



Rider –11
Partial Requirements Service (PRS)
and Purchase Rates for Qualifying Facilities

AVAILABILITY

For Customers with Generating Facilities (“GF”) or Qualifying Facilities (“QF”) which take service from the Company in all territories served by the Company at all points where the adjacent facilities are adequate and suitable. This rate is not available for temporary or resale service. Customers eligible for taking service under Partial Requirements Service are those customers who are not otherwise subscribed to the Company’s approved Rider-4 Net Metering for Certain Partial Requirements Service (“Net Metering Rider-4”).

APPLICABILITY

To GF Customers who require supplemental power, stand-by power, interruptible service and/or maintenance power service, and QF Customers.

The QF Purchase Rates in this tariff rider are available for the purchase of Energy by the Company from a QF Customer. The QF Purchase Rates are not available to GF Customers, as the Company does not purchase Energy from GF Customers, other than as set forth in the Net Metering Rider-4.

CHARACTER OF SERVICE

Electric sales to or from the Company must be single-phase or three-phase, 60 Hertz, at a standard voltage subject to availability at the premises. The QF Customers have the option to sell energy to the Company at a voltage level different from that for purchases from the Company; however, such QF Customers are responsible for all costs incurred to accommodate such an arrangement.

DEFINITIONS

1. Commission – Arizona Corporation Commission which has jurisdiction over this Company.
2. Energy - Electric energy which is supplied by the QF and/or Company.
3. Firm Capacity - Capacity available, upon demand, at all times (except for forced outages and scheduled maintenance) during the term covered by the contract with the QF that has an availability factor of at least 80%, as defined by the North American Electric Reliability Corporation.
4. Full Requirements Service - Any instance whereby the Company provides all the electric requirements.
5. Generating Facility(ies) (“GF”) – Power production facilities that do not meet the Qualifying Facilities requirements, as defined herein, and do not meet the requirements of the Company’s approved Net Metering Rider-4. GFs are not required to be interconnected in “parallel mode” with the Company’s electric system to take service under this tariff rider.



6. GF Customer(s) – A Customer with a Generating Facility subject to rates, terms and conditions of this tariff rider.
7. Maintenance Power - Electric capacity and energy supplied by the Company during scheduled outages of the GF or QF.
8. Partial Requirements Mode of Operation – The Company supplies the Customer’s electric requirements not met by the Customers’s own GF or QF, as applicable. A Customer’s QF generation output may first go to supply the QF Customer’s own electric requirements with any excess energy (over and above its own requirements) then being sold to the Company. This also may be referred to as the "parallel mode" of operation. A GF Customer may elect to be interconnected in a parallel mode of operation, but is not be eligible to sell any excess energy to the Company.
9. QF Purchase Rates – The rates at which the Company may purchase Energy from a QF in accordance with this tariff rider.
10. QF Customer(s) – A Customer with a Qualifying Facility subject to the rates, terms and conditions of this tariff rider.
11. Qualifying Facility(ies) (“QF”)- Cogeneration and small power production facilities where the facility’s generator(s) and load are located at the same premises and that otherwise meet the requirements under 18 C.F.R., Chapter I, Part 292, Subpart B of Federal Energy Regulatory Commission regulations and the requirements for qualifying status pursuant to the Arizona Corporation Commission’s (“Commission”) Decision No. 52345 (“Decision No. 52345”).
12. Supplemental Power - Electric capacity and energy supplied by the Company used by the GF Customer or QF Customer in addition to that which the facility generates itself.
13. Stand-by Power - Electric capacity and energy supplied by the Company to replace energy ordinarily generated by a facility’s own generation equipment during an unscheduled outage of the facility.

RATES FOR SALES TO GF Customers and QF Customers

Supplemental Service:

- A. Service Charge - The service charge shall be the basic service charge using the otherwise applicable tariff but not to be less than \$25.00 per month.

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District: Entire Electric Service Area

Rate: R-11
Effective: December 17, 2019
Decision Nos.: 77513



- B. Energy Charge - The energy charge shall be the energy charge (including Base Power Fuel & Purchased Power) using the otherwise applicable tariff.
- C. Demand Charge - The demand charge shall be the demand charge using the otherwise applicable tariff, or \$14.00 per kW if none is specified in the tariff, times the higher of the current month's measured demand or the maximum measured Demand in the proceeding 23 months used to meet only supplemental power and is not applied to total requirements.

Standby Service:

- A. Service Charge - The service charge shall be the basic service charge using the otherwise applicable tariff but not to be less than \$25.00 per month.
- B. Energy Charge - The energy charge shall be the energy charge (including Base Fuel & Purchased Power) using the otherwise applicable tariff plus 50%.
- C. Demand Charge - The demand charge shall be the 1.5 times the applicable tariff with a minimum of \$21.00 per kW.

Maintenance Service:

- A. Service Charge - The service charge shall be the basic service charge using the otherwise applicable tariff but not to be less than \$25.00 per month.
- B. Energy Charge - The energy charge shall be the energy charge (including Base Fuel & Purchased Power) using the otherwise applicable tariff.
- C. Demand Charge - The demand charge shall be the demand charge using the otherwise applicable tariff, or \$14.00 per kW if none is specified in the tariff, times the maximum measured Demand.
- D. Maintenance Service - Must be scheduled with and approved by the Company and may only be scheduled during the period October through April.

Interruptible Service:

See the Company's applicable Interruptible Service tariff.

Only one service charge will be applied for each billing period.



QF PURCHASE RATES

The Company shall only be obligated to purchase Energy from a QF Customer. Such purchases shall be at the rates, terms and conditions set forth below. The QF Purchase Rates will be updated and filed for Commission approval not less than every two years.

Minimum Basic Service Charge per month at \$25.00 will be assessed to each QF Customer selling energy to the Company under this pricing plan. A service charge for purchases from the QF Customer will only be charged if a service charge was not assessed for sales to the QF Customer.

The summer season is for the May through September billing cycles, and the winter season is for the October through April billing cycles. The Summer On-Peak period is 2:00 p.m. to 8:00 p.m., Monday through Friday (excluding Memorial Day, Independence Day, and Labor Day). The Winter On-Peak periods are 6:00 a.m. - 10:00 a.m. and 5:00 p.m. - 9:00 p.m., Monday through Friday (excluding Thanksgiving Day, Christmas Day, and New Year's Day). All other hours are Off-Peak. If a holiday falls on Saturday, the preceding Friday is designated Off-Peak; if a holiday falls on Sunday, the following Monday is designated Off-Peak. Mountain Standard Time shall be used in the application of this tariff rider. The export energy will be acquired by the Company based the interconnection voltage and on the rates below for summer and winter seasons.

To the extent a QF Customer may be able to provide Firm Capacity, the rates, terms and conditions for the purchase of such Firm Capacity will be addressed in the contract between the QF Customer and the Company and filed with the Commission. For those QFs 100kW or less and which are capable of delivering Firm Capacity, a provision shall be included in any such contract for payment of a reasonable credit of not less than 10% of the standard rate. An additional capacity credit shall be included when capacity deferrals, if any, could justify such credit.

A. ENERGY RATES FOR PURCHASES FROM RENEWABLE QFs 100kW OR LESS

Rates for Energy purchased from QF Customers with renewable QFs with a nameplate capacity 100 kW or less shall be priced at short-run avoided costs based on the Company's avoided cost forecast and the applicable renewable technology generation profile.



Renewable QF Energy Rates:

Distribution Voltage Interconnection	Summer	Winter	
Fixed Tilt Solar	2.403	2.138	Cents Per kWh
Single Axis Solar	2.474	2.143	Cents Per kWh

High Voltage Interconnection	Summer	Winter	
Fixed Tilt Solar	2.380	2.117	Cents Per kWh
Single Axis Solar	2.450	2.122	Cents Per kWh

B. ENERGY RATES FOR PURCHASES FROM COGENERATION QFs 100kW OR LESS

Rates for Energy purchased from QF Customers with a cogeneration QFs with a nameplate capacity 100 kW or less shall be priced at short-run avoided costs based on the Company's avoided cost forecast and priced by the applicable time of use rate.

Cogeneration QF Energy Rates:

Distribution Voltage Interconnection	Summer	Winter	
On-Peak	2.955	2.313	Cents Per kWh
Off-Peak	2.211	2.156	Cents Per kWh

High Voltage Interconnection	Summer	Winter	
On-Peak	2.926	2.291	Cents Per kWh
Off-Peak	2.189	2.135	Cents Per kWh

C. ENERGY RATES, TERMS AND CONDITIONS FOR QFs OVER 100kW

Contracts between TEP and QFs with nameplate capacity over 100 kW will reflect terms and conditions pursuant to Commission Decision No. 77513.

ADJUSTMENTS

All other charges specified in the applicable tariff apply for all Energy purchased from the Company by the QF Customer.

Purchased Power Fuel Adjuster Clause ("PPFAC") for GF Customers or QF Customers is a per kWh monthly adjustment in accordance with the PPFAC Rider-1. The PPFAC reflects any increases or decreases in the

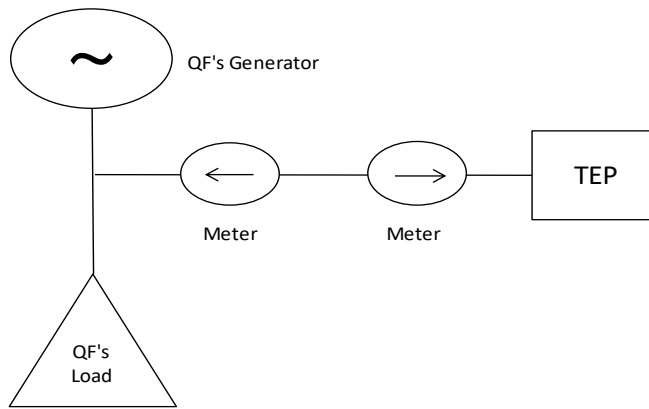


cost to the Company of Energy either generated or purchased above or below the base cost per kWh sold. See Rider-1 for current rate.

METER CONFIGURATION

As provided for in the applicable contract. If not otherwise provided for in the applicable contract then as follows:

If in Partial Requirements Mode of Operation:



TERMS AND CONDITIONS

A Customer that desires to install a generator may do so under the applicable conditions of the tariff rider herein. The Company requires a written contract for QF Customers. For QF Customers with a QF that is over 100kW, such contract shall be filed for Commission approval in accordance with Decision Nos. 52345 and 77513. The Company may require a written contract, at its discretion, for GF Customers. In addition to the requirements of any applicable contract, these conditions include:

1. A Customer must have a demand meter installed and operating before service will be allowed. Any equipment necessary to provide Partial Requirement Service, including equipment to measure the output of the generator(s), that would not otherwise be necessary for Full Requirements Service must meet all Company standards and will be installed at the Customer's expense.
2. Primary Service and Metering is required for all services involving a certified kW output of the generating unit(s) greater than 300 kW.



3. Prior to construction, the Customer will contribute to the Company the total amount of the estimated interconnection construction costs directly related to distribution and transmission service. The Customer will furnish, install, and maintain incremental non-distribution system or non-transmission system equipment at their expense. The equipment must meet the standards of the Company's Electric Service Requirements.
4. Any unpaid balances will be subject to the standard late payment charges as provided for in the currently approved Rules and Regulations.

TAX CLAUSE

To the charges computed under the above rider, including any adjustments, shall be added 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 the Company 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.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the Arizona Corporation Commission shall apply where not inconsistent with this rider.