available to all residential Customers, including Partial Requirements Customers with an on-site distributed generation system.

DESCRIPTION

This rate has two parts: a basic service charge and an energy charge. The energy charge will vary by season (summer or winter) and by the time of day that the energy is used (On-Peak or Off-Peak). This rate does not include a demand charge.

TIME PERIODS

The On-Peak time period for residential rate schedules is 3 p.m. to 8 p.m. Monday through Friday year round. This rate also has a Super Off-Peak period, which is 10 a.m. to 3 p.m. Monday through Friday during the winter billing cycles of November through April. All other hours are Off-Peak hours.

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

- New Year’s Day - January 1*
- Martin Luther King Day - Third Monday in January
- Presidents Day - Third Monday in February
- Cesar Chavez Day - March 31*
- Memorial Day - Last Monday in May
- Independence Day - July 4*
- Labor Day - First Monday in September
- Veterans Day - November 11*
- Thanksgiving - Fourth Thursday in November
- Christmas Day - December 25*

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

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

CHARGES

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

| Bundled Charges |
|-----------------|----------------|--------|
| Basic Service Charge | $0.427 | per day |
Bundled Charges continued:

<table>
<thead>
<tr>
<th></th>
<th>Summer</th>
<th>Winter</th>
</tr>
</thead>
<tbody>
<tr>
<td>On-Peak Energy Charge</td>
<td>$0.24314</td>
<td>$0.23068</td>
</tr>
<tr>
<td>Off-Peak Energy Charge</td>
<td>$0.10873</td>
<td>$0.10873</td>
</tr>
<tr>
<td>Super Off-Peak Energy Charge</td>
<td>$0.03200</td>
<td>per kWh</td>
</tr>
</tbody>
</table>

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

Basic Service Charge Components

<table>
<thead>
<tr>
<th>Component</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Accounts Charge</td>
<td>$0.073</td>
</tr>
<tr>
<td>Metering Charge</td>
<td>$0.201</td>
</tr>
<tr>
<td>Meter Reading Charge</td>
<td>$0.072</td>
</tr>
<tr>
<td>Billing Charge</td>
<td>$0.081</td>
</tr>
</tbody>
</table>

Energy Charge Components

<table>
<thead>
<tr>
<th>Component</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>System Benefits Charge</td>
<td>$0.00276</td>
</tr>
<tr>
<td>Transmission Charge</td>
<td>$0.01097</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Component</th>
<th>Summer</th>
<th>Winter</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delivery Charge On-Peak</td>
<td>$0.03112</td>
<td>$0.03112</td>
</tr>
<tr>
<td>Delivery Charge Off-Peak</td>
<td>$0.03112</td>
<td>$0.03112</td>
</tr>
<tr>
<td>Delivery Charge Super Off-Peak</td>
<td>N/A</td>
<td>$0.01105</td>
</tr>
<tr>
<td>Generation On-Peak Charge</td>
<td>$0.19829</td>
<td>$0.18583</td>
</tr>
<tr>
<td>Generation Off-Peak Charge</td>
<td>$0.06388</td>
<td>$0.06388</td>
</tr>
<tr>
<td>Generation Super Off-Peak Charge</td>
<td>$0.00722</td>
<td>per kWh</td>
</tr>
</tbody>
</table>

CHARGE FOR ON-SITE DISTRIBUTED GENERATION CUSTOMERS

The monthly bill for Customers on this rate schedule that have an on-site distributed generation system will also include a Grid Access Charge. This charge will apply to the nameplate kW-dc power rating of the Customer’s distributed generation facility:
RATE SCHEDULE TOU-E
RESIDENTIAL TIME-OF-USE SERVICE SAVER CHOICE

Grid Access Charge | $0.93 | per kW-dc of generation

ADJUSTMENTS

The bill will include the following adjustments:

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:

<table>
<thead>
<tr>
<th>Rider</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>CPP (RES)</td>
<td>Critical Peak Pricing (Residential)</td>
</tr>
<tr>
<td>EPR-2</td>
<td>Partial Requirements</td>
</tr>
<tr>
<td>EPR-6</td>
<td>Partial Requirements - Net Metering (Residential Non-Solar)</td>
</tr>
<tr>
<td>RCP</td>
<td>Resource Comparison Proxy</td>
</tr>
<tr>
<td>E-3</td>
<td>Limited income discount</td>
</tr>
<tr>
<td>E-4</td>
<td>Limited income medical discount</td>
</tr>
<tr>
<td>GPS-1, GPS-2, GPS-3</td>
<td>Green Power</td>
</tr>
</tbody>
</table>

SERVICE DETAILS
1. Customers that self-provide some of their electrical requirements from on-site generation will be billed according to one of the Partial Requirements Service rate riders.

2. 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).

3. 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.

4. Electric service is supplied at a single point of delivery and measured through a single meter.

5. 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.