



**RATE SCHEDULE R-3
RESIDENTIAL SERVICE
TIME-OF-USE 4PM TO 7PM WEEKDAYS
WITH DEMAND CHARGE**

AVAILABILITY

This rate schedule is available to all residential Customers, including Partial Requirements Customers with an on-site distributed generation system. This schedule replaces Time-of-Use 3 p.m. to 8 p.m. Weekdays with Demand Charge in accordance with Arizona Corporation Commission-approved changes in Decision No. 78317. Upon the completion of the required billing system updates and individual customer metering changes, customers will be served under this new rate schedule with on-peak hours of 4 p.m. to 7 p.m.

DESCRIPTION

This rate has three parts: a basic service charge, a demand charge for the highest amount of demand (kW) averaged in a one hour On-Peak period for the month, and an energy charge for the total energy (kWh) used for the entire month. The energy charge will vary by season (summer or winter) and by the time of day that the energy is used (On-Peak, Off-Peak, or Super Off-Peak). The demand charge also varies by season.

TIME PERIODS

The On-Peak time period for residential rate schedules is 4 p.m. to 7 p.m. Monday through Friday. This rate also has a Super Off-Peak period, which is 10 a.m. to 3 p.m. Monday through Friday during the winter season, which is the November through April billing cycles. 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 Eve – December 24**
- Christmas Day - December 25*
- New Year's Eve – December 31**

*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.



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**The day on which these holidays fall will be Off-Peak days.

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

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

Bundled Charges

Basic Service Charge:	\$ 0.400	per day
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	Summer	Winter	
On-Peak Demand Charge:	\$ 16.875	\$ 11.845	per kW
On-Peak Energy Charge:	\$ 0.12414	\$ 0.08711	per kWh
Off-Peak Energy Charge:	\$ 0.05276	\$ 0.05267	per kWh
Super Off-Peak Energy Charge:		\$ 0.03166	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:	\$ 0.068	per day
Metering Charge	\$ 0.188	per day
Meter Reading Charge	\$ 0.068	per day
Billing Charge	\$ 0.076	per day

Demand Charge Components

	Summer	Winter	
Delivery On-Peak kW Charge	\$ 3.872	\$ 3.872	per kW
Generation On-Peak kW Charge	\$ 13.003	\$ 7.973	per kW



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Energy Charge Components

System Benefits Charge:	\$ 0.00315	per kWh
Transmission Charge:	\$ 0.01097	per kWh

	Summer	Winter	
Delivery Charge for all kWh:	\$ 0.01070	\$ 0.01061	per kWh
Generation On-Peak kWh Charge:	\$ 0.09932	\$ 0.06238	per kWh
Generation Off-Peak kWh Charge:	\$ 0.02794	\$ 0.02794	per kWh
Generation Super Off-Peak kWh Charge:	\$ 0.00693		per kWh

The kW used to determine the demand charge above will be the Customer’s highest amount of demand (kW) averaged in a one-hour On-Peak period for the billing cycle.

For full requirements Customers, billing demands are limited to a kW no higher than that which would result in a 15% load factor, based on the Customer’s kWh usage during the month up to a maximum of three instances per billing year, with only one of the three instances allowed during the summer season. This limitation is not available to Partial Requirements Customers.

ADJUSTMENTS

The bill will include the following adjustments:

1. The Renewable Energy Adjustment Charge, Adjustment Schedule REAC-1.
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. The Tax Expense Adjustor Mechanism charge, Adjustment Schedule TEAM.



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8. Direct Access customers returning to Standard Offer service may be subject to 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:

CPP- RES	Critical Peak Pricing (Residential)
EPR-2	Partial requirements
EPR-6	Partial Requirements – Net Metering (Residential Non-Solar)
RCP	Resource Comparison Proxy
E-3	Limited income discount
E-4	Limited income medical discount
GPS-1, GPS-2, GPS-3	Green Power

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 the Company's standard voltages available at the Customer site. Three-phase service is required for motors of an individual rated capacity of 7½ 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



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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.

6. Load factor is a relationship between how much energy (kWh) a Customer uses over a period of time and how much demand (kW) is used at one time during that same period, expressed in percentage. The Company will calculate the Customer's load factor for purposes of the billing demand limitation described earlier using the following formula:

$$\text{Monthly Load Factor} = \text{Billed kWh} / (\text{Billed kW} * \text{Billing Days} * 24 \text{ hours})$$