



**SERVICE SCHEDULE 1  
TERMS AND CONDITIONS FOR  
STANDARD OFFER AND DIRECT ACCESS SERVICES**

---

**Terms and Conditions**

The following Terms and Conditions and any changes authorized by law will apply to Standard Offer and Direct Access services made available by Arizona Public Service Company (APS or Company). These Terms and Conditions are considered a part of all service schedules and rate schedules including but not limited to rider and adjustor schedules, except where specifically excluded or changed by a written agreement. For a Customer whose service requirements are of unusual size or characteristics, additional or special contract arrangements may be required. If there is a conflict between any provision of a rate schedule and these Terms and Conditions, the provisions of the rate schedule apply.

**1. Application for Service**

Before supplying service, APS will verify the identity of Applicant. Applicants may be required to appear at the Company's place of business to produce proof of identity, sign an application, or execute a contract for service before APS supplies service. If there is no signed application or contract for service, APS's standard contract terms apply and the supplying of Standard Offer or Direct Access services and the Customer's acceptance of service forms a service agreement between APS and the Customer for delivery, acceptance, and payment for services.

**1.1 Grounds for Refusal of Service** – APS may refuse service if any of the following conditions exist:

- (A) The Applicant has an outstanding amount due with APS for the same class of service and is unwilling to make payment arrangements that are acceptable to the Company.
- (B) A condition exists that, in the Company's judgment, is unsafe or hazardous.
- (C) The Applicant has failed to meet the Company's security-deposit requirements outlined in Section 3.
- (D) The Applicant is known to be in violation of a Company Tariff.
- (E) The Applicant fails to furnish the funds, service, equipment, rights-of-way or easements required to serve the Applicant that APS has specified as a condition for providing service.
- (F) The Applicant falsifies his or her identity for the purpose of obtaining service.
- (G) Service is already being provided at the address for which the Applicant is requesting service.



**SERVICE SCHEDULE 1  
TERMS AND CONDITIONS FOR  
STANDARD OFFER AND DIRECT ACCESS SERVICES**

---

- (H) A prior Customer, who will reside at or benefit from service at the Applicant's Premises, owes APS a delinquent bill for the same class of service from the same or a prior service address.
- (I) The Applicant has failed to obtain any required permit or inspection indicating that the Applicant's facilities comply with current local construction and safety codes.

**2. Service Establishment**

A Service Establishment Charge of \$0.00 for residential or \$0.00 non-residential plus applicable adjustments will be assessed each time APS is asked to establish or re-establish electric service, or to make a special read without a disconnect and calculate a bill for a partial month. All service establishment requests are subject to availability; there is no guarantee that the Company will have the ability to provide service establishment, re-establishment, or reconnection of service on same-day requests or requests made outside of regular business hours. For situations where the Company is unable to complete same-day or after-hours requests, service establishment will be scheduled for the next available business day.

**2.1 Multiple Connects** – If multiple connects are performed during the same site visit, in the same Applicant name, at the same address, and for the same class of service, APS will assess the Service Establishment Charge once for every two Delivery Points.

**2.2 After-hours Connect** – The Customer must also pay an after-hours charge plus applicable adjustments if the Customer requests service, as defined in A.A.C. R14-2-203.D.3, be established or re-established after 5:00 p.m. on a day other than the day of request. The after-hours charge will be \$0.00 for residential with standard metering, \$0.00 plus applicable adjustments for residential with non-standard metering or \$164.00 plus applicable adjustments for non-residential.

**2.3 Same-Day Connect** – The Customer must also pay a same-day connect charge of \$0.00 plus applicable adjustments if the Customer requests service, as defined in A.A.C. R14-2-203.D.3, be established or re-established on the same business day the request is being made, and APS agrees to work the request on the same day of the request. This will be charged regardless of the time the order may be worked by APS on that day. APS may, where no additional costs are incurred by the Company, waive the same-day fee.

**2.4 Non-Standard Service Request** – The Customer must also pay \$164.00 plus applicable adjustments per crew-person per hour when the Customer requests



**SERVICE SCHEDULE 1  
TERMS AND CONDITIONS FOR  
STANDARD OFFER AND DIRECT ACCESS SERVICES**

---

services that do not meet the definition of Service Establishment as defined in A.A.C. R14-2-203.D.3 and that require the availability of Company representatives after-hours, on a weekend day, or on a Company holiday. Examples of non-standard service requests are Customer-requested outages for maintenance and metering-equipment installations that include instrument transformers. The number of representatives the Company uses to fulfill a request is in the Company's sole discretion. Customers will be given notice of estimated charges before the work is performed.

**2.5 Waiving of Service Establishment Charge** – The Company may waive the Service Establishment Charge if:

- (A) The establishment of service is effective with the last Meter read date billed and a field trip is not required because Applicant accepts responsibility for energy billed and not yet paid.
- (B) Applicant has an active Landlord Automatic Transfer of Service Agreement on file with the Company.

**3. Establishing Credit, Security Deposits and other forms of Credit Assurance**

When credit cannot be established as provided for in Section 3.1 and 3.2 or when it is determined that the Applicant left an unpaid final bill owed to another utility company, the Applicant will be required to provide a security deposit to secure payment of bills for service.

**3.1 Residential Establishment of Credit** – APS will not require a security deposit from a new Applicant for service at a primary or secondary residence if the Applicant can meet any of the following requirements:

- (A) The Applicant has had service of a comparable nature with APS within the past two years and was not delinquent in payment more than twice during the last 12 consecutive months or been disconnected for nonpayment.
- (B) The Company receives an acceptable credit rating, as determined by the Company, for the Applicant from a credit-rating agency used by the Company.
- (C) The Applicant can produce a letter regarding verification of credit from an electric utility that provided service of a comparable nature to the Applicant within six months of the current date, and the utility states that the Applicant had a timely payment history for the prior 12 consecutive months.
- (D) If, in lieu of a security deposit, the Company receives an acceptable deposit-guarantee notification from a social or governmental agency or a surety bond in a sum equal to the required deposit.



**SERVICE SCHEDULE 1  
TERMS AND CONDITIONS FOR  
STANDARD OFFER AND DIRECT ACCESS SERVICES**

---

**3.2 Nonresidential Establishment of Credit** – All nonresidential Applicants will be required to place a cash deposit to secure payment of bills for service, unless:

- (A) The Applicant had service of a comparable nature with the Company within the past two years and was not delinquent in payment more than twice during the last 12 consecutive months and was not disconnected for nonpayment.
- (B) The Applicant provides a noncash security deposit in the form of a surety bond, irrevocable letter of credit, or assignment of monies in an amount equal to the required security deposit.

**3.3 General Deposits Guidelines** – If a security deposit is required, a separate deposit may be required for each service location.

- (A) A Customer's security deposit will not preclude the Company from terminating an agreement for service or suspending service if the Customer fails to meet service-agreement obligations.
- (B) The Company may choose to accept less than the full deposit required at the time service is established based on the Customer's financial condition.
- (C) A security deposit may increase or decrease if the Customer's average consumption increases or decreases by more than 10% for residential accounts or 5% for nonresidential accounts within 12 consecutive months and credit has not been established.
- (D) Where three or more additional residential services are requested, the Company may require the Customer to establish or reestablish a security deposit.

**3.4 Residential Security Deposits** – Residential security deposits will not exceed two times the Customer's average monthly bill as estimated by the Company. APS may require a residential Customer to establish or reestablish a security deposit if the Customer becomes delinquent in the payment of two or more bills within a 12 consecutive month period or has been disconnected for non-payment during the last 12 months.

**3.5 Nonresidential Security Deposits** – Nonresidential security deposits will not exceed two- and-one-half times the Customer's maximum monthly billing as estimated by the Company. APS may require a nonresidential Customer to establish or reestablish a security deposit if the Customer becomes delinquent in the payment of two or more bills within 12 consecutive months or if the Customer has been disconnected for nonpayment during the last 12 months, or when the Customer's financial condition may jeopardize the payment of the bill, as determined by the Company based on the results of using a credit-scoring worksheet. The Company



**SERVICE SCHEDULE 1  
TERMS AND CONDITIONS FOR  
STANDARD OFFER AND DIRECT ACCESS SERVICES**

---

will inform all Customers of the Arizona Corporation Commission's complaint process should the Customer dispute the deposit based on the financial data.

- 3.6 **Deposit Interest** – Cash deposits held by APS six months (183 days or longer) earn interest from the date the deposit was collected at the established one-year Treasury Constant Maturities rate, effective on the first business day of each year, as published on the Federal Reserve Website.
- 3.7 **Deposit Refunds** – If the Customer terminates all service with the Company, the Customer's security deposit may be credited to any remaining final bills. Any remaining credit balance will be refunded to the Customer of record within 30 days of the Customer's final bill due date.
- 3.8 **Residential security deposits** or other instruments of credit will automatically expire or be credited or returned to the Customer's account after 12 consecutive months of service, if the Customer has not been delinquent in payments more than twice and the Customer has not filed bankruptcy in the last 12 months.
- 3.9 **Nonresidential security deposits** and noncash deposits on file with the Company will be reviewed after 24 months of service and will be returned if:
- (A) The Customer has not been delinquent in payments more than twice, has not been disconnected for non-payment, and has not filed for bankruptcy during the previous 12 consecutive months; and
  - (B) The Customer's financial condition does not warrant an extension of the security deposit.

**4. Rates**

The Customer's service characteristics and service requirements determine the selection of the applicable rate schedule.

- 4.1 **Rate Selection** – APS will use reasonable care in initially establishing service to the Customer under the most advantageous rate schedule applicable to the Customer. Because of varying Customer usage patterns and other reasons beyond APS's reasonable knowledge or control, the Company cannot guarantee that the most economic applicable rate will be applied. APS will not make any refunds in any instance where it is determined that the Customer would have paid less for service had the Customer been billed on an alternate rate or provision of that rate.
- 4.2 **Rate Information** – APS will make available, in accordance with A.A.C. R14-2-204, a copy of any rate schedule applicable to the Customer for the requested type of service. In addition, APS will notify its Customers of any changes in the Company's Tariff affecting those Customers.



**SERVICE SCHEDULE 1  
TERMS AND CONDITIONS FOR  
STANDARD OFFER AND DIRECT ACCESS SERVICES**

---

4.3 **Optional Rates** – Optional rate schedules are available for certain classes of service. After establishing service, a Customer may choose an alternate rate schedule effective from the next regularly scheduled Meter reading, after the appropriate metering equipment is reprogrammed or installed. For non-residential customers, no further rate schedule changes may be made within the succeeding 12-month period. If the rate schedule or contract under which the Customer is provided service specifies a term, the Customer may not exercise its option to select an alternate rate schedule until expiration of that term.

4.4 The Company may, at its discretion, place a Customer on an available rate schedule (consistent with the existing meter's ability to measure service) while the Company seeks satisfactory and unassisted access to the Company's equipment if the Customer refuses to allow meter access. Please also see 7.3(E).

5. **Billing**

Billing Periods for service normally consist of approximately 30 days unless otherwise designated under rate schedules, through contractual agreement, or at the Company's option.

5.1 **Payment of Bills** – The Customer is responsible for paying bills until service is ordered discontinued and the Company has had reasonable time to secure a final Meter reading for those services involving energy usage, or, if nonmetered services are involved, until the Company has had reasonable time to process the disconnect request.

5.2 **Failure to Receive Bills or Notices** (including notices of disconnection) which have been properly placed in the United States mail to the Customer's last address on file or sent by or through alternative methods of communications, such as electronic mail to the Customer's last email address on file, will not prevent such bills from becoming delinquent or prevent the notices from being effective, or relieve the Customer of their obligations.

5.3 **Incentive for Electronic Payments** – A monthly incentive of \$0.48 per Customer will be given to Customers who elect to pay their bills using the Company's electronically transmitted payment options AutoPay, SurePay or similar programs.

5.4 **Billing Errors** – When an error is found in the billing sent to the Customer, APS will correct the error to recover or refund the difference between the original billing and the correct billing. Adjusted billings will not be sent for periods beyond the applicable statute of limitations from the date the error is discovered.



**SERVICE SCHEDULE 1  
TERMS AND CONDITIONS FOR  
STANDARD OFFER AND DIRECT ACCESS SERVICES**

---

5.5 **Corrected Charges for Overbilling** – Refunds or credits to Customers resulting from overbillings will be made promptly upon discovery by the Company.

5.6 **Corrected Charges for Underbilling** – Except as specified below, corrected charges for underbillings will be limited to three months for residential accounts and six months for nonresidential accounts. Customers will be given an equal length of time, such as the number of months underbilled, to pay the backbill without late-payment penalties. Where the account is billed on a special contract or nonmetered rate, corrected charges for underbillings will be billed in accordance with the contract or rate-schedule requirements and will not be limited to three or six months.

(A) Where service has been established but no bills have been rendered, corrected charges for underbillings will go back to the date service was established.

(B) Where there is evidence of Meter Tampering or energy diversions, corrected charges for underbillings will go back to the date Meter Tampering or energy diversions began, as determined by the Company, and APS is not required to give an equal length of time, such as the number of months underbilled, to pay the backbill. APS will work with the Customer to establish a payment plan that is acceptable to the Company.

(C) Where lack of access to the Meter (caused by the Customer) has resulted in estimated bills, corrected charges for underbillings will go back to the Billing Month of the last Company-obtained Meter-read date.

(D) Where actual Customer usage can be determined without estimating reads, corrected charges for underbillings are not limited to three or six months, as applicable. In no event may such rebilling exceed the applicable statute of limitations.

5.7 The Company may forgo correcting a billing error if the amount over or under billed is de minimis and the cost of rebilling does not justify the cost and time required to rebill.

**6. Collection Policy**

The following collection policies apply to all Customer accounts:

6.1 **Delinquent Bills** – All bills rendered by the Company are due and payable no later than 21 calendar days from the billing date. Any payment not received within this time frame is delinquent. All delinquent accounts, for which payment has not been received, are subject to the provisions of the Company's termination procedure.

The Company may suspend or terminate a Customer's service for nonpayment of any Arizona Corporation Commission approved charges.



**SERVICE SCHEDULE 1  
TERMS AND CONDITIONS FOR  
STANDARD OFFER AND DIRECT ACCESS SERVICES**

---

6.2 **Late Charges** – All delinquent charges, including past due security deposits, are subject to a late charge at the rate of 18% per annum (1.5% per month) plus applicable adjustments.

6.3 **Transfer of Outstanding Bills** – If a Customer has two or more services with APS and one or more services are terminated for any reason leaving an outstanding bill, and the Customer is unwilling to make payment arrangements that are acceptable to the Company, the Company may transfer the balance due on the terminated service to any other active account of the Customer for the same class of service. The Customer's failure to pay the active account will result in the suspension or termination of service. If service is requested by two or more individuals, the Company has the right to collect the full amount owed from any one of the Customers.

6.4 **Dishonored Payments** – If the Company is notified by the Customer's financial institution that it will not honor a payment tendered by the Customer for payment of any bill, the Company may require the Customer to make payment in cash, or by money order, certified or cashier's check, or other means that guarantee the Customer's payment to the Company.

(A) The Customer will be charged a fee of \$15.00 plus applicable adjustments for each instance where the Customer's payment is not honored by the Customer's financial institution.

(B) The Company will waive the \$15.00 Dishonored Payment fee if the Customer has not, in the previous 12 months, had a dishonored payment.

(C) The tender of a dishonored payment does not relieve the Customer of the obligation to pay the Company under the original terms of the bill, nor does it defer the Company's right to terminate the Customer's service for nonpayment of bill(s).

(D) Where the Customer has tendered two or more dishonored payments in the past 12 consecutive months, the Company may require the Customer to make payment in cash, or money order or cashier's check for the next 12 consecutive months.

6.5 **Collection Agency Referrals** – All unpaid delinquent final bills may be referred to a collection agency for collection. If collection-agency referral is warranted, the Customer may be responsible for the associated collection-agency fees incurred.





**SERVICE SCHEDULE 1  
TERMS AND CONDITIONS FOR  
STANDARD OFFER AND DIRECT ACCESS SERVICES**

---

**7. Termination of Service**

7.1 To avoid termination of service: The Customer will make payment in full, including any necessary deposit as outlined in Section 3, or make payment arrangements that are satisfactory to the Company.

7.2 If service is terminated, APS will not restore service until the conditions which resulted in the termination have been corrected to the satisfaction of the Company. APS may also require payment of Same-Day and After-Hours charges prior to restoring service.

7.3 **Termination of Service with Notice** – APS may, without liability for injury or damage, and without making a personal visit to the site, disconnect service to any Customer for any of the reasons stated below, if the Company has met the notice requirements established by the Arizona Corporation Commission:

- (A) The Customer's violation of any applicable rules of the Arizona Corporation Commission or Company Tariff.
- (B) The Customer's failure to pay a Delinquent Bill for services provided by Company.
- (C) The Customer's breach of a written contract for service.
- (D) The Customer's failure to comply with the Company's deposit requirements.
- (E) The Customer's failure to provide the Company with satisfactory and unassisted access to the Company's equipment.
- (F) When necessary to comply with an order of any governmental agency having jurisdiction.
- (G) A prior Customer's failure to pay a Delinquent Bill for utility services where the prior Customer continues to reside on the Premises.
- (H) Failure to provide or retain rights-of-way or Easements necessary to serve the Customer.
- (I) The Company learns of the existence of any condition in Section 1.1 - Grounds For Refusal of Service.
- (J) When the Company learns of the unauthorized resale of utility equipment or services by the Customer.

7.4 **Termination of Service Without Notice** – Notwithstanding subsections 7.1, 7.3, 7.5, and 7.7, the Company may, without liability for injury or damage, disconnect service to any Customer without advance notice under any of the following conditions:

- (A) An obvious hazard to the safety or health of the Customer, the general population or the utility's personnel or facilities;



**SERVICE SCHEDULE 1  
TERMS AND CONDITIONS FOR  
STANDARD OFFER AND DIRECT ACCESS SERVICES**

---

(B) The Company has evidence of Meter Tampering or fraud related to the Customer or the service address; or

(C) The Customer fails to comply with the curtailment procedures imposed by the Company during a supply shortage.

**7.5 Termination of Service for Dishonored Payment** – Before reconnecting service, payment of funds resulting from a dishonored payment and all other delinquent amounts will be required in cash, money order, certified funds, or cashier’s check. If Customer has already received a final notice of disconnection at the time the bill became past due, APS may, without liability for injury or damage, disconnect service without additional notice under any of the following conditions:

(A) When the Customer makes payments to avoid or stop disconnection with a dishonored payment and has already received a notice at the time the bill became past due.

(B) When the Customer pays to reconnect service with a dishonored payment and has already received a notice at the time the bill became past due.

**7.6 Termination Charges** – The Company will require payment of a Field Call Charge of \$0.00 plus applicable adjustments when an authorized Company representative travels to the Customer’s site to accept payment on a delinquent account, notify of service termination, make payment arrangements, or terminate the service. This charge only applies for field calls resulting from the termination process.

(A) If a termination is required at the pole the reconnection charge will be \$89.00 plus applicable adjustments.

(B) If a termination is in underground equipment the reconnection charge will be \$135.00 plus applicable adjustments.

**7.7 Residential Service Termination Process**

(A) Except as provided in subsection 7.4, the Company shall not disconnect residential service to a Customer:

(1) From June 1 through October 15;

(2) If the Customer has paid at least half of the Customer’s Delinquent Bill balance within the last 25 days;

(3) Due to a Customer's failure to pay the disputed portion of a bill if the Customer has complied with A.A.C. R14-2-212(B);

(4) If the Customer’s Delinquent Bill balance is less than or equal to \$300.00; or

(5) If the Customer can establish, on an annual basis, through medical documentation that, in the opinion of a licensed medical practitioner:



**SERVICE SCHEDULE 1  
TERMS AND CONDITIONS FOR  
STANDARD OFFER AND DIRECT ACCESS SERVICES**

---

- a. Termination would be especially dangerous to the health of the Customer or a permanent resident residing at the Customer's service address; or
  - b. If life support equipment used in the home is dependent on utility service for operation of such apparatus.
- (B) The Company shall provide notice of the following, using the Customer's preferred method of communication on file, to a Customer whose service would be disconnected except for subsection 7.7(A)(1):
- (1) The Customer would have been disconnected if not for subsection 7.7(A)(1);
  - (2) The reason the Company is not permitted to disconnect service;
  - (3) The Customer's continued financial responsibility for the charges accruing to the account for energy used;
  - (4) The potential actions the Customer may take to prevent the disconnection of service when subsection 7.7(A)(1) no longer applies; and
  - (5) The requirement to enter into a payment plan as specified in subsection (D).
- (C) The Company shall not disconnect residential service unless the Company's office is open to the public on the day of disconnection and the day following the day of disconnection.
- (D) A Customer with a Delinquent Bill balance of over \$75 whose service disconnection was prevented by subsection 7.7(A)(1) shall be automatically placed on a six-month deferred payment arrangement prior to beginning the service termination process once the no disconnect period set forth in subsection 7.7(A)(1) has ended. The Company shall not impose any late fees or interest on any past due amounts that accrued during the no disconnect period.
- (E) If a residential Customer is delinquent on an account and has a cash deposit with the Company, the Company shall use the deposit to pay the delinquent amount before disconnecting service, then allow the Customer time to repay the deposit in installments over a period of six months.

**8. Metering & Metering Equipment**

**8.1 Standard Metering** – The Company's standard method of measuring energy usage is through the use of Automated Metering Infrastructure (AMI) metering equipment. All Customers will be served using the Company's standard metering equipment unless:

- (A) The Customer is in a remote location where wireless technology is not available or AMI equipment cannot otherwise be used; or



**SERVICE SCHEDULE 1  
TERMS AND CONDITIONS FOR  
STANDARD OFFER AND DIRECT ACCESS SERVICES**

---

(B) The Customer meets all eligibility requirements for non-standard metering and requests non-standard metering.

**8.2 Non-Standard Metering** – The Company’s non-standard billing meter is the digital meter. A digital meter records energy electronically and displays the usage measurements. This meter does not employ any communications technology and must be read manually each month. Certain optional rates may not be available to Customers who select a non-standard meter.

**8.3 Non-Standard Metering Eligibility** – Only residential Customers, in whose name service is being provided, may request non-standard metering. Customers who have an existing, purchased or leased rooftop solar distributed generation (DG) system, or Customers with newly installed rooftop solar, are not eligible for non-standard metering.

**8.4 Non-Standard Metering Charges** – The following charges will apply when a Customer requests, and is granted, non-standard metering as described in Section 8.1(B):

(A) Monthly Meter Reading Charge: \$5.00

(B) Non-Standard Metering Set-up Fee: A \$50.00 one-time charge for Customers with existing AMI meter.

(C) Customers in a remote location where wireless technology is not available or AMI equipment cannot otherwise be used [see Section 8.1(A)] will not be billed a non-standard meter reading charge.

**8.5 Discontinuation of Non-Standard Metering** – The Company may replace a non-standard meter with a standard meter, without notifying the Customer prior to replacement, under any of the following conditions:

(A) The Company employees observe or have evidence of a safety hazard to employees, Customers, or the Company’s or Customer property.

(B) The Company employees observe or have evidence of meter tampering, energy diversion, or fraud.

(C) The Company has evidence of unauthorized resale of electricity.

(D) The Company employees have received verbal or physical threats, including, but not limited to, verbal threats while installing meters or performing maintenance to the Company equipment, and physical threats such as weapons or dogs.

All terms and conditions in Section 7, regarding termination of service, will also apply.



**SERVICE SCHEDULE 1  
TERMS AND CONDITIONS FOR  
STANDARD OFFER AND DIRECT ACCESS SERVICES**

---

- 8.6 **Measuring Customer Service** – All energy sold to the Customer by the Company will be measured by commercially acceptable measuring devices. Where it is impractical to meter loads, such as street lighting, security lighting, or special installations, consumption will be determined by the Company. The readings of the Meter will be conclusive as to the amount of electric power supplied to the Customer unless there is evidence of Meter Tampering or energy diversion or unless a test reveals the Meter is in error by more than 3%, either fast or slow.
- 8.7 **Meter Rereads** – When requested by a Customer, APS will reread the Customer's Meter within 10 working days after the request. The cost of each reread is \$14.00 plus applicable adjustments if the original reading was not in error.
- 8.8 **Meter Testing** – APS tests its Meters regularly in accordance with a Meter testing and maintenance program approved by the Arizona Corporation Commission. APS will individually test a Company owned and maintained Meter upon a Customer's request. If after testing, a Meter is found to be more than 3% in error, either fast or slow, correction will be made of previous readings and adjusted bills will be rendered.
- 8.9 **Meter Test Charge** – If the Meter is found to be within the plus or minus 3% limit, the Company may charge the Customer \$44.00 plus applicable adjustments for a Customer-requested Meter test if the Meter is removed from the site and tested in the meter shop, or \$93.00 plus applicable adjustments if the Meter remains on site and is tested in the field.
- (A) The Company will waive the Meter Test Charge if the Customer has not, within the previous 12 months, requested a meter test that was found to be within the plus or minus 3% limit.
- 8.10 **Meter Tampering** – If there is evidence of Meter Tampering or energy diversion, the Customer, person, or entity demonstrated to have tampered with the Meter, or benefited from the tampering or diversion, will be billed for the estimated energy and, if applicable, Demand, for the period in which the energy diversion took place. Additionally, where there is evidence of Meter Tampering, energy diversion, or by-passing the Meter, the Customer, person or entity demonstrated to have tampered with the Meter or diverted energy will also be charged the cost of the investigation as determined by the Company.
9. **Service Installations & Metering** – The Customer's service installation will normally be arranged to accept only one type of service at one Point of Delivery to enable service measurement through one Meter. If the Customer requires more than one type of



**SERVICE SCHEDULE 1  
TERMS AND CONDITIONS FOR  
STANDARD OFFER AND DIRECT ACCESS SERVICES**

---

service, or total service cannot be measured through one Meter according to the Company's regular practice, separate Meters will be used and separate billing rendered for the service measured by each Meter.

**9.1 Customer Equipment** – The Customer must install and maintain all wiring and equipment beyond the Point of Delivery except for the Company's Meters and special equipment. The Customer's entire installation must conform to all applicable construction standards and safety codes, and the Customer must furnish an inspection or permit if required by law or by the Company. In circumstances where a clearance is not required by law, the Company may require the Customer to execute a Letter In-Lieu of Electrical Clearance. The Customer must also provide, in accordance with APS's current service standards and Electric Service Requirements Manual, at no expense to the Company, and close to the Point of Delivery, a space that is, in the Company's opinion, both suitable and sufficient for installing, accessing and maintaining the Company's metering equipment. A current version of the Electric Service Requirements Manual is available on-line on the Company's website.

**9.2 Special Meter-Reading Device** – Where a Customer requests, and the Company approves, a special Meter-reading device or communications services or devices to accommodate the Customer's needs, the cost for the additional equipment and usage fees are the Customer's responsibility.

**9.3 Totalized Metering and Billing** – The Company normally meters and bills each site separately. But, at the Customer's request, adjacent and contiguous sites (not separated by private or public property or right of way), operated as one integral unit under the same name and as a part of the same business, may at the Company's option, be considered a single site as specified in the Company's Schedule 4, Totalized Metering of Multiple Service Entrance Sections at a Single Site for Standard Offer and Direct Access Service.

**9.4 Service Connections** – The Company is not required to install or maintain any lines and equipment on the Customer's side of the Point of Delivery except its Meter.

(A) For overhead service, the Point of Delivery is where the Company's service conductors terminate at the Customer's weatherhead or bus rider.

(B) For underground service, the Point of Delivery is where the Company's service conductors terminate in the Customer's or development's service equipment. The Customer must furnish, install, and maintain any risers, raceways, or termination cabinet necessary for installing the Company's underground service conductors.



**SERVICE SCHEDULE 1  
TERMS AND CONDITIONS FOR  
STANDARD OFFER AND DIRECT ACCESS SERVICES**

---

- (C) For special Applications where service is provided at voltages higher than the standard voltages specified in the Electric Service Requirements Manual, the designated Point of Delivery must be mutually agreed on by the parties.
- (D) For the mutual protection of the Customer and the Company, only authorized employees or agents of the Company are permitted to make and energize the connection between the Company's service wires and the Customer's service entrance conductors. APS employees must carry the Company-issued identification that they will show on request.

**10. Customer Obligations**

- 10.1 **Load Characteristics** – The Customer must exercise reasonable care to ensure that the electrical characteristics of its load, such as deviation from sine-wave form (a minimum standard is IEEE 519) or unusual short interval fluctuations in Demand, do not impair service to other Customers or interfere with operating any telephone, television, or other communication facilities. Customers must meet power factor requirements as specified in the applicable rate schedules.
- 10.2 **Easements** – All suitable Easements or rights-of-way required by the Company for any portion used to serve Customer(s), which are either on sites owned, leased, or otherwise controlled by the Customer(s) or developer(s), or other property required for the Company's use, will be furnished in the Company's name by the Customer(s) without cost to or condemnation by the Company and in reasonable time to meet proposed service requirements. All Easements or rights-of-way granted to, or obtained on behalf of, the Company will contain terms and conditions that are acceptable to the Company. Notwithstanding the terms of a written Easement or right-of-way, when the Company discovers that a Customer or the Customer's agent is performing work, has constructed facilities, or has allowed vegetation to grow, adjacent to or within an Easement or right-of-way or adjacent to Company-owned equipment, and the work, construction, vegetation, or facility poses a hazard, or violates federal, state, or local laws, ordinances, statutes, rules, or regulations, or significantly interferes with the Company's safe use, operation, or maintenance of, or access to, equipment, or facilities, the Company will notify the Customer or the Customer's agent and may take whatever actions are necessary to eliminate the hazard, obstruction, interference, or violation at the Customer's expense. The Company will notify the Customer in writing before taking such action.



**SERVICE SCHEDULE 1  
TERMS AND CONDITIONS FOR  
STANDARD OFFER AND DIRECT ACCESS SERVICES**

---

- 10.3 **Access for Repair, Maintenance and Service Restoration** – The Company's authorized agents must have satisfactory unassisted, 24-hour-a-day, seven days a week access to the Company's equipment located on the Customer's sites for the purpose of repair, maintenance, and service-restoration work that the Company may need to perform.
- 10.4 **Access for Install, Inspect, Read, or Remove** – The Company's authorized agents must have satisfactory unassisted access to the Customer's sites at all hours to install, inspect, read, or remove its Meters or to install, operate, or maintain other Company property, to verify that Customer is in compliance with its obligations, or to inspect and determine the connected electrical load.
- 10.5 **Trip Charge** – A trip charge of \$22.00 for residential or \$26.00 for non-residential, plus applicable adjustments will be assessed each time an authorized Company representative travels to a site and is unable to complete a Customer's service request because of lack of access to the Point of Delivery.
- (A) The Company will waive the Trip Charge if, within the last 12 months, there have not been any instances where an authorized Company representative traveled to a site and was unable to complete the Customer's service request because of lack of access to the Point of Delivery.
- 10.6 **Six Months No Access** – If the Company, in its opinion, does not have satisfactory unassisted access to the Meter after six months (not necessarily consecutive) of good-faith efforts to work with the Customer, then the Company has sufficient cause to terminate service or deny any rate options where, in the Company's opinion, access is required.
- 10.7 **Remedies** – The remedy for unassisted access will be at APS's discretion and may include the installation by the Company of a specialized Meter. If a specialized Meter is installed, the Customer will be billed the difference between the otherwise applicable Meter for the Customer's rate and the specialized Meter plus the cost incurred to install the specialized Meter as a one-time charge and any reoccurring incremental costs. If service is terminated as a result of failure to provide unassisted access, APS verification of unassisted access will be required before service is restored. Written termination notice is required before disconnecting service under this section.





**SERVICE SCHEDULE 1  
TERMS AND CONDITIONS FOR  
STANDARD OFFER AND DIRECT ACCESS SERVICES**

---

**11. Company Obligations**

**11.1 Customer-Specific Information** – Customer-specific information will not be released without the Customer’s specific prior written authorization unless the information is requested by a law-enforcement or other public agency, or is requested by the Arizona Corporation Commission or its staff, or is reasonably required for legitimate account-collection activities, or is necessary to provide efficient, effective, safe, or reliable service to the Customer. Customer-specific information may be provided to suppliers of goods or services under contract with the Company if the goods or services will help the Company to provide efficient, effective, safe, or reliable service; and the contract includes a requirement that the information be kept confidential and be used only to fulfill the supplier’s obligations to the Company.

**11.2 Service Voltage** – The Company will deliver electric service to the designated Point of Delivery, as specified in Section 9.4 of this Schedule, at the standard voltages specified in the Company’s Electric Service Requirements Manual and as specified in A.A.C. R14-2-208(F). The Company may deliver service for special applications at higher voltages, with prior approval from the Company’s Engineering Department and in accordance with the Company’s Schedule 3, Conditions Governing Extensions of Electric Distribution Lines and Services approved by the Arizona Corporation Commission.

**12. Limitations on Liability of Company**

**12.1 General Liability**

- (A) The Company will not be responsible for any third-party claims against the Company that arise from a Customer’s use of the Company’s electric services or the Company’s provision of electric services, unless such claims are caused by the Company’s willful misconduct or gross negligence.
- (B) A Customer will indemnify, defend and hold harmless the Company (including the costs of reasonable attorney’s fees) against all claims (including, without limitation, claims for damages to any business or property, or injury to, or death of, any person) arising out of any wrongful or negligent acts or omissions of the Customer, or the Customer’s agents, in connection with the Company’s service or facilities.
- (C) Except in the case of the Company’s willful misconduct or gross negligence, the Company will not be liable to a Customer or any other party for damages of any nature arising from errors, mistakes, omissions, interruptions, or delays of



**SERVICE SCHEDULE 1  
TERMS AND CONDITIONS FOR  
STANDARD OFFER AND DIRECT ACCESS SERVICES**

---

the Company, its agents, servants, or employees, in the course of, or related to, establishing, furnishing, rearranging, moving, terminating, or changing the service or facilities or equipment, except that for an interruption of service to a Customer, to the extent resulting from error, mistake, omission, interruption or delay by the Company, the Company's liability, if any, to the Customer shall not exceed an amount equal to the charges for service applicable under the Company's Rates (calculated on a proportionate basis where appropriate) for the period of service interruption.

- (D) In no event will the Company be liable for any incidental, indirect, special, or consequential damages (including lost revenue, loss of current or prospective business opportunities, lost profits and lost rent) of any kind whatsoever regardless of the cause or foreseeability thereof.
- (E) The Company will not be responsible on any occasion for any loss or damage caused by the negligence or wrongful act of the Customer or any of his agents, employees or licensees in installing, maintaining, using, operating or interfering with any electric facilities.

**12.2 Service Interruptions**

- (A) The Company will make reasonable provisions to supply a satisfactory and continuous electric service, but does not guarantee a constant or uninterrupted supply of electricity. The Company will not be liable for any damage or claim of damage attributable to any temporary, partial or complete interruption or discontinuance of electric service attributable to a force majeure condition as set forth in Subsections 12.3(A) or to any other cause that the Company could not have reasonably foreseen and made provision against, or that in the Company's judgment, is necessary to permit repairs or changes to be made in the Company's electric generating, transmission or distribution equipment or to eliminate the possibility of damage to the Company's property or to the person or property of others.
- (B) Whenever the Company deems a condition exists that warrants interruption or limitation in the service being rendered, this interruption or limitation will not constitute a breach of contract and will not render the Company liable for damages suffered thereby or excuse the Customer from further fulfillment of the contract.
- (C) The Company will make reasonable efforts to reestablish service within the shortest possible time when service interruptions occur.



**SERVICE SCHEDULE 1  
TERMS AND CONDITIONS FOR  
STANDARD OFFER AND DIRECT ACCESS SERVICES**

---

- (D) In the event of a national emergency or local disaster resulting in disruption of normal service, the Company may, in the public interest, interrupt service to other Customers to provide necessary service to civil defense or other emergency service agencies on a temporary basis until normal service to these agencies can be restored.
- (E) The use of electric energy upon the Customer's Premises is at the risk of the Customer. The Company's liability will cease at the point where its facilities are connected to the Customer's wiring.

**12.3 Force Majeure**

- (A) Neither the Company nor the Customer will be liable to the other for any act, omission, or circumstances (including, but not limited to, the Company's inability to provide electric service) occasioned by or in consequence of the following:
  - (1) flood, rain, wind, storm, lightning, earthquake, fire, landslide, washout or other acts of the elements;
  - (2) accident or explosion;
  - (3) war, rebellion, civil disturbance, mobs, riot, blockade or other act of the public enemy;
  - (4) acts of God;
  - (5) interference of civil and/or military authorities;
  - (6) strikes, lockouts or other labor difficulties;
  - (7) vandalism, sabotage or malicious mischief;
  - (8) usurpation of power, or the laws, rules, regulations or orders made or adopted by any regulatory or other governmental agency or body (federal, state or local) having jurisdiction of any of the business or affairs of the Company or the Customer, direct or indirect;
  - (9) breakage, failure, or accidents to equipment or facilities; or
  - (10) lack, limitation or loss of electrical or fuel supply; or any other casualty or cause beyond the reasonable control of the Company or the Customer, whether or not specifically provided herein and without limitation to the types enumerated, and which by exercise of due diligence the Company or the Customer is unable to overcome.
- (B) A failure to settle or prevent any strike or other controversy with employees or with anyone purporting or seeking to represent employees will not be considered to be a matter within the control of the Company.



**SERVICE SCHEDULE 1  
TERMS AND CONDITIONS FOR  
STANDARD OFFER AND DIRECT ACCESS SERVICES**

---

(C) Nothing contained in this Section will excuse the Customer from the obligation of paying for electricity delivered or services rendered.

13. **Successors and Assigns** – Agreements for Service are binding on and for the benefit of the successors and assigns of the Customer and the Company, but no assignments by the Customer are effective until the Customer's assignee agrees in writing to be bound and until the assignment is accepted in writing by the Company.
14. **Warranty** – There are no understanding, agreements, representations, or warranties, expressed or implied (including warranties regarding merchantability or fitness for a particular purpose), not specified here or in the applicable rules of the Arizona Corporation Commission concerning the sale and delivery of services by the Company to the Customer. These Terms and Conditions and the applicable rules of the Arizona Corporation Commission state the entire obligation of the Company in connection with sales and deliveries.
15. **Direct Access Service** – *NOTE: Retail Electric Competition is currently on hold in APS Service Territory.*
- 15.1 **Direct Access Service Request (DASR)** – A Direct Access Service Request charge of \$10.00 plus any applicable adjustments will be assessed to the Electric Service Provider (ESP submitting the DASR each time the Company processes a Request (RQ) type DASR as specified in the Company's Schedule 10, Terms and Conditions for Direct Access.
- 15.2 **Direct Access Service** – Direct Access Service will be effective upon the next Meter read date if DASR is processed 15 calendar days before that read date and the appropriate metering equipment is in place. If a DASR is made less than 15 calendar days before the next regular read date, the effective date will be at the next Meter read date. The above timeframes are applicable for Customers changing their selection of ESP or for Customers returning to Standard Offer service.
- (A) Any Customer that selects Direct Access service may return to Standard Offer service in accordance with the rules, regulations, and orders of the Arizona Corporation Commission. The Customer will not be eligible for Direct Access service for the succeeding 12 months.
- (B) If a Customer returning to Standard Offer Service, in accordance with the rules, regulations and orders of the Commission, was not given the required



**SERVICE SCHEDULE 1  
TERMS AND CONDITIONS FOR  
STANDARD OFFER AND DIRECT ACCESS SERVICES**

---

notification in accordance with the rules and regulations of the Commission by their Load Serving ESP of its intent to cease providing competitive services then the above provision will apply only if the Customer fails to select another ESP within 60 days of returning to Standard Offer Service.

- (C) Unpaid charges incurred before the Customer selects Direct Access Service will not delay the Customer's request for Direct Access Service. These charges remain the responsibility of the Customer to pay. Normal collection activity, including discontinuing service, may result from failure to pay.
- (D) Where the ESP is the MSP or MRSP, and the ESP or its' agent fails to provide the Meter data to the Company under the Company's Schedule 10 Section 8.16, Meter Reading Data Obligations, the Company may, at its option, obtain the data or estimate the billing determinants.
- (E) Where the Company is the MRSP, the Company will, at the request of the Customer or the ESP, reread or test the Customer's Meter within 10 working days after the request. The cost of each reread or test may be applied to the Customer or ESP when applicable.
- (F) All energy sold to the Customer by MRSP will be measured by commercially acceptable measuring devices and under the terms and conditions of the Company's Schedule 10 - Terms and Conditions for Direct Access.

**15.3 Direct Access Deposits** – If the Customer chooses to change from Standard Offer to Direct Access services, the deposit may be decreased by an amount that reflects the portion of the Customer's service being provided by a Load Serving ESP. If the Load Serving ESP is providing ESP Consolidated Billing under the Company's Schedule 10 Section 7, the entire deposit will be credited to the Customer's account; or, if the Customer chooses to change from Direct Access to Standard Offer service, the requested deposit amount may be increased by an amount under Section 3.3 which reflects that the Company is providing bundled electric service.

**15.4 Direct Access and Company Equipment**

- (A) **Meters** – A Meter Service Provider (MSP) or its authorized agents may remove the Company's metering equipment under the Company's Schedule 10 Terms and Conditions for Direct Access. Meters not returned to the Company or returned damaged will result in charge(s) to the MSP of the replacement costs, plus an administration fee of 15%, less five year's depreciation.
- (B) **Lock-rings** – The Company will lease lock-ring keys to MSP's or their agents who are authorized to remove Company Meters under the terms and



**SERVICE SCHEDULE 1  
TERMS AND CONDITIONS FOR  
STANDARD OFFER AND DIRECT ACCESS SERVICES**

---

conditions of the Company's Schedule 10 at a refundable charge of \$70.00 plus applicable adjustments per key. The charge will not be refunded if a key is lost, stolen, or damaged. If the Company must replace 10% of the issued keys within any 12-month period because of loss by the MSP's agent, the Company may, rather than leasing additional lock ring keys, require the MSP to arrange for a joint meeting. All lock-ring keys must be returned to the Company within five working days if the MSP or its authorized agents are:

- (1) No longer permitted to remove Company Meters under the conditions of the Company's Schedule 10;
  - (2) No longer authorized by the Arizona Corporation Commission to provide services; or
  - (3) The ESP Agreement has been terminated.
- (C) **Site Meetings** – If the MSP, the Customer, or the Customer's agent requests a joint site meeting for removal of Company metering and associated equipment or lock ring, a base charge of \$62.00 plus applicable adjustments per site will be assessed. The Company may assess an additional charge of \$53.00 plus applicable adjustments per hour for joint site meetings that exceed 30 minutes. If the Company must temporarily replace the MSP's Meter or associated metering equipment during emergency situations or to restore power to a Customer, the above charges may apply.

## DEFINITIONS

**Applicant** means a person requesting the utility to supply electric service. [A.A.C. R14-2-201-(2)]

**Application** means a request to the utility for electric service, as distinguished from an inquiry as to the availability or charges for such service. [A.A.C. R14-2-201-(3)]

**Billing Date** is the date the statement was created either in electronic or paper form as shown on the bill regardless of the postmark, mailing, or electronic transmittal date.

**Billing Month** means the period between any two regular readings of the utility's Meters at approximately 30-day intervals. [A.A.C. R14-2-201-(5)]



**SERVICE SCHEDULE 1  
TERMS AND CONDITIONS FOR  
STANDARD OFFER AND DIRECT ACCESS SERVICES**

---

**Billing Period** means the time interval between two consecutive Meter readings that are taken for billing purposes. [A.A.C. R14-2-201-(6)]

**Company Holidays** (as referred to in section 2.4) are New Year's Day, Martin Luther King Jr. Day, President's Day Memorial Day, Juneteenth, Independence Day, Labor Day, Veterans Day, Thanksgiving Day, the day after Thanksgiving, Christmas Eve, Christmas Day, and New Year's Eve.

**Customer** means the person or entity in whose name service is rendered, as evidenced by the signature on the Application or contract for that service, or by the receipt and/or payment of bills regularly issued in his name regardless of the identity of the actual user of the service. [A.A.C. R14-2-201-(9)]

**Delinquent Bill** means a bill in which current electric charges are considered past due (22 *calendar* days after the statement date).

**Demand** means the rate at which power is delivered during any specified period of time. Demand may be expressed in kilowatts, kilovolt-amperes, or other suitable units. [A.A.C. R14-2-201-(13)]

**Distribution Lines** means the utility lines operated at distribution voltages which are constructed along public roadways or other bona fide rights-of-way, including Easements on a Customer's property. [A.A.C. R-14-2-201-(14)]

**Easement** means the right to use land owned by another party by grant or as allowed by law. An easement gives the Company the right to have Company lines or facilities on property not owned by the Company. This allows the Company to build, replace, repair, operate and maintain electrical equipment for the safe transmission and distribution of electricity and for other purposes. The owner may continue to use the land in the easement as provided by a written easement or by law.

**Landlord Automatic Transfer of Service Agreement** is a legal contract established between the customer ("Landlord") and the Company, that provides continuous and uninterrupted service to the Landlord during intervals when a Landlord has no tenants. A Service Establishment Charge will not apply, and service will automatically be transferred



**SERVICE SCHEDULE 1  
TERMS AND CONDITIONS FOR  
STANDARD OFFER AND DIRECT ACCESS SERVICES**

---

into the Landlord's name. Landlord Automatic Transfer of Service Agreements are available to property owners that have established credit with the Company.

**Master meter** means a meter used for measuring or recording the flow of electricity that has passed through it at a single location where said electricity is distributed to tenants or occupants for their individual usage. [A.A.C. R14-2-201(27)]

**Meter** means the instrument used for measuring and indicating or recording the flow of electricity that has passed through it. [A.A.C. R14-2-201(29)]

**Meter tampering** means a situation where a meter has been altered or bypassed without prior written authorization from the Company. Common examples are meter bypassing, use of magnets to slow the meter recording, and broken meter seals. [A.A.C. R14-2-201(30)]

**Minimum charge** means the amount the customer must pay for the availability of electric service, including an amount of usage, as specified in the utility's tariffs. [A.A.C. R14-2-201(31)]

**On-site** means on a single Premises served by the Company's facilities.

**Premises** means all of the real property and apparatus employed in a single enterprise on an integral parcel of land undivided by alleys, canals, streets, railways, or other public rights-of-way.

**Point of delivery or delivery point** means the point where facilities owned, leased, or under license by a customer connects to the utility's facilities. [A.A.C. R14-2-201(35)]

**Working Day** means a weekday (during normal business hours) that is not designated as a Company holiday.





**SERVICE SCHEDULE 1  
TERMS AND CONDITIONS FOR  
STANDARD OFFER AND DIRECT ACCESS SERVICES**

<b>Statement of Charges</b>		
<b>Description</b>	<b>Charge</b>	<b>Reference</b>
Residential Service Establishment Charge	\$0.00	2
Nonresidential Service Establishment Charge	\$0.00	2
After hours Charge – Residential Standard Metering	\$0.00	2.2
After hours Charge – Residential Non-Standard Metering	\$0.00	2.2
After hours Charge – Nonresidential	\$164.00	2.2
Same Day Connect Charge	\$0.00	2.3
Non-Standard Service Request Charge (per crew person, per hour)	\$164.00	2.4
Electronically Transmitted Payment Discount	(\$0.48)	5.3
Dishonored Payment Fee	\$15.00	6.4
Field Call Charge	\$0.00	7.6
Overhead Reconnection Charge	\$89.00	7.6
Underground Reconnection Charge	\$135.00	7.6
Non-Standard Metering – Monthly Meter Reading	\$5.00	8.4
Non-Standard Metering Set-up fee for customer with existing AMI meter	\$50.00	8.4
Meter Reread	\$14.00	8.7
Meter test in shop	\$44.00	8.9
Meter test at site	\$93.00	8.9
Trip Charge – Residential	\$22.00	10.5
Trip Charge – Nonresidential	\$26.00	10.5