

CPS Energy

LARGE LIGHTING AND POWER SERVICE

ELECTRIC RATE

LLP

APPLICATION

This rate is applicable to alternating current service to any Customer whose entire requirements on the premises are supplied at one point of delivery through one meter.

This rate is not applicable (a) when another source of electric energy is used by the Customer or (b) when another source of energy (other than electric) is used for the same purpose or an equivalent purpose as the electric energy furnished directly by CPS Energy, except that such other source of energy as mentioned in (a) and (b) may be used during temporary failure of the CPS Energy electric service.

This rate is not applicable to emergency, temporary, or shared service. It is also not applicable to resale service except that submetering will be permitted under this rate only for the purpose of allocating the monthly bill among the tenants served through a master meter in accordance with CPS Energy Rules and Regulations Applying to Retail Electric & Gas Service.

TYPE OF SERVICE

The types of service available under this rate are described in CPS Energy Electric Service Standards. When facilities of adequate capacity and suitable phase and voltage are not adjacent to the premises served or to be served, the required service may be provided pursuant to CPS Energy Rules and Regulations Applying to Retail Electric & Gas Service and the CPS Energy Policy for Electric Line Extensions and Service Installations.

MONTHLY BILL

Rate

\$175.00 Service Availability Charge

Demand Charge

\$ 10.00 Summer Billing (June - September)
Per KW for all KW of Billing Demand

\$ 7.50 Non-Summer Billing (October - May)
Per KW for all KW of Billing Demand

Energy Charge

\$ 0.0425 Per KWH for the first 200 KWH per KW of Billing Demand

\$ 0.0397 Per KWH for all additional KWH

Minimum Bill

The Minimum Bill shall be equal to the Service Availability Charge plus the Demand Charge (Summer Billing or Non-Summer Billing as the case may be) or such higher Minimum Bill as may be specified in the Customer's Application and Agreement for Electric Service. The Minimum Bill is not subject to reduction by credits allowed under the adjustments below.

Adjustments

Plus or minus an amount which reflects the difference in the unit fuel cost factor for the current month above or below a basic cost of \$0.01416 per KWH sold. The unit fuel cost factor for the current month is computed as the sum of:

- (a) The current month's estimated unit fuel cost per KWH, which is computed based upon the current month's estimated KWH generation mix, unit fuel cost by fuel type, any known changes in fuel cost, sales to other than long-term customers, purchases and line losses; plus
- (b) An adjustment, if indicated by the current status of the over and under recovery of fuel costs for the recovery year in progress, to correct for the difference between the preceding month's estimated unit fuel cost and the current computation for this value. This adjustment is computed by multiplying the difference between the preceding month's estimated unit fuel cost (corrected for any fuel supplier surcharge) and the current computation for this value times the KWH generated during the preceding month and then dividing the result by the current month's estimated KWH sales; plus
- (c) An adjustment, if indicated by the current status of the over and under recovery of fuel costs for the recovery year in progress, to correct for the difference between the preceding month's estimated value for the second preceding month's unit fuel cost and actual unit fuel cost for that month. This adjustment is computed by multiplying the difference between the preceding month's estimated value for the second preceding month's unit fuel cost and the actual unit fuel cost for that month (corrected for any fuel supplier surcharge) times the KWH generated during the preceding month and then dividing the result by the current month's estimated KWH sales; plus
- (d) An adjustment, as necessary, which may be derived and applied to the unit fuel cost factors during the months preceding, including, and/or following January each year, depending on the dollar amount of adjustment necessary to balance the annual cumulative actual fuel cost with the annual cumulative fuel cost recovery through these rates; plus
- (e) An adjustment to reflect offsetting credits to or additions to fuel costs resulting from judicial orders or settlements of legal proceedings affecting fuel costs or components thereof, including taxes or transportation costs, or to reflect accounting and billing record corrections or other out-of-period adjustments to fuel costs.
- (f) An adjustment, as necessary, which may be derived and applied to the unit fuel cost factors for recovery of dollars spent for the verifiable kW reductions that are above the level reflected in base rates for energy efficiency and conservation programs. Recovery of such costs would be allowed once an independent third party reviews and confirms the incremental kW reductions.

Plus or minus the proportionate part of the increase or decrease in taxes, required payments to governmental entities or for governmental or municipal purposes which may be hereafter assessed, imposed, or otherwise required and which are payable out of or are based upon revenues of the electric system.

Monthly Demand

The Monthly Demand will be the KW as determined from reading the CPS Energy demand meter for the 15 minute period of the Customer's greatest Demand reading during the month.

Billing Demand

For the period June through September, the Billing Demand is equal to the greatest of the following:

- (a) The Monthly Demand as defined above
- (b) 100 KW
- (c) Such higher KW as may be specified in the Customer's Application and Agreement for Electric Service

For the period October through May, the Billing Demand is equal to the greatest of the following:

- (a) The Monthly Demand as defined above
- (b) 100 KW
- (c) Such higher KW as may be specified in the Customer's Application and Agreement for Electric Service
- (d) 80% of the highest measured peak Demand established during the previous summer period month (June through September).

Prior to the establishment of a previous summer peak Demand, (d) above will not apply.

Power Factor

When, based on a test of the Customer's power factor, the power factor is below 85% lagging, the Billing Demand may be increased by adding 1% of the Actual Demand for each 1% that the power factor is below 85%.

LATE PAYMENT CHARGE

The Monthly Bill will be charged if payment is made within the period indicated on the bill. Bills not paid within this period will be charged an additional 2 percent times the Monthly Bill excluding the adjustment for fuel costs, garbage fees and sales taxes.

TERM OF SERVICE

Service shall be supplied for an initial period of not less than one year and shall be continued from year to year unless a longer period is specified in the CPS Energy Application and Agreement for Electric Service. Should a Customer's service requirement exceed the standard of service normally provided under this rate, a longer contract term may be required.

RULES AND REGULATIONS

Service is subject to the CPS Energy Rules and Regulations Applying to Retail Electric & Gas Service which are incorporated herein by this reference.

CURTAILMENT

CPS Energy shall have the right at any and all times to immediately adjust in whole or in part, the supply of electricity to Customers, in order to adjust to fuel supplies for generation of electricity or to adjust to other factors affecting delivery capability.