

STREETLIGHT ENERGY AGREEMENT

BETWEEN

ARIZONA PUBLIC SERVICE COMPANY

AND

CITY OF BISBEE

APS CONTRACT NO. 201407050

CITY OF BISBEE CONTRACT NO. \_\_\_\_\_

Effective Date: 01/30/2015

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AND

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STREETLIGHT ENERGY AGREEMENT  
BETWEEN  
ARIZONA PUBLIC SERVICE COMPANY  
AND  
CITY OF BISBEE

1. PARTIES

The parties to this Streetlight Energy Agreement (the “Energy Agreement”) are CITY OF BISBEE, an Arizona municipal corporation (“City”), and ARIZONA PUBLIC SERVICE COMPANY, an Arizona corporation (“APS”), hereinafter referred to individually as “Party” and collectively as the “Parties.”

2. RECITALS

- 2.1 The Parties have entered into a streetlight sales agreement (APS Contract No. 19637 dated December 20, 1990) in which City has purchased streetlight facilities from APS within the existing City boundaries.
- 2.2 Additionally, the Parties entered into: i) a Streetlight Energy Agreement (APS Contract No.19638 dated December 20, 1990) pursuant to which APS sells energy to City for the Streetlight Facilities (the “Former Energy Agreement”); ii) a Streetlight Operation, Maintenance and Facilities Agreement (APS Contract No.19639 dated December 20, 1990) pursuant to which APS operates and maintains City’s Streetlight Facilities within APS’ service territory (the “O,M&F Agreement”); and iii) a Master License Agreement (APS Contract No.19640 dated December 20, 1990) pursuant to which City’s Streetlight Facilities are allowed to be attached to APS’ electric distribution poles (the “License Agreement”).

2.3 The Parties now desire to enter into this Energy Agreement pursuant to which APS will supply energy for the City-owned streetlights.

2.4 The Parties desire that this Energy Agreement replace and supersede the Former Energy Agreement dated December 20, 1990.

NOW, THEREFORE, in consideration of the foregoing recitals, the promises, covenants, and provisions contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties do hereby covenant, promise and agree as follows:

3. DEFINITIONS

When initially capitalized in this Energy Agreement or amendments thereto, the following words or phrases shall have the meanings specified:

3.1 ACC: Arizona Corporation Commission.

3.2 Dawn: The time between full dark and sunrise when a Photocontrol senses sufficient sunlight to turn off streetlights.

3.3 Due Date: The fifteenth (15<sup>th</sup>) day after the invoice date.

3.4 Dusk: The time between sunset and full dark when a Photocontrol senses the lack of sufficient sunlight and turns on streetlights.

3.5 E-59 Tariff: The APS E-59 rate tariff on file with the ACC governing the rate charged for energy to government-owned streetlight facilities, as may be amended from time to time (attached hereto as Exhibit A.).

3.6 Effective Date: The date specified in Section 24, Execution and Effective Date.

3.7 Interest: The per annum interest rate set forth in Schedule 1.

- 3.8 Monthly Billing Energy: The kilowatt-hours (“kWh”) upon which the monthly billings will be based as set forth in Exhibit A and Exhibit B.
- 3.9 Photocontrol: A photoelectric cell which is designed to turn streetlights on at Dusk and to turn streetlights off at Dawn that meets the standards specified in American National Standards Institute (ANSI) C136.10 –1988 “Locking-Type Photocontrol Devices and Mating Receptacles – Physical and Electrical Interchangeability and Testing.”
- 3.10 Schedule 1: The APS Schedule 1 tariff entitled, “Terms and Conditions for Standard Offer and Direct Access Services,” on file with the ACC, as may be amended from time to time (attached hereto as Exhibit C).
- 3.11 Schedule 5: The APS Schedule 5 tariff entitled, “Guidelines for Electric Curtailment,” on file with the ACC, as may be amended from time to time (attached hereto as Exhibit D).
- 3.12 Streetlight Facilities: The facilities owned by the City (within APS’ service territory) and generally described as metal streetlight poles dedicated only to streetlighting that may support APS’ secondary conductors serving the streetlights and no other attachment(s); mast arms; luminaires and lamps; protection fuses; photo controls; external ballasts; and electric service wires which extend from the luminaires of the individual streetlight installation to the Point of Delivery.
- 3.13 Point of Delivery: The point where energy is delivered shall be where APS’ electric service wire connects to (i) City’s electric service wire, one foot beyond the end of the mast arm for overhead service to the streetlight or, (ii) at the City’s protection fuse installed in the APS-owned secondary junction box for

underground service to the streetlight or, (iii) at the City's electric service protection fuse or termination point located in the hand-hole of the City Pole for underground service to the streetlight when no APS-owned secondary junction box exists or, (iv) five (5) feet from the City Pole for underground service when there is no hand-hole on the City Pole or an APS-owned secondary junction box.

4. ELECTRIC SERVICE

4.1 APS' Obligations: APS shall provide electric service for Streetlight Facilities in accordance with the terms and conditions of this Energy Agreement and Schedule 1. In the event of a conflict(s) between any provision of this Energy Agreement and Schedule 1, the provisions of this Energy Agreement shall apply.

4.2 Operation Time: Operation of the Streetlight Facilities shall be from Dusk to Dawn. Notwithstanding the foregoing, City agrees that APS cannot guarantee uninterrupted electric service. APS shall not be liable to City for any damages occasioned by fluctuations, interruptions, or curtailment of electric service, except where due to APS' willful misconduct or gross negligence.

Operation of Streetlight Facilities at times other than from Dusk to Dawn shall be subject to additional energy charges at APS' option. Either Party may notify the other Party of any circumstances which may have caused extended streetlight outages or extended streetlight operation times and the Parties will negotiate in good faith to determine whether an adjustment is appropriate to the City's monthly streetlight bill.

4.3 Point of Delivery: The point where energy is delivered shall be where APS' electric service wire connects to (i) City's electric service wire, one foot

beyond the end of the mast arm for overhead service to the streetlight or, (ii) at the City's protection fuse installed in the APS-owned secondary junction box for underground service to the streetlight or, (iii) at the City's electric service protection fuse or termination point located in the hand-hole of the City Pole for underground service to the streetlight when no APS-owned secondary junction box exists or, (iv) five (5) feet from the City Pole for underground service when there is no hand-hole on the City Pole or an APS-owned secondary junction box.

4.4 Rates for Electric Service:

- 4.4.1 The applicable rate and related provisions for electrical service rendered to City shall be computed in accordance with Exhibit A, unless and until changed as provided for in Section 4.4.4 hereof. The rate specified in the Exhibit A shall be increased or decreased as provided in Section 4.4.4; provided, however, that the Parties acknowledge the ACC's jurisdiction to alter the energy rate under this Energy Agreement.
- 4.4.2 The Parties agree that the rate set forth herein will remain in effect until changed in accordance with Section 4.4.4 or by the ACC. However, such rate is subject to: a) adjustments monthly to reflect applicable sales taxes and regulatory assessment to the same extent as such adjustments apply to other APS retail rate schedules on file with the ACC; and b) such changes in the rate as may be authorized by the ACC from time to time.
- 4.4.3 Nothing in this Energy Agreement is intended to limit the ACC's power to order recovery of any stranded costs or system benefit charges determined

to be attributable to the City either prior to or after termination of this Energy Agreement, nor will this Energy Agreement be considered a waiver by APS of any right it may have to recover such costs to the extent authorized or ordered by the ACC.

4.4.4 Nothing contained herein shall be construed as affecting in any way the right of APS to unilaterally make application to the ACC for a change in electric service rates and charges, classification of service, or any provision, term, rule, regulation, condition or contract relating thereto, under the Rules and Regulations of the ACC.

4.5 Curtailement:

The electric service supplied hereunder may be interrupted or curtailed in accordance with Schedule 5. APS shall not be liable to City for any damages occasioned by fluctuations, interruptions or curtailment of electric service except where due to APS' willful misconduct or gross negligence. APS may, without incurring any liability therefore, suspend City's electric service for periods reasonably required to permit APS to accomplish repairs to or changes in any of APS' facilities. To the extent practicable, APS will provide reasonable advance notice to City of any scheduled interruptions of electric service.

5. STREETLIGHT LEVELS AND LOCATIONS

City acknowledges, represents, warrants, and agrees that by entering into this Energy Agreement, City has not delegated or waived any of its rights, duties, responsibilities, or options regarding streetlight layout or design, but retains sole authority and responsibility

for determining the reasonable level or amount of light to be provided along its streets, including the number, type and location of streetlights to be installed.

City further agrees that APS' assistance or recommendations regarding streetlight designs, layouts, or lighting levels, or the amount of streetlight service being provided by APS shall not be relied upon by City as satisfying any standard that may be adopted by or imposed upon City.

6. EXTENSION OF STREETLIGHT FACILITIES

6.1 Extension Less Than 300 Feet: Within APS' service territory, APS shall extend its electric secondary conductor up to a distance of 300 feet for each additional streetlight at no cost to City when requested by City. When extension is underground, City or developer shall provide or pay for the trenching, conduit, backfill, and shading required. When extensions exceed 300 feet per additional streetlight, such extensions shall be made for an additional cost. For such additional cost, APS shall provide City or developer with the additional cost of the work to be performed and City or developer shall make full payment in advance if City desires such work to be performed.

6.2 Underground Extension: If APS' secondary conductors are to be placed underground, APS shall install such conductors underground at no cost to City within the footage limits specified in Section 6.1 above, except City shall pay the incremental costs of additional trenching, conduit, shading, and backfill required solely for streetlight conductors. Payments by City for trenching in accordance with this Section 6 shall be in accordance with Section 13, BILLING, PAYMENT AND TAXES.

7. TERM

This Energy Agreement shall remain in effect until terminated in accordance with the Termination section below, or Schedule 1.

8. TERMINATION

8.1 Termination at Will: Either party has the right to terminate this Agreement at any time and for any reason by giving the other Party ninety (90) days advanced written notice for the termination.

8.2 Cancellation By City: The Parties hereto acknowledge that this Energy Agreement is subject to cancellation by the City for a conflict of interest pursuant to the provisions of Section 38-511, Arizona Revised Statutes.

9. DESIGNATED REPRESENTATIVES AND NOTICES

9.1 Designated Representatives: All communications relating to the day-to-day activities under this Energy Agreement shall be exchanged between the following designated representatives who are authorized to act on behalf of that Party. Either Party may change said designated representatives from time to time by giving advance written notice.

**APS:**  
Arizona Public Service Company  
Attention: Streetlight Management  
Station 3536  
P.O. Box 53933  
Phoenix, AZ 85072-3933  
Telephone:602-371-5067  
FAX:602-371-6733

**CITY:**  
Street Transportation Department  
Director  
City of Bisbee  
  
Telephone:  
FAX:  
E-mail:

9.2 Notices: Any legal notices and communications required or provided for hereunder shall be in writing and shall be send by first class, registered, certified or express mail, return receipt requested, postage prepaid, or by comparable

delivery service, or by hand, or by facsimile (with the original sent by first class mail) to the following:

**To APS:**

Arizona Public Service Company  
Office of Corporate Secretary  
400 N. 5<sup>th</sup> Street, Station 8602  
Phoenix, Arizona 85004

**To CITY:**

City of Bisbee  
City Attorney

With a copy to:

Arizona Public Service Company  
Attention: Streetlight Management  
Station 3536  
P.O. Box 53933  
Phoenix, AZ 85072-3933

City of Bisbee  
Street Transportation Director

9.3 Invoices and Payments: Invoices and payments pursuant to this Energy

Agreement shall be sent to:

Arizona Public Service Company  
P.O. Box 53920, STA 9996  
Phoenix, AZ 85072-3920

City of Bisbee  
Streetlight Administrator

10. FISCAL YEAR

The obligation of City to make any payments hereunder is subject to the provisions of the Arizona State Budget Law and City Code provisions which require that the City Council make necessary appropriations for such payments in each fiscal year. City shall take all steps reasonably available to it to cause such payments to be included in its budget presented to City Council each fiscal year in the form of an appropriation for monies that will be due under this Maintenance Agreement during the subsequent year. However, the

foregoing does not alter City's obligation to pay for services actually received, nor does it change APS' right to terminate this Maintenance Agreement for non-payment in accordance with the Termination section above.

11. UNCONTROLLABLE FORCES

11.1 Definition: An "Uncontrollable Force" shall mean any cause beyond the control of the Party affected, including but not restricted to failure of or threat of failure of facilities, flood, earthquake, geohydrologic subsidence, tornado, storm, fire, lightning, epidemic, war, riot, commotion, civil disturbance or disobedience, labor dispute, labor or material shortage, sabotage, restraint by court order or public authority (whether valid or invalid), and action or nonaction by or inability to obtain or keep the necessary authorizations or approvals from any governmental agency or authority, which by exercise of due diligence it shall be unable to overcome. It is the intent of the Parties that the foregoing examples shall not be used as a limitation on the term "uncontrollable force" in interpreting or construing this Energy Agreement. Rather the Parties intend a liberal interpretation of the term and accordingly intend that in questions of assumption of risk or contingencies, whether foreseen or not, the presumption shall be that risks not explicitly assumed by a Party are not assumed by said Party if, in fact, they are uncontrollable even with foresight.

11.2 Effect of Uncontrollable Force: If either Party, by reason of an Uncontrollable Force, is rendered unable, wholly or in part to timely perform its obligations under this Energy Agreement, then upon said Party giving notice and particulars of such Uncontrollable Force in writing to the other Party promptly after learning

thereof, the obligations of said Party so far as they are affected by such Uncontrollable Force shall be suspended during the continuance of any inability so caused but for no longer period and the effects of such cause shall, so far as possible, be remedied with all reasonable dispatch. However, nothing contained herein shall be so construed as to require a Party to settle any strike or labor dispute in which it may be involved. The affected Party shall not be responsible for its delay in performance under this Energy Agreement during delays caused by an Uncontrollable Force nor shall such Uncontrollable Force give rise to a claim for damages or constitute default.

11.3 Uncontrollable Force Limit. If a Party's obligation to perform is suspended for a period of forty-five (45) continuous calendar days due to an Uncontrollable Force or for any other reason, the other Party shall have all rights and remedies at law or in equity, including the right to terminate this Energy Agreement.

12. NON-WAIVER

The failure of either Party to insist upon strict performance of any of the provisions of this Energy Agreement, or to exercise any of the rights or remedies provided by this Energy Agreement, or any delay in the exercise of any of the rights or remedies, shall not release either Party from any of the responsibilities or obligations imposed by law or by this Energy Agreement, and shall not be deemed a waiver of any right of either Party to insist upon strict performance of this Energy Agreement.

13. BILLING, PAYMENT AND TAXES

13.1 Billing: APS shall render bills to City on a monthly basis for services furnished during the preceding billing month.

13.2 Payment: APS shall receive payment from City on or before the Due Date.

Payment shall be mailed to the address specified in Section 9.3. Amounts which are not paid when due shall bear Interest from the Due Date until such time as payment is received by APS.

13.3 Disputed Bill: If any portion of any bill is disputed, the undisputed amount shall be paid when due.

13.4 Delinquent Bill: If City's bill becomes delinquent, due to non-payment for a period of fifteen (15) days after the invoice date, APS shall have the right at its option:

13.4.1 To immediately suspend energy delivery hereunder until all amounts due have been paid, and/or

13.4.2 To exercise any other remedy provided by law, including immediate termination of this Energy Agreement. Suspension and/or termination shall not relieve City of its obligation to pay any amounts previously due nor shall such suspension or cancellation invalidate any other agreement with City.

13.4.3 To charge interest as set forth in Schedule 1.

The failure of APS to exercise such sanction shall not constitute a waiver by APS of any rights hereunder.

13.5 Taxes: City shall pay any and all applicable sales tax, transaction privilege tax or like tax assessed or assessable as the result of APS providing services hereunder.

14. ANNEXATION AND ACQUISITION OF ADDITIONAL STREETLIGHT FACILITIES

If City annexes additional territory or purchases additional Streetlight Facilities, the terms and conditions of this Energy Agreement will apply to the additional Streetlight Facilities and be effective as of the date City provides APS notice of the annexation or purchase.

15. GOVERNING LAW AND VENUE

This Energy Agreement shall be governed, construed and enforced in accordance with the substantive laws of the State of Arizona. Any suit to enforce this Energy Agreement shall be brought in the Superior Court of Cochise County.

16. SEVERABILITY

If any provision of this Energy Agreement is determined by a court of competent jurisdiction to be unenforceable or illegal, then said provision(s) or amendments thereto shall be severed from this Energy Agreement and the remainder shall continue in full force and effect unless otherwise mutually agreed between the Parties.

17. ASSIGNMENT

Neither Party shall assign its rights, nor delegate its duties, or otherwise dispose of any right, title, or interest in all or any part of this Energy Agreement, or assign any monies due or payable hereunder without the prior written consent of the other Party. Such consent shall not be unreasonably withheld. Notwithstanding the foregoing, either Party may, without the need for consent from the other Party, (a) transfer, pledge, or assign this Energy Agreement as security for any financing; (b) transfer, assign or delegate this Energy Agreement or its rights hereunder or delegate or subcontract its obligations hereunder to an affiliated entity, parent entity or subsidiary of such Party, or (c) transfer,

assign or delegate this Energy Agreement to any person or entity succeeding to all or substantially all of the assets of such Party. To the extent a transfer does not require consent, the transferring Party shall provide notice to the other Party within thirty (30) calendar days of the transfer and the effective date thereof. Any transfer in violation of this Section 17 shall be deemed null and void.

18. NO THIRD PARTY BENEFICIARIES

APS acknowledges and represents that Section 17 of this Energy Agreement entitled, "ASSIGNMENT," is not intended to and does not create any claims, rights, remedies or benefits exercisable by any third party. City acknowledges and represents that this Energy Agreement is not intended to and does not create any claims, rights, remedies, or benefits exercisable by any third party and that neither APS nor City undertakes any responsibility or obligation to any third party by virtue of this Energy Agreement, and neither shall be liable to any third party by virtue of the nature, location, quality or quantity of streetlights, or other cause arising directly or indirectly out of this Energy Agreement or its performance by either Party.

19. SURVIVABILITY OF OBLIGATIONS AND LIABILITIES

The covenants, representations, indemnifications and warranties of the Parties unless otherwise expressly provided shall survive the expiration or termination of this Energy Agreement.

20. PRECEDENCE

20.1 Order of Precedence: In the event of conflict between this Energy Agreement and any referenced document, the order of precedence shall be this Energy Agreement

followed by any other referenced document, in the order in which they are referenced in the Table of Contents.

20.2 Amended Documents: Any amendment shall have priority over the document it amends, and any amended document shall have the same precedence classification as stated in Section 20.1.

21. ENTIRE AGREEMENT, MODIFICATION

This Energy Agreement shall constitute the entire agreement between the Parties and shall supersede all prior contracts, proposals, representations, negotiations, or letters pertaining to the subject matter of this Energy Agreement, whether written or oral, including the Former Energy Agreement. The Parties shall not be bound by or be liable for any statement, representation, promise, inducement, or understanding of any kind not set forth in this Energy Agreement and this Energy Agreement shall only be modified by an amendment signed by both Parties. The terms of this Section shall in no way effect the obligation of City to pay amounts due under the Former Energy Agreement; provided that the payments are for services rendered before the Former Energy Agreement was superseded by this Energy Agreement. This Energy Agreement includes all documents attached hereto or incorporated herein by reference. Specifically included as part of this Energy Agreement and attached hereto as exhibits are the following:

Exhibit A - the E-59 Tariff  
Exhibit B - the Average Consumptions for Various Luminaires  
Exhibit C - Schedule 1  
Exhibit D - Schedule 5

22. INDEMNIFICATION

Notwithstanding anything to the contrary contained in that certain Franchise Agreement between the Parties hereto, each Party making a covenant, agreement, representation or

warranty in this Energy Agreement shall, to the extent allowed by law, indemnify and hold harmless the Party for whose benefit such covenant, agreement, representation or warranty is made, against any and all injury, loss, cost, damage, or expense of any kind (including reasonable attorney's fees) resulting from any breach of any such covenant, agreement, representation or warranty; provided however that such injury, loss, cost, damage or expense is not the result of negligence, willful misconduct or a breach of this Energy Agreement by the Party to be indemnified.

In order for the requirement of indemnification to be enforceable, the Party wishing to be indemnified must give the other Party notice of the event which caused the injury, loss, cost, damage or expense, along with notice of the intent to seek indemnification therefore, within 180 days of the date the Party wishing to be indemnified first learns of the event.

23. LEGAL REQUIREMENTS

23.1 Laws and Regulations: The Parties shall at all times observe and comply with all applicable laws, ordinances, statutes, rules or regulations including without limitation those of OSHA and the National Electrical Safety Code, which in any manner relate to any rights and obligations under this Energy Agreement.

23.2 Safety Statute: Nothing contained in this Energy Agreement shall be construed in any way to limit, restrict, substitute, or waive, in whole or in part, any of the Parties' obligations under Article 6.4, HIGH VOLTAGE POWER LINES AND SAFETY RESTRICTIONS, of Section 1, Title 40, Chapter 2 of the Arizona Revised Statutes, or any other laws, regulations, codes, standards, or industry practices pertaining to activities near overhead electric lines.

24. EXECUTION AND EFFECTIVE DATE

Each Party to this Energy Agreement hereby represents and warrants that (i) it has full authority to enter this Energy Agreement and to perform all responsibilities and obligations thereunder and that all necessary actions, if any, to authorize the execution, delivery and performance of this Energy Agreement have been taken, (ii) the person executing this Energy Agreement on its behalf has been duly authorized to execute this Energy Agreement, and (iii) this Energy Agreement constitutes legally binding and enforceable obligations of such Party. This Energy Agreement shall be effective as of the 30th day of January.

**CITY OF BISBEE, ARIZONA**  
**MAYOR, CITY OF BISBEE**

**ARIZONA PUBLIC SERVICE COMPANY**

SIGNATURE: 

SIGNATURE: 

NAME: Ronald Oertle

NAME: MIKE SMITH

TITLE: Mayor

TITLE: Division Manager - Southeast

ATTEST:

  
City Clerk

APPROVED AS TO FORM:

  
City Attorney

EXHIBIT A

STREETLIGHT ENERGY AGREEMENT  
BETWEEN  
ARIZONA PUBLIC SERVICE COMPANY  
AND  
CITY OF BISBEE

E-59 TARIFF



**RATE SCHEDULE E-59  
CLASSIFIED SERVICE  
GOVERNMENT OWNED STREET LIGHTING SYSTEMS**

AVAILABILITY

This rate schedule is available in those portions of cities, towns and unincorporated communities in which the Company does a general retail electric business and where the customer has installed or purchased a multiple or series street lighting system and the Company has distribution facilities of adequate capacity for the service to be rendered.

APPLICATION

This rate schedule is applicable to Standard Offer electric service for continuous lighting, from dusk to dawn, of public streets, alleys, thoroughfares, public parks and playgrounds by use of the customer's facilities where such service for the whole area is contracted for from the Company pursuant to the terms set forth herein by the city, town, other governmental entities, or a responsible individual for unincorporated communities. Dusk is defined as the time between sunset and full night when a photocontrol senses the lack of sufficient sunlight and turns on the lights. Dawn is defined as the time between full night and sunrise when a photocontrol senses sufficient sunlight to turn off lights.

The customer will own, operate, and maintain the street lighting system including lamps and glass replacements but excluding distribution facilities installed by the Company to serve the lighting system.

RATES

The bill shall be computed at the following rates plus any adjustments incorporated in this schedule:

Service Charge:	\$2.79	per installed lamp
Energy Charge:	\$ 0.06088	per kWh

TRIP CHARGE

When Company is not the responsible party contracted for the regular maintenance of a street lighting system owned by a city, town or other governmental entity, a \$100.00 trip charge per light will be charged when customer requests a disconnect and/or reconnect of service in order to accommodate the maintenance activities of the customer or its designee(s) on their street light equipment. The trip charge will also apply when customer request disconnect or reconnect for non-maintenance purposes.

ADJUSTMENTS

1. The bill is subject the Renewable Energy Standard as set forth in the Company's Adjustment Schedule REAC-1 pursuant to Arizona Corporation Commission Decision No. 70313.
2. The bill is subject to the Power Supply Adjustment factor as set forth in the Company's Adjustment Schedule PSA-1 pursuant to Arizona Corporation Commission Decision No. 67744, Arizona Corporation Commission Decision No. 69663, Arizona Corporation Commission Decision No 71448, and 73183.
3. The bill is subject to the Transmission Cost Adjustment factor as set forth in the Company's Adjustment Schedule TCA-1 pursuant to Arizona Corporation Commission Decision No. 67744.
4. The bill is subject to the Environmental Improvement Surcharge as set forth in the Company's Adjustment Schedule EIS pursuant to Arizona Corporation Commission Decision No. 69663 and Arizona Corporation Commission Decision No. 73183.



**RATE SCHEDULE E-59  
CLASSIFIED SERVICE  
GOVERNMENT OWNED STREET LIGHTING SYSTEMS**

ADJUSTMENTS (cont)

5. Direct Access customers returning to Standard Offer service may be subject to a Returning Customer Direct Access Charge as set forth in the Company's Adjustment Schedule RCDAC-1 pursuant to Arizona Corporation Commission Decision No. 67744.
6. The bill is subject to the Demand Side Management Adjustment Charge as set forth in the Company's Adjustment Schedule DSMAC-1 pursuant to Arizona Corporation Commission Decision No. 67744 and Arizona Corporation Commission Decision No. 71448.
7. The bill is subject to the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of APS and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

SPECIAL PROVISIONS

1. Billed energy is based upon the summation of the contracted energy rating of installed facilities specified in the streetlighting contract.
2. The customer's bill will not be reduced due to lamp, photocontrol or cable repair or replacement outages.
3. Presently installed units which do not conform to the types specified in Rate Schedule E-58 will be billed in accordance with the type which is most nearly like such units.

EXTENSION OF COMPANY DISTRIBUTION SYSTEM

The Company will extend its standard street lighting system up to a distance of 300 feet for each additional lighting installation without cost at the request of the customer. When the extension is underground the customer will provide earthwork as specified in of the Company's Service Schedule 3, Conditions Governing Extensions of Electric Distribution Lines and Services; or, at the customer's request, the Company will provide such earthwork and the applicant will be required to pay a non-refundable contribution in aid of construction equal to the cost of such earthwork. Any additional extension required (over and above the first 300 feet) will be provided by Company for a contribution in aid of construction equal to the cost of the additional extension.

Extensions to isolated areas requiring a substantial extension of the electric distribution system, as opposed to an extension of the street lighting system, will require a special study to determine the terms and conditions under which the Company will undertake such an extension.

CONTRACT PERIOD

The contract period for service under this rate schedule shall be a fixed period of not less than 1 year and not more than 20 years, as agreed to by the customer and as specified in the streetlighting contract.

TERMS AND CONDITIONS

Service under this rate schedule is subject to the Company's Schedule 1, Terms and Conditions for Standard Offer and Direct Access Services and the Company's Schedule 10, Terms and Conditions for Direct Access. These schedules have provisions that may affect the customer's bill. In addition, service may be subject to special terms and conditions as provided for in a customer contract or service agreement.

## EXHIBIT B

### STREETLIGHT ENERGY AGREEMENT BETWEEN ARIZONA PUBLIC SERVICE COMPANY AND CITY OF BISBEE

#### AVERAGE CONSUMPTIONS FOR VARIOUS LUMINAIRES

##### Induction

3,500 lumen	55 watts	19 kWh per month
6,000 lumen	85 watts	29 kWh per month
8,400 lumen	100 watts	34 kWh per month
13,000 lumen	150 watts	52 kWh per month
22,500 lumen	250 watts	86 kWh per month

##### LED

3,300 lumen	43 watts	15 kWh per month
4,350 lumen	86 watts	30 kWh per month
5,300 lumen	67 watts	23 kWh per month
8,300 lumen	106 watts	37 kWh per month
10,500 lumen	130 watts	45 kWh per month
20,000 lumen	258 watts	89 kWh per month

##### Incandescent

1,000 lumen	92 watts	32 kWh per month
2,500 lumen	189 watts	66 kWh per month
4,000 lumen	295 watts	103 kWh per month
6,000 lumen	405 watts	142 kWh per month
10,000 lumen	620 watts	217 kWh per month

##### Mercury Vapor

7,000 lumen	208 watts	73 kWh per month
11,000 lumen	275 watts	96 kWh per month
20,000 lumen	430 watts	150 kWh per month

##### Metal Halide

14,000 lumen	207 watts	72 kWh per month
21,000 lumen	288 watts	101 kWh per month
36,000 lumen	454 watts	159 kWh per month

##### High Pressure Sodium

5,800 lumen	83 watts	29 kWh per month
9,500 lumen	117 watts	41 kWh per month
16,000 lumen	197 watts	69 kWh per month
30,000 lumen	284 watts	99 kWh per month
50,000 lumen	438 watts	153 kWh per month

**Low Pressure Sodium**

8,000 lumen	86 watts	30 kWh per month
13,500 lumen	144 watts	50 kWh per month
22,500 lumen	205 watts	72 kWh per month
33,000 lumen	256 watts	90 kWh per month

ALL KWH ARE BASED ON AN AVERAGE OF 350 HOURS OF OPERATION PER MONTH. WATTAGE INCLUDES BALLAST.

Revision No.:

Effective Date: 10/16/13

EXHIBIT C

STREETLIGHT ENERGY AGREEMENT  
BETWEEN  
ARIZONA PUBLIC SERVICE COMPANY  
AND  
CITY OF BISBEE

SCHEDULE 1

TERMS AND CONDITIONS FOR STANDARD OFFER  
AND DIRECT ACCESS SERVICES



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

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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 (Company), under the established rate or rates authorized by law and currently applicable at time of sale.

Definitions

- a. Applicant means a person requesting the utility to supply electric service. [A.A.C. R14-2-201-(2)]
- b. 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)]
- c. 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)]
- d. Billing Period means the time interval between two consecutive Meter readings that are taken for billing purposes. [A.A.C. R14-2-201-(6)]
- e. 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)]
- f. Delinquent Bill means a bill in which current electric charges are considered past due. (15 *calendar* days after the statement date)
- g. 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-(12)]
- h. Distribution Lines means the utility lines operated at distribution voltage which are constructed along public roadways or other bona fide rights-of-way, including Easements on Customer's property. [A.A.C. R-14-2-201-(13)]
- i. Easement means a property owner grants the right to use land they own ("Grantor") to another party. An easement gives Company the right to have Company lines on property not owned by the Company. This allows Company to construct, replace, repair, operate and maintain electrical equipment for the safe transmission and distribution of electricity. The Grantor may continue to use the land along the easement within certain limitations.
- j. Landlord Automatic Transfer of Service Agreement is a legal contract established between the customer (landlord) and Company, which provides continuous service to the landlord between tenants without incurring a service establishment charge to the landlord.
- k. 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(23)]
- l. 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(25)]



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- m. Meter tampering means a situation where a meter has been altered or bypassed without prior written authorization from Company. Common examples are meter bypassing, use of magnets to slow the meter recording, and broken meter seals. [A.A.C. R14-2-201(26)]
- n. 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(27)]
- o. 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(31)]
- p. Service establishment charge means the charge for establishing a new account.
- q. Tariffs mean the documents filed with the Arizona Corporation Commission which list the services and products offered by the utility and which set forth the terms and conditions and a schedule of the rates and charges, for those services and products. [A.A.C. R14-2-201(42)]

Statement of Charges

Description	Charge	Reference
Residential Service Establishment Charge	\$25.00	2.2
Non-Residential Service Establishment Charge	\$35.00	2.2
Trip Charge	\$16.00	2.2.1
After hours Charge	\$75.00	2.2.2
Same Day Connect Charge	\$75.00	2.2.3
Non-standard Connect Charge	\$75.00 per crew person per hour	2.2.4
Direct Access Request	\$10.00	2.3
Dishonored Payment Fee	\$15.00	4.4.1
Field Call Charge	\$15.00	4.5.1
Overhead Reconnection Charge	\$96.50	4.5.2
Underground Reconnection Charge	\$115.00	4.5.2
Lock Ring Key Charge	\$70.00	6.2.2
Joint Site meeting for removal of Company Equipment	\$62.00 per site per first half hour. Additional charge per hour for site meeting over one half hour	6.2.3

ARIZONA PUBLIC SERVICE COMPANY  
Phoenix, Arizona  
Filed by: David J. Rumolo  
Title: Manager, Regulation and Pricing  
Original Effective Date: December 1951

A.C.C. No. 5804  
Canceling A.C.C. No. 5765  
Service Schedule 1  
Revision No. 35  
Effective: July 1, 2012



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	will be \$53.00 per hour.	
Meter Reread	\$16.50	6.4.4 & 6.4.5
Meter test in shop	\$30.00	6.5
Meter test at site	\$50.00	6.5
Electronically Transmitted Payment Discount	-\$0.48	4.3.3

1. General

- 1.1 Services will be supplied in accordance with these Terms and Conditions and any changes required by law, and such applicable rate or rates as may from time to time be authorized by law. However, in the case of the Customer whose service requirements are of unusual size or characteristics, additional or special contract arrangements may be required.
- 1.2 These Terms and Conditions shall be considered a part of all rate schedules, except where specifically changed by a written agreement.
- 1.3 In case of a conflict between any provision of a rate schedule and these Terms and Conditions, the provisions of the rate schedule shall apply.

2. Establishment of Service

- 2.1 Application for Service - Customers requesting service may be required to appear at Company's place of business to produce proof of identity and/or sign Company's standard form of Application for service or a contract before service is supplied by Company.
  - 2.1.1 In the absence of a signed Application or contract for service, the supplying of Standard Offer and/or Direct Access services by Company and acceptance thereof by the Customer shall be deemed to constitute a service agreement by and between Company and the Customer for delivery of, acceptance of, and payment for service, subject to Company's applicable rates and rules and regulations.
  - 2.1.2 Where service is requested by two or more individuals, Company shall have the right to collect the full amount owed Company from any one of the Customers.
- 2.2 Service Establishment and Customer Request for Special Service Charge - A Service Establishment Charge of \$25.00 for residential and \$35.00 non-residential plus any applicable tax adjustment will be assessed each time Company is requested to establish, reconnect or re-establish electric service to the Customer's Delivery Point, or to make a special read without a disconnect and calculate a bill for a partial month
  - 2.2.1 The Customer will additionally be required to pay a trip charge of \$16.00 when an authorized Company representative travels to the Customer's site and is unable to complete the Customer's requested services due to lack of access to the Point of Delivery.



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- 2.2.2 The Customer will additionally be required to pay an after-hours charge of \$75.00 if the Customer requests service, as defined in A.A.C. R14-2-203.D.3, be established, reconnected, or re-established after 5:00 p.m. on a day other than the day of request.
- 2.2.3 The Customer will additionally be required to pay a same day connect charge of \$75.00 if the Customer requests service, as defined in A.A.C. R14-2-203.D.3, be established, reconnected, or re-established on the same business day the request is being made, and Company agrees to work the request on the same business day of the request. This will be charged regardless of the time the order may be worked by Company on that day. Company may, where no additional costs are incurred by Company, waive the same day fee.
- 2.2.4 The Customer will additionally be required to pay \$75.00 per crew person per hour when Customer requests services that do not meet the definition of service establishment as defined in A.A.C. R14-2-203.D.3 (such as Customer requested outages for maintenance and metering equipment installations which include instrument transformers) that require the availability of Company representatives after hours, on a weekend day, or on a Company holiday. The number of representatives utilized by Company in fulfilling such requests shall be at the sole discretion of Company. Customers will be given notice of estimated charges prior to the work being performed.
- Company holidays are New Year's Day, Martin Luther King Jr. Day, Memorial Day, Independence Day, Labor Day, Veteran's Day, Thanksgiving Day, The Day After Thanksgiving, and Christmas Day.
- 2.2.5 Company may waive the Service Establishment Charge where:
- 2.2.5.1 No field trip is required because Applicant accepts responsibility for energy billed and not yet paid and the change is effective with the last Meter read and Meter read date billed.
- 2.2.5.2 Applicant has an active Landlord Automatic Transfer of Service Agreement on file with Company. This service agreement is for property owners that have established credit with Company and provides for continuous service to the landlord between tenants.
- 2.2.5.3 Where multiple connects are performed during the same site visit, in the same Applicant name, at the same address, for the same class of service, Company will assess the Service Establishment Charge once for every two Delivery Points.
- 2.3 Direct Access Service Request (DASR) - A Direct Access Service Request charge of \$10.00 plus any applicable tax adjustment will be assessed to the Electric Service Provider (ESP) submitting the DASR each time Company processes a Request (RQ) type DASR as specified in Company's Schedule 10, Terms and Conditions for Direct Access.
- 2.4 Grounds for Refusal of Service - Company may refuse to connect or reconnect Standard Offer or Direct Access service if any of the following conditions exist:



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- 2.4.1 The Applicant has an outstanding amount due with Company for the same class of service and is unwilling to make payment arrangements that are acceptable to Company.
  - 2.4.2 A condition exists which in Company's judgment is unsafe or hazardous.
  - 2.4.3 The Applicant has failed to meet the security deposit requirements set forth by Company as specified under Section 2.5 or 2.6 hereof.
  - 2.4.4 The Applicant is known to be in violation of Company's Tariff.
  - 2.4.5 The Applicant fails to furnish such funds, service, equipment, and/or rights-of-way or Easements required to serve the Applicant and which have been specified by Company as a condition for providing service.
  - 2.4.6 The Applicant falsifies his or her identity for the purpose of obtaining service.
  - 2.4.7 Service is already being provided at the address for which the Applicant is requesting service.
  - 2.4.8 Residential service is requested by an Applicant and a prior Customer, who will be living at the subject address, owes a delinquent bill from the same or a prior residential service address.
  - 2.4.9 Service is requested by an Applicant, and a prior Customer who will be an actual user of the service at the subject address owes a delinquent bill for the same class of service from the same or a prior service address.
  - 2.4.10 The Applicant has failed to obtain all required permits and/or inspections indicating that the Applicant's facilities comply with local construction and safety codes.
- 2.5 Establishment of Credit or Security Deposit
- 2.5.1 Residential Establishment of Credit - Company shall not require a security deposit from a new Applicant for service at a primary and/or secondary residence if the Applicant is able to meet any of the following requirements:
    - 2.5.1.1 The Applicant has had service of a comparable nature with Company within the past two (2) years and was not delinquent in payment more than twice during the last twelve (12) consecutive months or disconnected for nonpayment.
    - 2.5.1.2 Company receives an acceptable credit rating, as determined by Company, for the Applicant from a credit rating agency utilized by Company.
    - 2.5.1.3 The Applicant can produce a letter regarding credit or verification from an electric utility where service of a comparable nature was last received within six (6) months of the current date which states that the Applicant had a timely payment history for the prior twelve (12) consecutive months at the time of service discontinuation.



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- 2.5.1.4 In lieu of a security deposit, Company receives deposit guarantee notification from a social or governmental agency acceptable to Company or a surety bond as security for Company in a sum equal to the required deposit.
- 2.5.1.5 Where three or more additional residential services are requested, Company may require Customer to establish or reestablish a security deposit.
- 2.5.2 Residential Establishment of Credit or Security Deposit - When credit cannot be established as provided for in Section 2.5.1 hereof or when it is determined that the Applicant left an unpaid final bill owing to another utility company, the Applicant will be required to:
  - 2.5.2.1 Place a cash deposit to secure payment of bills for service as prescribed herein, or
  - 2.5.2.2 Provide a surety bond acceptable to Company in an amount equal to the required security deposit.
- 2.5.3 Non-residential Establishment of Security Deposit – All non-residential Applicants will be required to place a cash deposit to secure payment of bills for service as prescribed herein, unless:
  - 2.5.3.1 The Applicant has had service of a comparable nature with Company within the past two (2) years and was not delinquent in payment more than twice during the last twelve (12) consecutive months or disconnected for nonpayment.
  - 2.5.3.2 The Applicant provides a non-cash 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.
- 2.6 Establishment or Reestablishment of Security Deposit
  - 2.6.1 Residential - Company may require a residential Customer to establish or re-establish a security deposit if the Customer becomes delinquent in the payment of two (2) or more bills within a twelve (12) consecutive month period or has been disconnected for non-payment during the last twelve (12) months.
  - 2.6.2 Non-residential - Company may require a non-residential Customer to establish or re-establish a security deposit if the Customer becomes delinquent in the payment of two (2) or more bills within a twelve (12) consecutive month period or if the Customer has been disconnected for non-payment during the last twelve (12) months, or when the Customer's financial condition may jeopardize the payment of their bill, as determined by Company based on the results of using a credit scoring worksheet. Company will inform all Customers of the Arizona Corporation Commission's complaint process should the Customer dispute the deposit based on the financial data.
- 2.7 Security Deposits – Once it is determined that a security deposit is required, the following will apply:



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- 2.7.1 Security deposits may be required for each service location.
- 2.7.2 Company reserves the right to increase or decrease security deposit amounts applicable to the services being provided by Company in accordance with this section:
  - 2.7.2.1 If the Customer chooses to change from Standard Offer to Direct Access services, the deposit may be decreased by an amount which reflects that portion of the Customer's service being provided by a Load Serving ESP. However if the Load Serving ESP is providing ESP Consolidated Billing pursuant to Company's Schedule 10 Section 7, the entire deposit will be credited to the Customer's account; or,
  - 2.7.2.2 If the Customer chooses to change from Direct Access to Standard Offer service, the requested deposit amount may be increased by an amount pursuant to Section 2.5, which reflects that Company is providing bundled electric service.
  - 2.7.2.3 If the Customer's average consumption increases: by more than ten (10) percent for residential accounts or five (5) percent for nonresidential accounts within a twelve (12) consecutive month period and credit has not been established, an additional security deposit may, at Company's option, be required.
- 2.7.3 Customer security deposits shall not preclude Company from terminating an agreement for service or suspending service for any failure in the performance of Customer obligation under the agreement for service.
- 2.7.4 Cash deposits held by Company six (6) months/183 days or longer shall 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. Deposits on inactive accounts are applied to the final bill when all service options become inactive, and the balance, if any, is refunded to the Customer of record within thirty (30) days. For refunds resulting from the Customer changing from Standard Offer to Direct Access, the difference in the deposit amounts will be applied to the Customer's account.
- 2.7.5 If the Customer terminates all service with Company, the security deposit may be credited to the Customer's final bill.
- 2.7.6 Residential security deposits shall not exceed the higher amount of either one (1) times the Customer's maximum monthly bill or two (2) times the Customer's average monthly bill as estimated by Company for the services being provided by Company.
  - 2.7.6.1 Deposits or other instruments of credit will automatically expire or be credited or returned to the Customers account after twelve (12) consecutive months of service, provided the Customer has not been delinquent more than twice, unless Customer has filed bankruptcy in the last twelve (12) months.



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2.7.7 Non-residential security deposits shall not exceed two and one-half (2-1/2) times the Customer's maximum monthly billing as estimated by Company for the service being provided by Company.

2.7.7.1 Deposits and non-cash deposits on file with Company will be reviewed after twenty-four (24) months of service and will be returned provided the Customer has not been delinquent more than twice in the payment of bills or disconnected for non-payment during the previous twelve (12) consecutive months unless the Customer's financial condition warrants extension of the security deposit.

2.8 Line Extensions Service requests requiring Company to extend or upgrade its facilities in order to establish service will be made in accordance with Company's Service Schedule #3, Conditions Governing Extensions of Electric Distribution Lines and Services filed with the Arizona Corporation Commission.

2.9 Customer-Specific Information - Customer-specific information shall not be released without specific prior written Customer authorization unless the information is requested by 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 Company if:

2.9.1 Such goods or services will assist Company in providing efficient, effective, safe, or reliable service; and

2.9.2 Such contract includes a requirement that the information be kept confidential and is only used to fulfill the supplier's obligations to Company.

3. Rates

3.1 Rate Information - Company shall provide, in accordance with A.A.C. R14-2-204, a copy of any rate schedule applicable to that Customer for the requested type of service. In addition, Company shall notify its Customers of any changes in Company Tariff affecting those Customers.

3.2 Rate Selection - The Customer's service characteristics and service requirements determine the selection of applicable rate schedule. If the Customer is receiving bundled service, Company will use reasonable care in initially establishing service to the Customer under the most advantageous rate schedule applicable to the Customer. However, because of varying Customer usage patterns and other reasons beyond its reasonable knowledge or control, Company cannot guarantee that the most economic applicable rate will be applied. Company will not make any refunds in any instances where it is determined that the Customer would have paid less for service had the Customer been billed on an alternate applicable rate or provision of that rate.

3.3 Optional Rates - Certain optional rate schedules applicable to certain classes of service allow the Customer the option to select the rate schedule to be effective initially or after service has been established. Billing under the alternate rate will become effective from the next regularly scheduled Meter reading, after the appropriate metering equipment is installed. No further rate schedule changes, however, may be made within the succeeding twelve (12) month period. Where



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the rate schedule or contract pursuant to 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.

- 3.4 Direct Access service will be effective upon the next Meter read date if DASR is processed fifteen (15) calendar days prior to that read date and the appropriate metering equipment is in place. If a DASR is made less than fifteen (15) days prior to the next regular read date the effective date will be at the next Meter read date thereafter. The above timeframes are applicable for Customers changing their selection of Electric Service Providers or for Customers returning to Standard Offer service.
- 3.5 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. However, such Customer will not be eligible for Direct Access service for the succeeding twelve (12) month period. If a Customer returning to Standard Offer, in accordance with the rules, regulations and orders of the Commission, was not given the required 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 only apply if the Customer fails to select another ESP within sixty (60) days of returning to Standard Offer service.

4. Billing and Collection

- 4.1 Customer Service Installation and Billing - Service Billing Periods normally consist of approximately thirty (30) days unless designated otherwise under rate schedules, through contractual agreement, or at Company option.
- 4.1.1 Company normally Meters and bills each site separately; however, at 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 Company's option be considered a single site as specified in Company's Schedule 4, Totalized Metering of Multiple Service Entrance Sections at a Single Site for Standard Offer and Direct Access Service.
- 4.1.2 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, or total service cannot be measured through one Meter according to Company's regular practice, separate Meters will be used and separate billing rendered for the service measured by each Meter.
- 4.2 Collection Policy - The following collection policy shall apply to all Customer accounts:
- 4.2.1 All bills rendered by Company are due and payable no later than fifteen (15) calendar days from the billing date. Any payment not received within this time frame will be considered delinquent. All delinquent bills for which payment has not been received shall be subject to the provisions of Company's termination procedure. Company reserves the right to suspend or terminate the Customer's service for non-payment of any Arizona Corporation Commission approved charges. All delinquent charges will be subject to a late charge at the rate of eighteen percent (18%) per annum.



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- 4.2.2 If the Customer, as defined in A.A.C. R 14-2-201.9, has two or more services with Company and one or more of such services is terminated for any reason leaving an outstanding bill and the Customer is unwilling to make payment arrangements that are acceptable to Company, Company shall be entitled to transfer the balance due on the terminated service to any other active account of the Customer for the same class of service. The failure of the Customer to pay the active account shall result in the suspension or termination of service thereunder.
- 4.2.3 Unpaid charges incurred prior to the Customer selecting Direct Access will not delay the Customer's request for Direct Access. These charges remain the responsibility of the Customer to pay. Normal collection activity, including discontinuing service, may be followed for failure to pay.
- 4.2.4 All unpaid delinquent final bills may be referred to a collection agency for collection.
  - 4.2.4.1 If collection agency referral is warranted for collection of unpaid final bills, Customer will be responsible for associated collection agency fees incurred.

4.3 Responsibility for Payment of Bills

- 4.3.1 The Customer is responsible for the payment of bills until service is ordered discontinued and Company has had reasonable time to secure a final Meter reading for those services involving energy usage, or if non-metered services are involved until Company has had reasonable time to process the disconnect request.
- 4.3.2 When an error is found to exist in the billing rendered to the Customer, Company may correct such an error to recover or refund the difference between the original billing and the correct billing. Such adjusted billings will not be rendered for periods in excess of the applicable statute of limitations from the date the error is discovered. Schedule 8 (Bill Estimation) shall be applied when Company cannot obtain a complete and valid Meter read. Situations that result in an estimated Meter read include inclement weather, lack of access to a Customer's Meter, energy diversion, labor unavailability and equipment malfunction.
  - 4.3.2.1 Refunds or credits to Customers resulting from overbillings will be made promptly upon discovery by Company.
  - 4.3.2.2 Corrected charges for underbillings shall be billed to the Customer who shall be given an equal length of time such as number of months underbilled to pay the backbill without late payment penalties, unless there is evidence of Meter Tampering or energy diversion.
  - 4.3.2.3 Except as specified below, corrected charges for underbillings shall be limited to three (3) month for residential accounts and six (6) months for non-residential accounts.
    - 4.3.2.3.1 Where the account is billed on a special contract or non-metered rate, corrected charges for underbillings shall be billed in accordance with



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the contract or rate schedule requirements and is not limited to three or six months as applicable.

4.3.2.3.2 Where service has been established but no bills have been rendered, corrected charges for underbillings shall go back to the date service was established.

4.3.2.3.3 Where there is evidence of Meter Tampering or energy diversions, corrected charges for underbillings shall go back to the date Meter Tampering or energy diversions began, as determined by Company.

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

4.3.2.3.5 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 shall such rebilling exceed the applicable statute of limitations.

4.3.2.4 Company may forgo billing and collection of corrected charges for an underbilling if Company believes the cost of billing and collecting the underbilling would not justify pursuing the underbill.

4.3.3 Where Company is responsible for rendering the Customer's bill, Company will provide a monthly incentive of \$0.48 per Customer to Customers who elect to pay their bills using the Company's electronically transmitted payment options AutoPay, SurePay or similar programs.

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

4.4.1 The Customer will be charged a fee of \$15.00 for each instance where the Customer tenders payment of a bill with a payment that is not honored by the Customer's financial institution.

4.4.2 The tender of a dishonored payment shall in no way (i) relieve the Customer of the obligation to render payment to Company under the original terms of the bill, or (ii) defer Company's right to terminate service for nonpayment of bills.

4.4.3 Where the Customer has tendered two (2) or more dishonored payments in the past twelve (12) consecutive months, Company may require the Customer to make payment in cash, money order or cashier's check for the next twelve (12) consecutive months.



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4.5 Termination Process Charges

- 4.5.1 Company will require payment of a Field Call Charge of \$15.00 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 will only be applied for field calls resulting from the termination process.
- 4.5.2 If a termination is required at the pole, a reconnection charge of \$96.50 will be required; if the termination is in underground equipment, the reconnection charge will be \$115.00.
- 4.5.3 To avoid termination of service, the Customer will make payment in full, including any necessary deposit in accordance with Section 2.5 hereof or make payment arrangements satisfactory to Company.

5. Service Responsibilities of Company and Customer

- 5.1 Service Voltage –Company will deliver electric service to the designated Point of Delivery, as specified in Section 6.3 of this Schedule, at the standard voltages specified in the Electric Service Requirements Manual published by Company and as specified in A.A.C. R14-2-208.F. Company may deliver service for special Applications at higher voltages, with prior approval from Company's Engineering Department and in accordance with Company's Schedule 3, Conditions Governing Extensions of Electric Distribution Lines and Services filed with the Arizona Corporation Commission.
- 5.2 Responsibility: Use of Service or Apparatus
  - 5.2.1 The Customer shall save Company harmless from and against all claims for injury or damage to persons or property occasioned by or in any way resulting from the services being provided by Company or the use thereof on the Customer's side of the Point of Delivery. Company shall have the right to suspend or terminate service in the event Company should learn of service use by the Customer under hazardous conditions.
  - 5.2.2 The Customer shall exercise all reasonable care to prevent loss or damage to Company property installed on the Customer's site for the purpose of supplying service to the Customer.
  - 5.2.3 The Customer shall be responsible for payment for loss or damage to Company property on the Customer's site arising from neglect, carelessness or misuse and shall reimburse Company for the cost of necessary repairs or replacements.
  - 5.2.4 The Customer shall be responsible for payment for any equipment damage and/or estimated unmetered usage resulting from unauthorized breaking of seals, interfering with, tampering with, or by-passing the Meter.
  - 5.2.5 The Customer shall be responsible for notifying Company of any failure in Company's equipment.



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5.3 Service Interruptions: Limitations on Liability of Company

- 5.3.1 Company shall not be liable to the Customer for any damages occasioned by Load Serving ESP's equipment or failure to perform, fluctuations, interruptions or curtailment of electric service, except where due to Company's willful misconduct or gross negligence. Company may, without incurring any liability therefore, suspend the Customer's electric service for periods reasonably required to permit Company to accomplish repairs to or changes in any of Company's facilities. The Customer needs to protect their own sensitive equipment from harm caused by variations or interruptions in power supply.
- 5.3.2 In the event of a national emergency or local disaster resulting in disruption of normal service, Company may, in the public interest and on behalf of Electric Service Providers or Company, 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.

5.4 Company Access to Customer Sites

- 5.4.1 Company's authorized agents shall have satisfactory unassisted twenty-four (24) hour a day, seven (7) days a week access to Company's equipment located on Customer's sites for the purpose of repair, maintenance, and service restoration work that Company may need to perform.
- 5.4.2 Company's authorized agents shall have satisfactory unassisted access to the Customer's sites at all reasonable hours to install, inspect, read, repair 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. If, after six (6) months (not necessarily consecutive) of good faith efforts by Company to work with the Customer, Company in its opinion does not have satisfactory unassisted access to the Meter, then Company shall have sufficient cause for termination of service or denial of any rate options where, in Company's opinion, access is required. The remedy for unassisted access will be at Company discretion and may include the installation by Company of a specialized Meter. If such specialized Meter is installed, the Customer will be billed the difference between the otherwise applicable Meter for their 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, Company verification of unassisted access may be required before service is restored. Written termination notice is required prior to disconnecting service under this section.

5.5 Easements

- 5.5.1 All suitable Easements or rights-of-way required by Company for any portion of an extension to serve a Customer, which is either on sites owned, leased or otherwise controlled by the Customer or developer, or other property required for the extension, shall be furnished in Company's name by the Customer without cost to or condemnation by Company and in reasonable time to meet proposed service requirements. All



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Easements or rights-of-way granted to, or obtained on behalf of Company shall contain such terms and conditions as are acceptable to Company.

5.5.2 When Company discovers that the 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 Company-owned equipment, and such work, construction, vegetation or facility poses a hazard or is in violation of federal, state, or local laws, ordinances, statutes, rules or regulations, or significantly interferes with Company's safe use, operation or maintenance of, or access to, equipment or facilities, Company shall notify the Customer or the Customer's agent and shall take whatever actions are necessary to eliminate the hazard, obstruction, interference or violation at the Customer's expense. Company will notify the Customer in writing of the violations.

5.6 Load Characteristics – The Customer shall 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, shall not impair service to other Customers or interfere with operation of telephone, television, or other communication facilities. Customer shall meet power factor requirements as specified on applicable rate schedules.

6. Metering and Metering Equipment

6.1 Customer Equipment - The Customer shall install and maintain all wiring and equipment beyond the Point of Delivery except for 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 Company. In circumstances where a clearance is not required by law, Company may require Customer to execute a Letter In-Lieu of Electrical Clearance.

6.1.1 The Customer shall provide, in accordance with Company's current service standards and/or Electric Service Requirements Manual, at no expense to Company, and close to the Point of Delivery, a sufficient and suitable space acceptable to Company's agent for the installation, accessibility and maintenance of Company's metering equipment. A current version of the Electric Service Requirements Manual is available on-line at <http://esp.apsc.com/resource/metering.asp>.

6.1.2 Where a Customer requests, and Company approves, a special Meter reading device or communications services or devices to accommodate the Customer's needs, the cost for such additional equipment and usage fees shall be the responsibility of the Customer.

6.2 Company Equipment

6.2.1 A Meter Service Provider (MSP) or its authorized agents may remove Company's metering equipment pursuant to Company's Schedule 10. Meters not returned to Company or returned damaged will result in charge to the MSP of the replacement costs, plus an administration fee of fifteen percent (15%), less five (5) years depreciation.

6.2.2 Company will lease lock ring keys to MSP's and/or their agents authorized to remove Company Meters pursuant to the terms and conditions of Company's Schedule 10 at a



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refundable charge of \$70.00 per key. The charge will not be refunded if a key is lost, stolen, or damaged. If Company must replace ten percent (10%) of the issued keys within any twelve (12) month period due to loss by the MSP's agent, 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 Company within five (5) working days if the MSP and/or its authorized agents are:

- 1) No longer permitted to remove Company Meters pursuant to conditions of Company's Schedule 10;
- 2) No longer authorized by the Arizona Corporation Commission to provide services; or
- 3) The ESP Agreement has been terminated.

6.2.3 If the MSP, the Customer, and/or its agent request a joint site meeting for removal of Company metering and associated equipment and/or lock ring, a base charge will be assessed of \$62.00 per site. Company may assess an additional charge of \$53.00 per hour for joint site meetings that exceed thirty (30) minutes. If Company must temporarily replace the MSP's Meter and/or associated metering equipment during emergency situations or to restore power to a Customer, the above charges may apply.

6.3 Service Connections - Company is not required to install and maintain any lines and equipment on the Customer's side of the Point of Delivery except its Meter.

6.3.1 For overhead service, the Point of Delivery shall be where Company's service conductors terminate at the Customer's weatherhead or bus rider.

6.3.2 For underground service, the Point of Delivery shall be where Company's service conductors terminate in the Customer's or development's service equipment. The Customer shall furnish, install and maintain any risers, raceways and/or termination cabinet necessary for the installation of Company's underground service conductors.

6.3.3 For special Applications where service is provided at voltages higher than the standard voltages specified in the Electric Service Requirements Manual, Company and Customer shall mutually agree upon the designated Point of Delivery.

6.3.4 For the mutual protection of the Customer and Company, only authorized employees or agents of Company or the Load Serving ESP are permitted to make and energize the connection between Company's service wires and the Customer's service entrance conductors. Such employees carry Company issued identification which they will show on request.

6.4 Measuring Customer Service - All the energy sold to the Customer will be measured by commercially acceptable measuring devices by Company (or the Meter Reading Service Provider (MRSP) pursuant to the terms and conditions of Company's Schedule 10). Where energy and, if applicable, Demand is estimated by Company, estimation will be in accordance with Company's bill estimation procedures approved by the Arizona Corporation Commission. Where it is impractical to Meter loads, such as street lighting, security lighting, or special installations, consumption will be determined by Company.



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- 6.4.1 For Standard Offer Customers, or where Company is the MRSP, 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 plus or minus three percent (3%).
- 6.4.2 If there is evidence of Meter Tampering or energy diversion, the Customer, person or entity demonstrated to have tampered with the Meter and/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 and/or diverted energy will also be charged the cost of the investigation as determined by Company.
- 6.4.3 If after testing, a Meter is found to be more than three percent (3%) in error, either fast or slow, proper correction shall be made of previous readings and adjusted bills shall be rendered or adjusted billing information will be provided to the MRSP.
  - 6.4.3.1 Customer will be billed, in accordance with Section 4.3.2, for the estimated energy and Demand that would have registered had the Meter been operating properly.
- 6.4.4 Where Company is the MRSP, Company will, at the request of the Customer or the ESP, reread the customer's Meter within ten (10) working days after such request by the Customer. The cost of such rereads is \$16.50 and may be charged to the Customer or the ESP, provided that the original reading was not in error.
- 6.4.5 Where the ESP is the MSP or MRSP, and the ESP and/or its' agent fails to provide the Meter data to Company pursuant to Company's Schedule 10 Section 8.16, Meter Reading Data Obligations, Company may, at its option, obtain the data, or may estimate the billing determinants. The charge for such reread is \$16.50 and may be charged to the ESP.
- 6.5 Meter Testing - Company tests its Meters regularly in accordance with a Meter testing and maintenance program as approved by the Arizona Corporation Commission. Company will, however, individually test a Company owned/maintained Meter upon Customer or ESP request. If the Meter is found to be within the plus or minus three percent (3%) limit, Company may charge the Customer or the ESP \$30.00 for Meter test if the Meter is removed from the site and tested in the meter shop, and \$50.00 if the Meter remains on site and is tested in the field.
- 6.6 Master Metering
  - 6.6.1 Mobile Home Parks - Company shall refuse service to all new construction and/or expansion of existing permanent residential mobile home parks unless the construction and/or expansion is individually metered by Company.
  - 6.6.2 Residential Apartment Complexes - Company shall refuse service to all new construction of apartment complexes and condominiums which are Master Metered. This section is not applicable to Senior Care/Nursing Centers registered with the State of Arizona with independent living units which provide packaged services such as housing, food, and nursing care.



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6.6.3 Multi-Unit Residential High Rise Developments (developments consisting of apartments, condominiums or townhouse developments built with four or more floors, usually using elevators for accessing floors) – Company will allow Master Metering for residential units where the residential units are privately owned, provided the building will be served by a centralized heating, ventilation and/or air conditioning system, and each residential unit shall be individually sub-metered and responsible for energy consumption of that unit.

6.6.3.1 Sub-metering shall be provided and maintained by the builder or homeowners association.

6.6.3.2 Responsibility and methodology for determining each unit's energy billing shall be clearly specified in the original bylaws of the homeowners association, a copy of which must be provided to Company prior to Company providing the initial extension.

7. Termination of Service

7.1 With Notice - Company 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, provided Company has met the notice requirements established by the Arizona Corporation Commission:

7.1.1 A Customer violation of any of the applicable rules of the Arizona Corporation Commission or Company Tariff.

7.1.2 Failure of the Customer to pay a Delinquent Bill for services provided by Company.

7.1.2.1 Additional notice will not be provided when Customer makes payments to avoid/stop non-payment disconnection with a dishonored payment. Prior to reconnection of service, repayment of those funds and all other delinquent amounts will be required in cash, money order, or certified funds.

7.1.2.2 Additional notice will not be provided when Customer pays to reconnect service with a dishonored payment. Prior to reconnection of service, payment of those funds and all other delinquent amounts will be required in cash, money order or certified funds.

7.1.3 The Customer's breach of a written contract for service.

7.1.4 Failure of the Customer to comply with Company's deposit requirements.

7.1.5 Failure of the Customer to provide Company with satisfactory and unassisted access to Company's equipment.

7.1.6 When necessary to comply with an order of any governmental agency having jurisdiction.



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- 7.1.7 Failure of a prior Customer to pay a Delinquent Bill for utility services where the prior Customer continues to reside on the premises.
- 7.1.8 Failure to provide or retain rights-of-way or Easements necessary to serve the Customer.
- 7.1.9 Company learns of the existence of any condition in Section 2.4, Grounds For Refusal of Service.
- 7.2 Without Notice - Company may without liability for injury or damage disconnect service to any Customer without advance notice under any of the following conditions:
  - 7.2.1 Company observes, or has evidence of, a hazard to the health or safety of persons or property.
  - 7.2.2 Company has evidence of Meter Tampering or fraud.
  - 7.2.3 Company has evidence of unauthorized resale or use of electric service.
  - 7.2.4 Failure of the Customer to comply with the curtailment procedures imposed by Company during a supply shortage.
- 7.3 Restoration of Service - Company shall not be required to restore service until the conditions which resulted in the termination have been corrected to the satisfaction of Company.
- 8. Removal of Facilities - Upon termination of service, Company may without liability for injury or damage, dismantle and remove its facilities installed for the purpose of supplying service to the Customer, and Company shall be under no further obligation to serve the Customer.
- 9. Successors and Assigns - Agreements for Service shall be binding upon and for the benefit of the successors and assigns of the Customer and Company, but no assignments by the Customer shall be effective until the Customer's assignee agrees in writing to be bound and until such assignment is accepted in writing by Company.
- 10. Warranty - THERE ARE NO UNDERSTANDINGS, AGREEMENTS, REPRESENTATIONS, OR WARRANTIES, EXPRESS OR IMPLIED (INCLUDING WARRANTIES REGARDING MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE), NOT SPECIFIED HEREIN OR IN THE APPLICABLE RULES OF THE ARIZONA CORPORATION COMMISSION CONCERNING THE SALE AND DELIVERY OF SERVICES BY COMPANY TO THE CUSTOMER. THESE TERMS AND CONDITIONS AND THE APPLICABLE RULES OF THE ARIZONA CORPORATION COMMISSION STATE THE ENTIRE OBLIGATION OF COMPANY IN CONNECTION WITH SUCH SALES AND DELIVERIES.

EXHIBIT D

STREETLIGHT ENERGY AGREEMENT  
BETWEEN  
ARIZONA PUBLIC SERVICE COMPANY  
AND  
CITY OF BISBEE

SCHEDULE 5



## SERVICE SCHEDULE 5 GUIDELINES FOR ELECTRIC CURTAILMENT

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1. Arizona Public Service Company (Company) shall have no liability of obligation for claims arising out of the procedures for curtailment or interruption of electric service effected by it in accordance with such guidelines or such supplemental, amendatory or implementary guidelines or regulations as may hereafter be established and as provided by law.
2. Company shall endeavor to identify any electric customer(s) who might be classified as having either essential or critical loads. In the event that any customer of Company is dissatisfied by the classification of Customer by Company, or with the amount of such customer's load (if any) classified by the Company as critical or essential, the Customer may bring the matter to either the Company or the Commission and request a determination in regard thereto. However, until such redetermination is made by the Commission or the Company, customer's original classification for purposes of electric curtailment under this Schedule shall be unaffected.
3. Company shall endeavor to, as circumstances permit and as further discussed in the Company's detailed Electric Load and Curtailment Plan, to notify County emergency personnel, or similar local authorities, of existing or developing situations involving the curtailment or interruption of APS customers pursuant to this Schedule #5.

#### 4. DEFINITIONS

- 4.1 Essential Loads – Loads necessary to serve facilities used to protect the health and safety of the public, such as: hospitals, 911 Centers, national defense installations, sewage facilities and domestic water facilities. Loads necessary to serve 911 Centers, police stations, and fire stations, which do not have independent back-up generation and require APS' electric service for operation of essential emergency equipment.
- 4.2 Critical Loads – That portion of the electric load of nonresidential customers, which in the event of 100 percent curtailment of service, would cause excessive damage to equipment or material being processed, or where such interruption would create grave hazards to employees or the public.
- 4.3 Major Use Customers/Others (With Notice) – Those customers having relatively large loads (over 1000 kW) or a substantial number of employees or other special circumstances that make it appropriate to schedule blackouts or curtailments different from typical customers. Customers who qualify as Major Use/Others (With Notice) can take 100 percent curtailment when sufficient notice is provided. These loads will be interrupted after the required notification period. "Sufficient", "required", and "appropriate" notice is that notice that APS, after consultation with the affected customer, has determined will allow the customer to curtail in a safe and efficient manner. Such notice necessarily varies from customer to customer.
- 4.4 Others (With or Without Notice) – All customers not meeting the above definitions. These customers will be interrupted (with or without notice) if voluntary curtailment measures are not sufficient to alleviate the situation.

#### 5. GUIDELINES TO BE APPLICABLE IN EVENT OF INTERRUPTION OR CURTAILMENT OF ELECTRIC SERVICE BY COMPANY TO ITS CUSTOMERS DUE TO POWER SUPPLY INTERRUPTIONS, FUEL SHORTAGE OR TRANSMISSION EMERGENCY PURSUANT TO CORPORATION COMMISSION RULE R14-2-208, PROVISION OF SERVICE, PARAGRAPH E.

##### 5.1 Operating Procedures Prior to Customer Load Curtailment



## SERVICE SCHEDULE 5 GUIDELINES FOR ELECTRIC CURTAILMENT

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- 5.1.1 The following items shall be pursued concurrently
  - 5.1.1.1 Reschedule maintenance of transmission components and generating units, where practical.
  - 5.1.1.2 Utilize spinning reserve.
  - 5.1.1.3 Discontinue all non-firm wholesale sales during any period of involuntary curtailment or when an involuntary curtailment is anticipated.
  - 5.1.1.4 Do not enter into any new wholesale sales during any period of involuntary curtailment or when an involuntary curtailment is anticipated.
  - 5.1.1.5 Start all standby units.
  - 5.1.1.6 Contact other utilities and/or agencies for emergency assistance.
  - 5.1.1.7 Invoke emergency and short-term contractual schedules with other utilities and/or agencies.
  - 5.1.1.8 Reduce system voltage, where practical.
  - 5.1.1.9 Reduce non-essential Company uses such as flood lighting, sign lighting, display lighting, office lighting, electric cooling and heating, etc., where practical.
  - 5.1.1.10 Provide information through the media or other appropriate medians to the public which will contain instructions on how customers can assist Company in case of an emergency power outage.
  - 5.1.1.11 Work with government agencies and environmental groups to seek waivers on environmental constraints and/or expedite permitting process for company-owned generation, as well as, customer generation, as appropriate.

### 5.2 Voluntary Customer Load Curtailment

#### 5.2.1 Public Appeal

- 5.2.1.1 An advisory message procedure will be used when Company has advance indications that it will not be able to meet future peak loads. These messages will request voluntary load reduction during specific hours on specific days.
- 5.2.1.2 An emergency bulletin procedure will be used for instant notification to the public in the event there is no advance indication of a power shortage. These bulletins will request the immediate voluntary cooperation of all customers in reducing electric loads.
  - 5.2.1.2.1 These bulletins will request all customers to reduce the use of all electrically operated equipment and devices, where possible.



## SERVICE SCHEDULE 5 GUIDELINES FOR ELECTRIC CURTAILMENT

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5.2.1.2.2 Company will have a prepared statement to read which will give current information on the Power Supply Interruption, Fuels Shortage or Transmission Emergency.

### 5.3 Contractually Interruptible Load

5.3.1 Company shall invoke contractual interruption provisions to the extent appropriate.

5.3.2 Company shall interrupt non-firm wholesale customer(s) as appropriate.

### 5.4 Involuntary Customer Load Curtailment

5.4.1 If the load reduction realized from application of the voluntary curtailment procedures is not sufficient to alleviate the power shortage, Company will reduce voltage if and to the extent practical and in accordance with normal applicable electric utility operation standards.

5.4.2 If further load reduction is required, load will be reduced as follows:

5.4.2.1 Circuits not classified with "Major Use/Others With Notice, Critical or Essential" customers will be interrupted on a rotating basis. The frequency and duration of such interruptions will be dependent upon the magnitude and nature of the power shortage. The frequency and duration of such interruptions shall also consider the circumstances of Major Use Customers.

5.4.2.2 Accurate records will be kept to ensure that these circuits are rotated in an equitable and technically feasible manner.

5.4.2.3 Circuits classified as "Major Use/Others" will be interrupted upon the giving of appropriate notice.

5.4.2.4 Customers on circuits which serve critical loads will be required to curtail the non-critical portion of their loads. Thereafter, circuits which serve critical loads will be identified and will not be interrupted unless an area must be dropped to maintain stability of the electric system. However, loads otherwise classifiable as critical may be curtailed if they possess back-up generation sufficient to meet their entire load requirement. If a customer having a critical load refuses or fails to curtail his electric consumption down to the critical load, he shall thereupon not be considered to have a critical load for purposes of this Schedule.

5.4.2.5 Circuits which serve essential loads will be identified and will not be interrupted unless an area must be dropped to maintain stability of the electric system. However, loads otherwise classifiable as essential may be curtailed if they possess back-up generation sufficient to meet their entire load requirement.

### 5.5 Sudden Shortages of Power

In the event that time does not allow for the implementation of the Electric Curtailment Guidelines, Company may resort to its emergency operations procedures, with or without notice.



## SERVICE SCHEDULE 5 GUIDELINES FOR ELECTRIC CURTAILMENT

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### 5.6 Automatic Load Shedding

In the event that there is a major electrical disturbance threatening the interconnected Southwest system with blackout conditions, emergency devices such as under frequency load shedding, transfer tripping, etc., will be utilized to maintain the optimum system stability.

## 6. ELECTRIC CURTAILMENT OF FIRM WHOLESALE CUSTOMERS

6.1 The term "firm wholesale customer" shall be defined as those APS customers who purchase, on a firm basis, electricity from the Company for purposes of resale.

6.2 In any given instance where a curtailment of wholesale power deliveries is involved, and subject to any required approvals of the Federal Energy Regulatory Commission or contractual provisions to the contrary, Company shall notify its firm wholesale customers, requesting that they curtail electric service to their retail customers during the period that Company's system is affected by power shortages. In the event that Company is unable to obtain the cooperation of a firm wholesale customer, it may seek an order from appropriate governmental authority requiring the firm wholesale customer to accept a reduction of electricity deliveries proportionate to the curtailment being effected on Company's system.

## 7. ELECTRIC LOAD AND CURTAILMENT PLAN

A detailed electric load and curtailment plan shall be kept on file with the Arizona Corporation Commission. This plan shall contain specific procedures for implementation of the above, along with the name(s) and telephone number(s) of the appropriate Company personnel to contact in the event implementation of the plan becomes necessary. This plan shall be updated at least annually, and it or amendments thereto shall become effective upon submission to the Arizona Corporation Commission.

7.1 Company shall contact the Director, Utilities Division, or their designee, as soon as practical for any curtailment pursuant to this Schedule #5.