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FEB 24 2011



MEMORANDUM City Manager – Council Memo CM11-015

DATE: FEBRUARY 24, 2011

TO: MAYOR & COUNCIL

THRU: RICH DLUGAS, ACTING CITY MANAGER *RD*
MARIAN NORRIS, ASSISTANT TO CITY MANAGER *MN*
SHEINA HUGHES, CITY ENGINEER *SH FOR*

FROM: LORI GRECO – DEVELOPMENT PROJECT ADMINISTRATOR *LG*

SUBJECT: APPROVAL OF ELECTRICAL SUPPLY AGREEMENT WITH ARIZONA PUBLIC SERVICE COMPANY FOR 175 S. ARIZONA AVENUE AND 240 S. WASHINGTON STREET

RECOMMENDATION:

Staff recommends approval of the electrical supply agreement with Arizona Public Service Company for 175 S. Arizona Avenue and 240 S. Washington Street.

BACKGROUND AND DISCUSSION:

On April 6, 2009, Council approved a construction contract with Sundt Construction, Inc., for the new City Hall complex. The complex was substantially completed on October 12, 2010 and staff began occupying the building October 21, 2010. Arizona Public Service Company (APS) provides electrical services for the four square mile area bounded by Ray Road and Pecos Road and by McQueen Road and Alma School Road. Electrical service shall be supplied in accordance with APS Rate schedule E-32 L STD.

FINANCIAL IMPLICATIONS: Electrical service will be funded out of the annual operating budget.

PROPOSED MOTION:

Move that Council approve the electrical supply agreement with Arizona Public Service Company for 175 S. Arizona Avenue and 240 S. Washington Street.

Attachment(s)

- APS Electrical Supply Agreement for 175 S. Arizona Ave
- APS Electrical Supply Agreement for 240 S. Washington Ave
- APS Rate Schedule E-32 L and E-32M

APS
ELECTRICAL SUPPLY
AGREEMENT

Site ID 137990388

The parties to this Agreement are ARIZONA PUBLIC SERVICE COMPANY, an Arizona corporation, hereinafter called "APS" and CITY OF CHANDLER, hereinafter called "Customer." In consideration of the services to be performed by APS it is agreed as follows:

1. SPECIFICATION

- 1.1 APS shall supply, and Customer shall take all electric service required for operation of Customer's CHANDLER PARKING GARAGE AND OFFICES, located at 240 S. WASHINGTON ST. CHANDLER, AZ, up to a maximum of 654 kW, which shall represent the total simultaneous demands and energy of a customer if account is Totalized (Adjacent or Remote) in accordance with APS' Service Schedule 4, subject to the physical limitations of APS' then-existing system and further subject to the provisions of Section 1.3 hereof.
- 1.2 The minimum quantity of electric service contracted for under this Agreement and to be received by Customer shall be 327 kW which shall represent the total simultaneous demands and energy of a customer if account is Totalized (Adjacent or Remote) in accordance with APS' Service Schedule 4.
- 1.3 For the purpose of affording APS a reasonable opportunity to plan for additional demand on its system, Customer agrees to provide APS with at least 30 days advance written notification of any increased use of electricity over and above the maximum kW specified in Section 1.1, above, and shall be liable, upon demand by APS, to the extent of any damage resulting through its failure to give such notice.
- 1.4 The point of delivery shall be designated as the point where APS' service wire connects to the Customer's installation, unless another point of delivery is designated as follows: _____.
- 1.5 Measurement for all electric service supplied under this Agreement shall be at one central point designated as either the point where APS' service wire connects to the Customer's installation or the designated "billing" meter if the account is totalized in accordance with APS' Service Schedule 4, unless another point of delivery has been designated. If account is totalized, Customer's load shall not exceed the physical limitations of the APS' then existing system at each point of delivery.
- 1.6 The electric service supplied under this Agreement shall be in the form of THREE phase alternating current at approximately 60 Hertz and approximately 277/480 volts.
- 1.7 Such electric service shall be supplied in accordance with APS' Rate Schedule E-32 L STD and Schedule # 1, "Terms and Conditions for Standard Offer and Direct Access Services", as they may change from time to time. Changes made to either schedule shall amend and apply to this Agreement to the same extent as though they had been originally incorporated as a part of this Agreement. Copies of the Rate Schedule and Schedule #1 now in effect are attached to and made a part of this Agreement.
- 1.8 The electric service supplied hereunder may be interrupted or curtailed in accordance with APS' Schedule 5" GUIDELINES FOR ELECTRIC CURTAILMENT", as filed with the Arizona Corporation Commission, which is subject to change as provided by law.

2. TERM OF AGREEMENT

The term of this Agreement shall be for a period of THREE years (the "Initial Term") with an effective date of 05/01/2010. Thereafter, this Agreement shall be automatically extended until either party gives the other party at least thirty (30) days prior written notice of its desire to terminate this Agreement. This does not preclude a Customer from selecting Direct Access service during the initial Term and any extension thereof.

3. ACCELERATION

In addition to any other rights and remedies of APS, any breach or default by Customer necessitating cancellation of this Agreement shall cause all amounts for service to become immediately due and payable to APS including initial charges, minimum guarantee, or other amounts stated in the Rate Schedule and Schedule #1, which are independent of energy delivered.

4. DEPOSITS

Customer agrees that, in addition to any other rights that APS may have regarding the application of Customer deposits, APS is hereby entitled to apply any or all funds deposited with APS pursuant to this Agreement against any or all sums past due and owing to APS from Customer; provided, however, that such past due sums are for the same class of service as that provided under this Agreement.

5. CONTRACT ADJUSTMENT

In some cases, it may be to Customer's benefit to adjust the contract minimum stated in Section 1.2. This will be permitted under the following conditions.

- Customer must submit a written request, approval of which shall be at APS' sole discretion, stating the reason for the adjustment and the requested revised minimum and maximum requirements (kW).
- Adjustments will not be allowed during the initial five (5) year term if Supply Agreement is executed in conjunction with an Agreement to Construct Electric Facilities.
- After adjustment, Customer may not ask for a readjustment for a period of one (1) year.
- If customer's revised load requirements require modifications to APS' existing metering equipment, as determined by APS, Customer will be required to pay a non-refundable cost to APS for the costs associated with the required modifications.
- If Customer's service requirements are of unusual size or characteristics, APS will make a special study of the conditions to determine if other non-refundable costs may be required.
- Customer acknowledges that upon execution of the revised Supply Agreement that APS is under no obligation to maintain or reserve system capacity requirements beyond those noted in the revised Agreement.

6. GENERAL PROVISIONS

- 6.1 In the event that either party shall successfully bring suit to compel performance or for breach of this Agreement, that party shall be entitled to recover reasonable attorney's fees in addition to the amount of judgement and costs.
- 6.2 A waiver of any default of the other party or any other matter arising in connection with this Agreement, at any time by either party, shall not be construed a waiver of any subsequent default or matter.
- 6.3 THERE ARE NO UNDERSTANDINGS, AGREEMENTS, REPRESENTATIONS, OR WARRANTIES, EXPRESSED OR IMPLIED (INCLUDING WARRANTIES REGARDING MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE), NOT SPECIFIED IN THIS AGREEMENT, THE REFERENCED SCHEDULES, ANY OTHER REFERENCED OR ATTACHED DOCUMENTS, OR IN THE APPLICABLE RULES OF THE ARIZONA CORPORATION COMMISSION CONCERNING THE SALE AND DELIVERY OF ELECTRICITY BY APS TO CUSTOMER. THIS AGREEMENT, INCLUDING THE REFERENCED SCHEDULES, ANY OTHER REFERENCED OR ATTACHED DOCUMENTS, AND THE APPLICABLE RULES OF THE ARIZONA CORPORATION COMMISSION, STATES THE ENTIRE OBLIGATION OF APS IN CONNECTION WITH SUCH SALES AND DELIVERIES.
- 6.4 This Agreement will be interpreted in accordance with the substantive and procedural laws of the State of Arizona without regard to any conflicts of law provisions contained therein.
- 6.5 Signatory on the agreement must be an officer of the company or a representative who has authority to bind the entity signing the contract.

7. ATTACHMENTS

The following additional documents are attached to and made part of this Agreement

APS' Rate Tariff E-32 L, E-32 M

APS' Schedule #1 (Terms and Conditions for Standard Offer and Direct Access Service).

APS' Schedule #5 (Guidelines for Electric Curtailment)

8. EXECUTION

This Agreement has been executed by the duly authorized representatives of the parties, as set forth below:

ARIZONA PUBLIC SERVICE	CUSTOMER
<p>Signature <u></u></p> <p>Name <u>FRANK J GRECO, JR</u></p> <p>Title <u>ENGINEER</u></p> <p>Date Signed <u>04/15/2010</u></p>	<p>Signature _____</p> <p>Name _____</p> <p>Title _____</p> <p>Date Signed _____</p> <p>Mailing Address <u>215 E BUFFALO ST</u></p> <p><u>CHANDLER, AZ 85225</u></p> <p>Permanent Phone # _____</p> <p style="text-align: center;">BILLING ADDRESS:</p> <p>_____</p> <p>_____</p>
<p style="text-align: center;">APPROVED AS TO FORM</p> <p style="text-align: center;"><u></u></p> <p style="text-align: center;">CITY ATTORNEY</p>	<p>The individual executing this Agreement on behalf of Customer represents and warrants: (i) that he or she is authorized to do so on behalf of Customer; (ii) that he or she has full legal power and authority to bind Customer in accordance with the terms herein and, if necessary, has obtained all required consents or delegations of such power and authority.</p>



**RATE SCHEDULE E-32 M
MEDIUM GENERAL SERVICE (101 kW - 400 kW)**

AVAILABILITY

This rate schedule is available in all territory served by the Company at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the sites served.

APPLICATION

This rate schedule is applicable to all Standard Offer and Direct Access customers whose Average Monthly Maximum Demand is greater than 100 kW and less than or equal to 400 kW per month.

The Company will place the Customer on the Applicable Rate Schedule E-32 XS, E-32 S, E-32 M, or E-32 L based on the Average Monthly Maximum Demand, as determined by the Company each year. Such placement will occur in the February billing cycle following the annual determination. The Company may also place the Customer on the Applicable Rate Schedule during the year, if the Customer has experienced a significant and permanent change in load as determined by the Company. Such placement will be based on available information.

Service must be supplied at one point of delivery and measured through one meter unless otherwise specified by an individual customer contract.

Rate selection is subject to paragraphs 3.2 through 3.5 of the Company's Schedule 1, Terms and Conditions for Standard Offer and Direct Access Services. This schedule is not applicable to breakdown, standby, supplemental, residential or resale service nor to service for which Rate Schedule E-34 is applicable.

TYPE OF SERVICE

The type of service provided under this schedule will be single or three phase, 60 Hertz, at one standard voltage as may be selected by customer subject to availability at the customer's site. Three phase service is furnished under the Company's Schedule 3 (Conditions Governing Extensions of Electric Distribution Lines and Services). Three phase service is not furnished for motors of an individual rated capacity of less than 7-1/2 HP, except for existing facilities or where total aggregate HP of all connected three phase motors exceeds 12 HP. Three phase service is required for motors of an individual rated capacity of more than 7-1/2 HP. Service under this schedule is generally provided at secondary voltage, primary voltage when the customer owns the distribution transformer(s), or transmission voltage.

RATES

The bill shall be computed at the following rates or the minimum rates, whichever is greater, plus any adjustments incorporated in this rate schedule:

Bundled Standard Offer Service

Basic Service Charge:

For service through Self-Contained Meters:	\$ 0.672	per day, or
For service through Instrument-Rated Meters:	\$ 1.324	per day, or
For service at Primary Voltage:	\$ 3.415	per day, or
For service at Transmission Voltage:	\$ 26.163	per day



RATE SCHEDULE E-32 M
MEDIUM GENERAL SERVICE (101 kW - 400 kW)

RATES (cont)

Bundled Standard Offer Service (cont)

Demand Charge:

Secondary Service:	\$ 9.597	per kW for the first 100 kW, plus
	\$ 5.105	per kW for all additional kW, or
Primary Service:	\$ 8.905	per kW for the first 100 kW, plus
	\$ 4.412	per kW for all additional kW, or
Transmission Service:	\$ 6.942	per kW for the first 100 kW, plus
	\$ 2.450	per kW for all additional kW

Energy Charge:

May – October Billing Cycles (Summer)	November – April Billing Cycles (Winter)
\$0.10320 per kWh for the first 200 kWh per kW, plus \$0.06034 per kWh for all additional kWh	\$0.08619 per kWh for the first 200 kWh per kW, plus \$0.04334 per kWh for all additional kWh

Bundled Standard Offer Service consists of the following Unbundled Components:

Unbundled Standard Offer Service

Basic Service Charge:	\$ 0.126	per day
Revenue Cycle Service Charges:		
Metering:		
Self-Contained Meters:	\$ 0.403	per day, or
Instrument-Rated Meters:	\$ 1.055	per day, or
Primary:	\$ 3.146	per day, or
Transmission:	\$ 25.894	per day

These daily metering charges apply to typical installations. Customers requiring specialized facilities are subject to additional metering charges that reflect the additional cost of the installation, (for example, a customer taking service at 230 Kv). Adjustments to unbundled metering components will result in an adjustment to the bundled Basic Service Charge.

Meter Reading:	\$ 0.068	per day
Billing:	\$ 0.075	per day
System Benefits Charge:	\$ 0.00210	per kWh
Transmission Charge:	\$ 1.585	per kW

RATES (cont)



RATE SCHEDULE E-32 M
MEDIUM GENERAL SERVICE (101 kW - 400 kW)

Unbundled Standard Offer Service (cont)

Delivery Charge:		
Secondary Service:	\$ 8.012	per kW for the first 100 kW, plus
	\$ 3.520	per kW for all additional kW, plus
	\$ 0.00011	per kWh, or
Primary Service:	\$ 7.320	per kW for the first 100 kW, plus
	\$ 2.827	per kW for all additional kW, plus
	\$ 0.00011	per kWh, or
Transmission Service:	\$ 5.357	per kW for the first 100 kW, plus
	\$ 0.865	per kW for all additional kW, plus
	\$ 0.00011	per kWh
Generation Charge:		

May – October Billing Cycles (Summer)	November – April Billing Cycles (Winter)
\$0.10099 per kWh for the first 200 kWh per kW, plus \$0.05813 per kWh for all additional kWh	\$0.08398 per kWh for the first 200 kWh per kW, plus \$0.04113 per kWh for all additional kWh

DIRECT ACCESS

The bill for Direct Access customers under this rate schedule will consist of the applicable Unbundled Components Basic Service Charge, System Benefits Charge, and Delivery Charge, plus any applicable adjustments incorporated in this schedule. Direct Access customers must acquire and pay for generation, transmission, and revenue cycle services from a competitive third party supplier. If any revenue cycle services are not available from a third party supplier and must be obtained from the Company, the applicable Unbundled Components Revenue Cycle Service Charges will be applied to the customer's bill.

MINIMUM

The bill for Standard Offer and Direct Access customers will not be less than the applicable Bundled Standard Offer Service Basic Service charge plus \$2.162 for each kW of either: (1) the highest kW established during the twelve (12) months ending with the current month; or (2) the minimum kW specified in an agreement for service, whichever is the greater.

POWER FACTOR

The customer deviation from phase balance shall not be greater than ten percent (10%) at any time. Customers receiving service at voltage levels below 69 kV shall maintain a power factor of 90% lagging but in no event leading unless agreed to by Company. Service voltage levels at 69 kV or above shall maintain a power factor of ± 95% at all times. In situations where Company suspects that a customer's load has a non-confirming power factor, Company may install at its cost, the appropriate metering to monitor such loads. If the customer's power factor is found to be non-confirming, the customer will be required to pay the cost of installation and removal of VAR metering and recording equipment. Customers found to have a non-confirming power factor, or other detrimental conditions shall be required to remedy problems, or pay for facilities/equipment that Company must install on its system to correct for problems caused by the customer's load.



**RATE SCHEDULE E-32 M
MEDIUM GENERAL SERVICE (101 kW - 400 kW)**

POWER FACTOR (cont)

Until such time as the customer remedies the problem to Company satisfaction, kVA may be substituted for kW in determining the applicable charge for billing purposes for each month in which such failure occurs.

DETERMINATION OF KW

For billing purposes, including determination of Monthly Maximum Demands, the kW used in this rate schedule shall be based on the average kW supplied during the 15-minute period of maximum use during the month as determined from readings of the Company's meter.

The Average Monthly Maximum Demand shall equal the average of the Monthly Maximum Demands for the May through October billing cycles, as determined by the Company. If the Monthly Maximum Demands are not available for all six May through October billing cycles, the Average Monthly Maximum Demand will be based on the available information. For a new customer, the initial Average Monthly Maximum Demand will be based on the estimated maximum kW provided by the Customer and approved by the Company.

ADJUSTMENTS

- 1 The bill is subject to the Renewable Energy Standard as set forth in the Company's Adjustment Schedule RES 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, and Arizona Corporation Commission Decision No. 71448.
- 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.
- 5 The bill is subject to the Competition Rules Compliance Charge as set forth in the Company's Adjustment Schedule CRCC-1 pursuant to Arizona Corporation Commission Decision No. 67744.
- 6 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.
- 7 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.
- 8 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.



**RATE SCHEDULE E-32 M
MEDIUM GENERAL SERVICE (101 kW - 400 kW)**

CONTRACT PERIOD

For customers with monthly maximum demands greater than 100 and less than or equal to 400 kW, any applicable contract period will be set forth in the Company's standard agreement for service. At the Company's option, the contract period will be three (3) years or longer where additional distribution construction is required to serve the customer or, if no additional distribution construction is required, the contract period will be one (1) year or longer.

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.



**ELECTRICAL SUPPLY
AGREEMENT**

Site ID 494990386

The parties to this Agreement are ARIZONA PUBLIC SERVICE COMPANY, an Arizona corporation, hereinafter called "APS" and CITY OF CHANDLER

hereinafter called "Customer." In consideration of the services to be performed by APS it is agreed as follows:

1. SPECIFICATION

- 1.1 APS shall supply, and Customer shall take all electric service required for operation of Customer's CHANDLER CITY HALL BUILDING, located at 175 S. ARIZONA AVE; CHANDLER, AZ, up to a maximum of 1231 kW, which shall represent the total simultaneous demands and energy of a customer if account is Totalized (Adjacent or Remote) in accordance with APS' Service Schedule 4, subject to the physical limitations of APS' then-existing system and further subject to the provisions of Section 1.3 hereof.
- 1.2 The minimum quantity of electric service contracted for under this Agreement and to be received by Customer shall be 401 kW which shall represent the total simultaneous demands and energy of a customer if account is Totalized (Adjacent or Remote) in accordance with APS' Service Schedule 4.
- 1.3 For the purpose of affording APS a reasonable opportunity to plan for additional demand on its system, Customer agrees to provide APS with at least 30 days advance written notification of any increased use of electricity over and above the maximum kW specified in Section 1.1, above, and shall be liable, upon demand by APS, to the extent of any damage resulting through its failure to give such notice.
- 1.4 The point of delivery shall be designated as the point where APS' service wire connects to the Customer's installation, unless another point of delivery is designated as follows: _____.
- 1.5 Measurement for all electric service supplied under this Agreement shall be at one central point designated as either the point where APS' service wire connects to the Customer's installation or the designated "billing" meter if the account is totalized in accordance with APS' Service Schedule 4, unless another point of delivery has been designated. If account is totalized, Customer's load shall not exceed the physical limitations of the APS' then existing system at each point of delivery.
- 1.6 The electric service supplied under this Agreement shall be in the form of THREE phase alternating current at approximately 60 Hertz and approximately 277/480 volts.
- 1.7 Such electric service shall be supplied in accordance with APS' Rate Schedule E-32 L STD and Schedule # 1, "Terms and Conditions for Standard Offer and Direct Access Services", as they may change from time to time. Changes made to either schedule shall amend and apply to this Agreement to the same extent as though they had been originally incorporated as a part of this Agreement. Copies of the Rate Schedule and Schedule #1 now in effect are attached to and made a part of this Agreement.
- 1.8 The electric service supplied hereunder may be interrupted or curtailed in accordance with APS' Schedule 5" GUIDELINES FOR ELECTRIC CURTAILMENT", as filed with the Arizona Corporation Commission, which is subject to change as provided by law.

2. TERM OF AGREEMENT

The term of this Agreement shall be for a period of THREE years (the "Initial Term") with an effective date of 05/01/2010. Thereafter, this Agreement shall be automatically extended until either party gives the other party at least thirty (30) days prior written notice of its desire to terminate this Agreement. This does not preclude a Customer from selecting Direct Access service during the initial Term and any extension thereof.

3. ACCELERATION

In addition to any other rights and remedies of APS, any breach or default by Customer necessitating cancellation of this Agreement shall cause all amounts for service to become immediately due and payable to APS including initial charges, minimum guarantee, or other amounts stated in the Rate Schedule and Schedule #1, which are independent of energy delivered.

4. DEPOSITS

Customer agrees that, in addition to any other rights that APS may have regarding the application of Customer deposits, APS is hereby entitled to apply any or all funds deposited with APS pursuant to this Agreement against any or all sums past due and owing to APS from Customer; provided, however, that such past due sums are for the same class of service as that provided under this Agreement.

5. CONTRACT ADJUSTMENT

In some cases, it may be to Customer's benefit to adjust the contract minimum stated in Section 1.2. This will be permitted under the following conditions.

- Customer must submit a written request, approval of which shall be at APS' sole discretion, stating the reason for the adjustment and the requested revised minimum and maximum requirements (kW).
- Adjustments will not be allowed during the initial five (5) year term if Supply Agreement is executed in conjunction with an Agreement to Construct Electric Facilities.
- After adjustment, Customer may not ask for a readjustment for a period of one (1) year.
- If customer's revised load requirements require modifications to APS' existing metering equipment, as determined by APS, Customer will be required to pay a non-refundable cost to APS for the costs associated with the required modifications.
- If Customer's service requirements are of unusual size or characteristics, APS will make a special study of the conditions to determine if other non-refundable costs may be required.
- Customer acknowledges that upon execution of the revised Supply Agreement that APS is under no obligation to maintain or reserve system capacity requirements beyond those noted in the revised Agreement.

6. GENERAL PROVISIONS

- 6.1 In the event that either party shall successfully bring suit to compel performance or for breach of this Agreement, that party shall be entitled to recover reasonable attorney's fees in addition to the amount of judgement and costs.
- 6.2 A waiver of any default of the other party or any other matter arising in connection with this Agreement, at any time by either party, shall not be construed a waiver of any subsequent default or matter.
- 6.3 THERE ARE NO UNDERSTANDINGS, AGREEMENTS, REPRESENTATIONS, OR WARRANTIES, EXPRESSED OR IMPLIED (INCLUDING WARRANTIES REGARDING MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE), NOT SPECIFIED IN THIS AGREEMENT, THE REFERENCED SCHEDULES, ANY OTHER REFERENCED OR ATTACHED DOCUMENTS, OR IN THE APPLICABLE RULES OF THE ARIZONA CORPORATION COMMISSION CONCERNING THE SALE AND DELIVERY OF ELECTRICITY BY APS TO CUSTOMER. THIS AGREEMENT, INCLUDING THE REFERENCED SCHEDULES, ANY OTHER REFERENCED OR ATTACHED DOCUMENTS, AND THE APPLICABLE RULES OF THE ARIZONA CORPORATION COMMISSION, STATES THE ENTIRE OBLIGATION OF APS IN CONNECTION WITH SUCH SALES AND DELIVERIES.
- 6.4 This Agreement will be interpreted in accordance with the substantive and procedural laws of the State of Arizona without regard to any conflicts of law provisions contained therein.
- 6.5 Signatory on the agreement must be an officer of the company or a representative who has authority to bind the entity signing the contract.

7. ATTACHMENTS

The following additional documents are attached to and made part of this Agreement

APS' Rate Tariff E-32 L

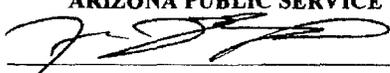
APS' Schedule #1 (Terms and Conditions for Standard Offer and Direct Access Service).

APS' Schedule #5 (Guidelines for Electric Curtailment)

8. EXECUTION

This Agreement has been executed by the duly authorized representatives of the parties, as set forth below:

ARIZONA PUBLIC SERVICE

Signature 

Name FRANK J GRECO, JR

Title ENGINEER

Date 04/15/2010

Signed _____

CUSTOMER

Signature _____

Name _____

Title _____

Date _____

Signed _____

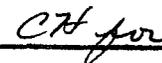
Mailing Address 215 E BUFFALO ST

CHANDLER, AZ 85225

Permanent Phone # _____

BILLING ADDRESS:

APPROVED AS TO FORM


CITY ATTORNEY

The individual executing this Agreement on behalf of Customer represents and warrants: (i) that he or she is authorized to do so on behalf of Customer; (ii) that he or she has full legal power and authority to bind Customer in accordance with the terms herein and, if necessary, has obtained all required consents or delegations of such power and authority.



**RATE SCHEDULE E-32 L
LARGE GENERAL SERVICE (401 kW +)**

AVAILABILITY

This rate schedule is available in all territory served by the Company at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the sites served.

APPLICATION

This rate schedule is applicable to all Standard Offer and Direct Access customers whose Average Monthly Maximum Demand is greater than 400 kW per month.

The Company will place the Customer on the applicable Rate Schedule E-32 XS, E-32 S, E-32 M, or E-32 L based on the Average Monthly Maximum Demand, as determined by the Company each year. Such placement will occur in the February billing cycle following the annual determination. The Company may also place the Customer on the Applicable Rate Schedule during the year, if the Customer has experienced a significant and permanent change in load as determined by the Company. Such placement will be based on available information.

Service must be supplied at one point of delivery and measured through one meter unless otherwise specified by an individual customer contract.

Rate selection is subject to paragraphs 3.2 through 3.5 of the Company's Schedule 1, Terms and Conditions for Standard Offer and Direct Access Services.

This schedule is not applicable to breakdown, standby, supplemental, residential or resale service nor to service for which Rate Schedule E-34 is applicable.

TYPE OF SERVICE

The type of service provided under this schedule will be single or three phase, 60 Hertz, at one standard voltage as may be selected by customer subject to availability at the customer's site. Three phase service is furnished under the Company's Schedule 3 (Conditions Governing Extensions of Electric Distribution Lines and Services). Three phase service is not furnished for motors of an individual rated capacity of less than 7-1/2 HP, except for existing facilities or where total aggregate HP of all connected three phase motors exceeds 12 HP. Three phase service is required for motors of an individual rated capacity of more than 7-1/2 HP. Service under this schedule is generally provided at secondary voltage, primary voltage when the customer owns the distribution transformer(s), or transmission voltage.

RATES

The bill shall be computed at the following rates or the minimum rates, whichever is greater, plus any adjustments incorporated in this rate schedule:

Bundled Standard Offer Service

Basic Service Charge:

For service through Self-Contained Meters:	\$ 1.068	per day, or
For service through Instrument-Rated Meters:	\$ 1.627	per day, or
For service at Primary Voltage:	\$ 3.419	per day, or
For service at Transmission Voltage:	\$ 22.915	per day



**RATE SCHEDULE E-32 L
LARGE GENERAL SERVICE (401 kW +)**

RATES (cont)

Bundled Standard Offer Service (cont)

Demand Charge:

Secondary Service:	\$ 9.384	per kW for the first 100 kW, plus
	\$ 4.993	per kW for all additional kW, or
Primary Service:	\$ 8.703	per kW for the first 100 kW, plus
	\$ 4.315	per kW for all additional kW, or
Transmission Service:	\$ 6.788	per kW for the first 100 kW, plus
	\$ 2.396	per kW for all additional kW.

Energy Charge:

May – October Billing Cycles (Summer)	November – April Billing Cycles (Winter)
\$0.10093 per kWh for the first 200 kWh per kW, plus \$0.05902 per kWh for all additional kWh	\$0.08430 per kWh for the first 200 kWh per kW, plus \$0.04239 per kWh for all additional kWh

Bundled Standard Offer Service consists of the following Unbundled Components:

Unbundled Standard Offer Service

Basic Service Charge:	\$ 0.601	per day
Revenue Cycle Service Charges:		
Metering:		
Self-Contained Meters:	\$ 0.345	per day, or
Instrument-Rated Meters:	\$ 0.904	per day, or
Primary:	\$ 2.696	per day, or
Transmission:	\$ 22.192	per day

These daily metering charges apply to typical installations. Customers requiring specialized facilities are subject to additional metering charges that reflect the additional cost of the installation, (for example, a customer taking service at 230 kV). Adjustments to unbundled metering components will result in an adjustment to the bundled Basic Service Charge.

Meter Reading:	\$ 0.058	per day
Billing:	\$ 0.064	per day
System Benefits Charge:	\$ 0.00210	per kWh
Transmission Charge:	\$ 1.585	per kW



**RATE SCHEDULE E-32 L
LARGE GENERAL SERVICE (401 kW +)**

RATES (cont)

Unbundled Standard Offer Service (cont)

Delivery Charge:

Secondary Service:	\$ 7.799	per kW for the first 100 kW, plus
	\$ 3.408	per kW for all additional kW, plus
	\$ 0.00011	per kWh, or
Primary Service:	\$ 7.118	per kW for the first 100 kW, plus
	\$ 2.730	per kW for all additional kW, plus
	\$ 0.00011	per kWh, or
Transmission Service:	\$ 5.203	per kW for the first 100 kW, plus
	\$ 0.811	per kW for all additional kW, plus
	\$ 0.00011	per kWh

Generation Charge:

May – October Billing Cycles (Summer)	November – April Billing Cycles (Winter)
\$0.09872 per kWh for the first 200 kWh per kW, plus \$0.05681 per kWh for all additional kWh	\$0.08209 per kWh for the first 200 kWh per kW, plus \$0.04018 per kWh for all additional kWh

DIRECT ACCESS

The bill for Direct Access customers under this rate schedule will consist of the applicable Unbundled Components Basic Service Charge, System Benefits Charge, and Delivery Charge, plus any applicable adjustments incorporated in this schedule. Direct Access customers must acquire and pay for generation, transmission, and revenue cycle services from a competitive third party supplier. If any revenue cycle services are not available from a third party supplier and must be obtained from the Company, the applicable Unbundled Components Revenue Cycle Service Charges will be applied to the customer's bill.

MINIMUM

The bill for Standard Offer and Direct Access customers will not be less than the applicable Bundled Standard Offer Service Basic Service charge plus \$2.115 for each kW of either: (1) the highest kW established during the twelve (12) months ending with the current month; or (2) the minimum kW specified in an agreement for service, whichever is the greater.

POWER FACTOR

The customer deviation from phase balance shall not be greater than ten percent (10%) at any time. Customers receiving service at voltage levels below 69 kV shall maintain a power factor of 90% lagging but in no event leading unless agreed to by Company. Service voltage levels at 69 kV or above shall maintain a power factor of \pm 95% at all times. In situations where Company suspects that a customer's load has a non-confirming power factor, Company may install at its cost, the appropriate metering to monitor such loads. If the customer's power factor is found to be non-confirming, the customer will be required to pay the cost of installation and removal of VAR metering and recording equipment.



**RATE SCHEDULE E-32 L
LARGE GENERAL SERVICE (401 kW +)**

POWER FACTOR (cont)

Customers found to have a non-conforming power factor, or other detrimental conditions shall be required to remedy problems, or pay for facilities/equipment that Company must install on its system to correct for problems caused by the customer's load. Until such time as the customer remedies the problem to Company satisfaction, kVA may be substituted for kW in determining the applicable charge for billing purposes for each month in which such failure occurs.

DETERMINATION OF KW

For billing purposes, including determination of Monthly Maximum Demands, the kW used in this rate schedule shall be based on the average kW supplied during the 15-minute period of maximum use during the month as determined from readings of the Company's meter.

The Average Monthly Maximum Demand shall equal the average of the Monthly Maximum Demands for the May through October billing cycles, as determined by the Company. If the Monthly Maximum Demands are not available for all six May through October billing cycles, the Average Monthly Maximum Demand will be based on the available information. For a new customer, the initial Average Monthly Maximum Demand will be based on the estimated maximum kW provided by the Customer and approved by the Company.

ADJUSTMENTS

- 1 The bill is subject to the Renewable Energy Standard as set forth in the Company's Adjustment Schedule RES 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, and Arizona Corporation Commission Decision No. 71448.
- 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.
- 5 The bill is subject to the Competition Rules Compliance Charge as set forth in the Company's Adjustment Schedule CRCC-1 pursuant to Arizona Corporation Commission Decision No. 67744.
- 6 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.
- 7 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.
- 8 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.



**RATE SCHEDULE E-32 L
LARGE GENERAL SERVICE (401 kW +)**

CONTRACT PERIOD

For customers with monthly maximum demands greater than 400 kW, any applicable contract period will be set forth in the Company's standard agreement for service. At the Company's option, the contract period will be three (3) years or longer where additional distribution construction is required to serve the customer or, if no additional distribution construction is required, the contract period will be one (1) year or longer.

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.