

SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT

EARTHWISE ENERGY RIDER

**SUPPLEMENTAL TO RESIDENTIAL PRICE PLANS E-20, E-23 AND E-26
GENERAL SERVICE PRICE PLANS E-32 AND E-36**

Effective: May 1, 2008
Supersedes: November 1, 2004

APPLICABILITY:

To customers who are being served under the Standard Price Plans E-20, E-23, E-26, E-32, or E-36 and who wish to support the development of renewable resources.

CONDITIONS:

- A. Service shall be for a minimum of two years.
- B. Funds from the program will help support the cost of building, operating and maintaining renewable resources. The premium does not represent the sale or lease of renewable energy or generation capacity.
- C. A customer may cancel service under this rider after an initial two-year period. Cancellation becomes effective at the end of the billing cycle in which the notice for cancellation is received by SRP.
- D. The monthly premium, before taxes, is based on the number of Earthwise Energy blocks subscribed and will be added to the customer's monthly bill.

PRICE:

For those customers electing to participate in SRP's Earthwise Energy program, the monthly premium will be:

\$3.00 per block subscribed

SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT

EARTHWISE ENERGY RIDER FOR LARGE CUSTOMERS

**SUPPLEMENTAL TO GENERAL SERVICE PRICE PLANS E-32 AND E-36
PUMPING PRICE PLANS E-47 AND E-48
LARGE GENERAL SERVICE PRICE PLANS E-61, E-63 AND E-65**

Effective: May 1, 2008
Supersedes: November 1, 2004

APPLICABILITY:

To customers receiving and qualifying for electric service under the E-32, E-36, E-47, E-48, E-61, E-63 or E-65 Standard Price Plans or the Critical Peak Experimental Price Plan.

CONDITIONS:

- A. Service shall be for a minimum of two years.
- B. Funds from the program will help support the cost of building, operating and maintaining renewable resources. The premium does not represent the sale or lease of generation capacity.
- C. A customer may cancel service under this rider after an initial two-year period. Cancellation becomes effective at the end of the billing cycle in which the notice for cancellation is received by SRP.
- D. The monthly premium, before taxes, is based on the number of blocks subscribed and will be added to the customer's monthly bill.

PRICE:

For those customers electing to participate under the EarthWise Energy Rider for Large Customers, the monthly premium will be:

\$3.00 per block subscribed

\$2.00 per block with 500 block minimum subscription per month

\$1.50 per block with 1,000 block minimum subscription per month

SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT

RENEWABLE ENERGY CREDIT PILOT RIDER

SUPPLEMENTAL TO RESIDENTIAL PRICE PLANS E-20, E-23 AND E-26

GENERAL SERVICE PRICE PLANS E-32 AND E-36

PUMPING PRICE PLANS E-47 AND E-48

LARGE GENERAL SERVICE PLANS E-61, E-63 AND E-65

Effective: May 1, 2008

APPLICABILITY:

To customers who are being served under the Standard Price Plans E-20, E-23, E-26, E-32, E-36, E-47, E-48, E-61, E-63 or E-65 or the Critical Peak Experimental Price Plan. Enrollment is limited to available Renewable Energy Certificates (RECs) offered by SRP. The initial period of the pilot will be for three years. The pilot will expire on May 1, 2011.

CONDITIONS:

- A. Service shall be for a period determined by SRP.
- B. A customer may cancel service under this rider after an initial one-year period. Cancellation becomes effective at the end of the billing cycle in which the notice for cancellation is received by SRP.
- C. The monthly premium charge, before taxes, is based on the number of kilowatt hours (kWh) subscribed per month or on a percentage of monthly usage and will be added to the customer's monthly bill. SRP may offer customers the ability to participate in the pilot program in 100 kWh increments per month or an amount equal to 10 percent, 25 percent, 50 percent or 100 percent of their monthly kWh usage. The monthly charge is in addition to the charges under the standard price plan and will be added to the customer's monthly bill.
- D. A customer may not participate at a level that is greater than its expected annual energy use, as determined by SRP.
- E. Renewable energy certificates are associated with energy generated from sources that may include, but are not limited to, solar, biomass, landfill gas, wind, geothermal, or small hydroelectric.
- F. The charge may change periodically to reflect the cost of procuring the mix of RECs offered to customers.
- G. SRP will retire, on a monthly basis, a number of RECs equal to the total participation of all customers participating in this pilot.

PRICE:

Standard Offer

For any customer electing to participate in this rider, the premium charge per kWh will be published on SRP's Web site (www.srpnet.com) and may require a written agreement between SRP and the customer.

Large Participation

For participation exceeding 10,000,000 kWh per year, the customer and SRP may enter into a special arrangement to obtain RECs related to specific resources requested by the customer. The charges per kWh will be equal to SRP's cost of procuring the RECs. The term and price will be identified in a separate written agreement between SRP and the customer.

SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT

BUYBACK SERVICE RIDER

**SUPPLEMENTAL TO RESIDENTIAL PRICE PLANS E-23 AND E-26
GENERAL SERVICE PRICE PLANS E-32 AND E-36,
LARGE GENERAL SERVICE PRICE PLANS E-61, E-63 AND E-65**

Effective: May 1, 2008
Supersedes: November 1, 2004

APPLICABILITY:

To those cogeneration and small power production customers served by SRP under Standard Price Plans E-23, E-26, E-32, E-36, E-61, E-63 and E-65 or the Critical Peak Experimental Price Plan who purchase power and energy provided by SRP and who are qualified to sell power and energy back to SRP.

CONDITIONS:

- A. To segregate load between firm service and buyback service, two or more meters are required. The customer's purchases from and sales to SRP must be measured separately. The customer is required to provide a metering service entrance for all meters and pay the costs for the additional meter(s).
- B. At SRP's request, the customer must sign SRP's then-current form of Interconnection Agreement as a condition of service under this rider.
- C. The customer shall pay SRP for interconnection costs prior to commencement of service under this rider. Interconnection costs include but are not limited to reasonable costs of connection, switching, relaying, metering, transmission, distribution, safety provisions, engineering studies and administrative costs incurred by SRP directly related to the installation of the physical facilities necessary to permit interconnected operations.

CREDIT:

$$\text{Buyback Credit} = \sum [(\text{Hourly Buyback Energy}) \times (\text{Hourly Indexed Energy Price} - \$0.00017/\text{kWh})]$$

where:

Hourly credits are summed across all hours in the billing cycle. Hourly credits are the product of the hourly energy sold to SRP and the adjusted Hourly Indexed Energy Price. The adjusted Hourly Indexed Price is the product of the Dow Jones Firm On-Peak or Firm Off-Peak Price at Palo Verde (or another comparable index if the Dow Jones Index is no longer available), multiplied by the Hourly Pricing Percentage. The Hourly Pricing Percentage is determined by SRP and "shapes" the Dow Jones On-Peak and Off-Peak Prices, based on historical hourly prices.

The price adjustment of \$0.00017/kWh represents the cost incurred by SRP for scheduling, system control and dispatch services.

ADJUSTMENTS:

SRP will increase or decrease billings under this rider in proportion to any taxes, fees, or charges (excluding federal or state income taxes) levied or imposed by any governmental authority and payable by SRP for any services, power, or energy provided under this rider.

SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT

**RENEWABLE NET METERING RIDER
(Formerly SOLAR NET METERING RIDER)**

**SUPPLEMENTAL TO RESIDENTIAL PRICE PLAN E-23 AND E-26
GENERAL SERVICE PRICE PLAN E-32 AND E-36
PUMPING PRICE PLAN E-47 AND E-48
LARGE GENERAL SERVICE PRICE PLAN E-61, E-63, AND E-65**

Effective: November 2009 Billing Cycle
Supersedes: May 1, 2008

APPLICABILITY:

To wind, geothermal or solar electricity conversion systems with an Alternating Current electrical peak capability of 100 kilowatts (kW) or less. Limited to customers receiving service under Standard Price Plans E-23, E-26, E-32, E-36, E-47, E-48, E-61, E-63 and E-65 who purchase power and energy provided by SRP and who are qualified to sell power and energy back to SRP. Not available to other customers.

CONDITIONS:

- A. Two or more meters may be required for Renewable Net Metering customers receiving service under the applicable price plan. The customer is required to provide a metering service entrance for all meters.
- B. At SRP's request, the customer must sign SRP's then-current form of Interconnection Agreement as a condition for service under this rider.
- C. The customer shall pay SRP for interconnection costs prior to commencement of service under this rider. Interconnection costs include but are not limited to reasonable costs of connection, switching, relaying, metering, transmission, distribution, safety provisions, engineering studies and administrative costs incurred by SRP directly related to the installation of the physical facilities necessary to permit interconnected operations.
- D. The customer's total generation output is sold directly to SRP and the customer's total electric requirements are met by sales from SRP.
- E. A customer may cancel service under this rider, and cancellation becomes effective at the end of the billing cycle in which notice is received. The customer may not subsequently elect service under this rider for at least one year after the effective date of cancellation.

NET METERING METHOD:

The kilowatt-hours (kWh) delivered to SRP shall be subtracted from the kWh delivered from SRP for each billing cycle. If the kWh calculation is net positive for the billing cycle, SRP will bill the net kWh to the customer under the applicable price plan for which they take service. If the kWh calculation is net negative for the billing cycle, SRP will carry forward and credit the kWh against customer kWh usage on the next monthly bill. However, if the kWh is net negative at the end of the April billing cycle, SRP will credit the net kWh from the customer at an average annual market price. No credits will be carried forward to the May billing cycle.

ANNUAL CREDIT:

Solar Net Metering Credit = Excess kWh for the April billing cycle * (Annual Average Market Price - \$0.00017/kWh)

where:

- Excess kWh for the April billing cycle is equivalent to the net negative kWh for the billing cycle.

- Average Annual Market Price is calculated to be a simple average of the Daily On-Peak Market Price from May 1st of the prior year to April 30th of the current year. Daily prices will be taken from the Daily Firm On-Peak Price at Palo Verde published by Dow Jones (or another comparable index if the Dow Jones Index is no longer available).
- The price adjustment of \$0.00017/kWh represents the cost incurred by SRP for scheduling, system control and dispatch services.

ADJUSTMENTS:

SRP will increase or decrease billings under this rider in proportion to any taxes, fees, or charges (excluding federal or state income taxes) levied or imposed by any governmental authority and payable by SRP for any services, power, or energy provided under this rider.

SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT

ENERGY FOR EDUCATION PILOT RIDER

**SUPPLEMENTAL TO GENERAL SERVICE PRICE PLANS E-32 AND E-36
LARGE GENERAL SERVICE PRICE PLAN E-61**

Effective: November 2009 Billing Cycle

Supersedes: May 1, 2008

AVAILABILITY:

Participation is determined solely by SRP. No more than 10 customers and no more than 50 accounts may concurrently participate in the pilot. The pilot program will be open to new participants through October 31, 2012.

APPLICABILITY:

To public schools, public school districts, or charter schools receiving and qualifying for electric service under General Service Price Plans E-32 and E-36 and Large General Service Plan E-61. Not available to other customers. Projects must meet the participation requirements established by applicable legislation.

CONDITIONS:

- A. Customers taking service under this rider will pay for service based on metered kilowatt (kW) and kilowatt-hours (kWh) and for costs associated with equipment replacement or retrofitting at the customer's site. In computing the payments attributable to such equipment costs, SRP may amortize the costs using a rate of return no less than SRP's long term cost of debt, but in no event greater than the interest rate provided by A.R.S. § 42-1123.
- B. The initial term of each agreement will be determined by SRP and agreed to by the customer.
- C. Additional terms and conditions for participation in this pilot program will be identified in a separate written agreement between SRP and the participating customer.
- D. Customers participating in the program and installing a solar electricity conversion system may receive the incentive offered under SRP's Residential EarthWise Solar Energy Program.

RULES AND REGULATIONS:

Service under this rider shall be in accordance with the terms of SRP's Rules and Regulations, as they may be amended or revised by SRP from time to time. Failure by a customer to comply in all material respects with SRP's Rules and Regulations may result in SRP terminating electric service to the customer.

ADJUSTMENTS:

SRP will increase or decrease billings under the rider in proportion to any taxes, fees, or charges (excluding federal or state income taxes) levied or imposed by any governmental authority and payable by SRP for any services, power, or energy provided under this rider.

SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT

TIME-DEPENDENT DEMAND RIDER

SUPPLEMENTAL TO GENERAL SERVICE PRICE PLAN E-36

Effective: May 1, 2008
Supersedes: November 1, 2005

APPLICABILITY:

To customers being served under the E-36 Price Plan.

CONDITIONS:

- A. For billing cycles May through October, the demand measurement period for determining the on-peak demand to be applied to the demand charge (on-peak period) consists only of those hours from 11 a.m. to 11 p.m., Monday through Friday, Mountain Standard Time. For billing cycles November through April, the demand measurement period for determining the on-peak demand to be applied to the demand charge (on-peak period) consists of those hours from 5 a.m. to 9 a.m. and from 5 p.m. to 9 p.m., Monday through Friday, Mountain Standard Time. All other hours are off-peak.
- B. A customer may cancel service under this rider. Cancellation shall be effective at the end of the billing cycle in which the notice is received. The customer will not be allowed to receive service under this rider for at least one year after the effective date of cancellation.
- C. Only customers whose sole provider of electric service is SRP may elect to receive service under this rider.

PRICE:

Monthly Service Charge

\$25.54 per month for E-36 customers, in lieu of the E-36 monthly service charge.

Per kilowatt (kW) Charges (all kW over 5 kW)

Summer	Summer Peak	Winter
May, June, September, October Bill Cycles	July, August Bill Cycles	November – April Bill Cycles
On Peak: \$4.05/kW	On Peak: \$4.05/kW	On Peak: \$2.34/kW
Off Peak No Charge	Off Peak No Charge	Off Peak No Charge

Per kWh Charges

The energy charge per kilowatt-hour (kWh) remains the same as the applicable standard price plan energy charge per kWh. The demand used to derive the load factor blocks in the energy charge is the same demand used by the E-36 Price Plan for customers not served under this rider. This demand is the highest demand recorded by the meter at any time during the billing period, as noted in the E-36 Price Plan.

DETERMINATION OF DEMAND IN KILOWATTS FOR ON-PEAK DEMAND:

This demand is the maximum fifteen-minute integrated kW demand occurring during the demand measurement period stated in the Conditions Section for determining the on-peak demand.

ADJUSTMENTS:

SRP will increase or decrease billings under this rider in proportion to any taxes, fees, or charges (excluding federal or state income taxes) levied or imposed by any governmental authority and payable by SRP for any services, power, or energy provided under this rider.

SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT

UN-METERED CREDIT RIDER

SUPPLEMENTAL TO GENERAL SERVICE PRICE PLAN E-36

Effective: May 1, 2008
Supersedes: November 1, 2005

APPLICABILITY:

To customers whose usage is un-metered and does not qualify for the E-54, E-56, or E-57 Price Plans.

CONDITIONS:

Availability for un-metered accounts is solely at the discretion of SRP. Demand and energy estimates associated with un-metered accounts are subject to approval and verification by SRP.

PRICE:

The following credits will be paid to un-metered customers receiving service under E-36 and this rider:

Meter reading:	\$2.99/month
Metering:	\$4.42/month

All other terms and conditions of the E-36 Price Plan apply.

SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT

USE FEE INTERRUPTIBLE RIDER

**SUPPLEMENTAL TO GENERAL SERVICE PRICE PLANS E-32 AND E-36
PUMPING PRICE PLANS E-47 AND E-48
LARGE GENERAL SERVICE PRICE PLANS E-61, E-63 AND E-65**

Effective: May 1, 2008
Supersedes: November 1, 2004

APPLICABILITY:

To customers receiving and qualifying for electric service under General Service Price Plans E-32 and E-36, Pumping Price Plans E-47 and E-48 and Large General Service Price Plans E-61, E-63 and E-65 and who have a minimum annual load of 100 kilowatts (kW).

CONDITIONS:

- A. Customers taking service under this rider are eligible for credits in exchange for curtailing load at the request of SRP.
- B. Credits are paid only when SRP issues a "Notice of Curtailment." SRP will require customers to curtail load in 4-hour blocks. Each curtailment will earn credits based on a 4-hour curtailment even in the event SRP terminates the curtailment before end of the 4-hour period. Curtailments can be called for economic or non-economic reasons and are to be called at the sole discretion of SRP.
- C. Credits are determined after the fact based on:
 - 1) predetermined value of the curtailed load (\$/kW/hour) as specified by the customer, and
 - 2) actual load curtailed.
- D. For calculating the credit, curtailed load is the difference between the Base Load and load during the curtailment period. Base Load is described in a written curtailment agreement between SRP and customer. Should customers fail to curtail load, SRP, at its option, can remove customers from the program without notice.
- E. Customer may opt for voluntary or mandatory curtailments.
 - 1) Voluntary Curtailment: Customer may opt for voluntary interruptions. With this option, customer has the right to ride through the curtailment period without penalty. Customer load however must not increase during the curtailment period. Should customer's load increase in any 15 minute interval* during the curtailment period to a level above the Base Load, all load above the Base Load will be charged (penalized) at the prevailing spot market price.
 - 2) Mandatory Curtailment: Customer may opt for mandatory curtailments such that customer predetermines load to be curtailed. Failure to curtail load in any 15-minute interval* will result in loss of credits for that interval and all load above the agreed-to curtailment will be billed (penalized) at 1.5 times the customer specified value.

SRP may prioritize voluntary and mandatory load based on the specific needs of SRP.

* 30-minute intervals will be used if 15-minute data is not available.

- F. SRP will offer a minimum notice of 30 minutes. Curtailments can be issued using Fax, Phone, E-mail, electronic buzzer or other mutually agreed to devices.

ADJUSTMENTS:

SRP will increase or decrease billings under the rider in proportion to any taxes, fees, or charges (excluding federal or state income taxes) levied or imposed by any governmental authority and payable by SRP for any services, power, or energy provided under this rider.

SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT

CUSTOMIZED INTERRUPTIBLE RIDER

**SUPPLEMENTAL TO GENERAL SERVICE PRICE PLANS E-32 AND E-36
PUMPING PRICE PLANS E-47 AND E-48
LARGE GENERAL SERVICE PRICE PLANS E-61, E-63 AND E-65**

Effective: May 1, 2008

APPLICABILITY:

To customers receiving and qualifying for electric service under General Service Price Plans E-32 and E-36, Pumping Price Plans E-47 and E-48 and Large General Service Price Plans E-61, E-63 and E-65 and who have a minimum curtailable load of 100 kilowatts (kW).

CONDITIONS:

Any customer taking service under this rider will be eligible for credits in exchange for curtailments or making load available for curtailment at the request of SRP. All conditions will be specified in a written Curtailment Agreement between SRP and the customer. These conditions include, but are not limited to, the following:

- A. The amount of the credit will be determined by SRP based on the following criteria as solely determined by SRP:
 - 1) The credit shall not to exceed SRP's avoided cost of generation and, if applicable, transmission.
 - 2) The number of interruptions allowed.
 - 3) The types of interruptions allowed (economic, emergency and/or other).
 - 4) The duration of the interruptions.
 - 5) The length of the advance notice of curtailment required.
 - 6) Amount of load to be curtailed.
- B. A customer's failure to curtail load will result in loss of credits and may result in removal from the program, at SRP's option, without notice.
- C. Curtailments may be issued using direct control, fax, phone, e-mail, electronic buzzer or other mutually agreed to devices.
- D. Any customer choosing to participate in this rider will not be eligible for discounts under other interruptible riders, curtailment programs or load control programs.

ADJUSTMENTS:

SRP will increase or decrease billings under this rider in proportion to any taxes, fees, or charges (excluding federal or state income taxes) levied or imposed by any governmental authority and payable by SRP for any services, power, or energy provided under this rider.

SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT

FULL ELECTRIC SERVICE REQUIREMENTS RIDER

SUPPLEMENTAL TO RESIDENTIAL PRICE PLANS E-23 AND E-26

GENERAL SERVICE PRICE PLANS E-32 AND E-36

PUMPING PRICE PLANS E-47 AND E-48

LIGHTING PRICE PLANS E-54, E-56 AND E-57

LARGE GENERAL SERVICE PRICE PLANS E-61, E-63 AND E-65

Effective: May 1, 2008

Supersedes: November 1, 2004

AVAILABILITY:

For customers with loads (individual accounts or in aggregate) of at least 1 MW.

APPLICABILITY:

To accounts receiving and qualifying for electric service under a Standard Residential, General Service, Pumping, Lighting or Large General Service Price Plan.

CHARACTER OF SERVICE:

Must meet all service requirements for the applicable Standard Price Plan.

CONDITION:

- A. For customers with loads of 1 MW or more (individual accounts or aggregate), discounts on energy may be offered if the following terms and conditions are met:
- Customer must have current or potential energy alternatives.
 - Prices, post-discount, to be commensurate with the customer's cost for energy alternative(s).
 - Customer must sign a term agreement in exchange for discounts.
 - Energy revenue from the customer shall exceed the marginal cost of serving that customer over the term of the contract.
 - SRP management shall report terms, conditions and discounts of new agreements to the Board on a quarterly basis.

ADJUSTMENTS:

SRP will increase or decrease billings under this rider in proportion to any taxes, fees, or charges (excluding federal or state income taxes) levied or imposed by any governmental authority and payable by SRP for any services, power, or energy provided under this rider.

SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT

MONTHLY ENERGY INDEX RIDER

**SUPPLEMENTAL TO RESIDENTIAL PLANS E-23 AND E-26
GENERAL SERVICE PLANS E-32 AND E-36
PUMPING SERVICE PLANS E-47 AND E-48
LIGHTING SERVICE PLANS E-54, E-56 AND E-57
LARGE GENERAL SERVICE PLANS E-61, E-63 AND E-65**

Effective: May 1, 2008
Supersedes: November 1, 2004

AVAILABILITY:

Where facilities of adequate capacity are available.

APPLICABILITY:

To customers receiving and qualifying for electric service under the E-23, E-26, E-32, E-36, E-47, E-48, E-54, E-56, E-57, E-61, E-63 or E-65 Standard Price Plans and having annual energy usage in excess of 100,000 kilowatt-hours (kWh).

CHARACTER OF SERVICE:

Sixty hertz alternating current, three-phase.

CONDITIONS:

- A. At the discretion of SRP, Returning Customers¹ may be served under this rider. Further, such customers may be removed from this rider and receive service under an applicable SRP Standard Price Plan at any time and without prior notice.
- B. Availability of the Monthly Energy Index Rider is to be determined on a customer by customer basis and subject to approval at the sole discretion of SRP.
- C. Customer must be in good standing with SRP (all arrears brought current or arrangements suitable to SRP have been made and necessary deposits have been posted) to receive service under this rider.
- D. A customer voluntarily electing service under this rider may cancel service under this rider and elect service under another applicable price plan at any time. Notice of cancellation becomes effective after the normal billing cycle. The customer cannot return to service under this rider within a 12-month period.

Determination of Price:

Customers receive a flat Monthly Average Energy Charge that replaces the energy commodity price in the applicable price plan.² All other elements of the price plan remain the same. The Monthly Average Energy Charge is based on the firm prices for the Weighted Average Price of Electricity Traded at Palo Verde and West Wing, Arizona from the Dow Jones Palo Verde Electricity Index (or another comparable index in the event the Dow Jones Index is no longer available) for the month and adjusted to reflect losses, individual customer load factors and an administrative fee. The Monthly Average Energy Charge is recalculated monthly.

¹ Returning Customers are customers with annual consumption of more than 100,000 kWh and who wish to return to SRP for energy service after having previously chosen to purchase energy service from a provider other than SRP. Annual consumption to be measured over the most recent 12 month period on an individual account basis. SRP will project annual usage when less than 12 months of billing data exists.

² Annual energy prices can be offered if:

- 1) Customer commits to SRP generation service for 1 year.
- 2) Costs, risks, and cost of risk management are factored into price.

An example of how the Monthly Average Energy Charge is calculated for July 2001 is presented below. Once the base energy price is determined, adjustments are made for losses, individual customer load factors and an administrative fee.

July 2001
Base Energy Price

<u>Date</u>	<u>Firm On Peak Price</u>	<u>Firm On Peak Volume</u>	<u>Weighted Dollars</u>
7/31/01	\$ 55.38	56,720	\$ 3,141,154
7/30/01	\$ 65.30	49,600	\$ 3,238,880
7/29/01	\$ 50.00	-	\$ -
7/28/01	\$ 64.72	54,800	\$ 3,546,656
7/27/01	\$ 64.86	52,400	\$ 3,398,664
7/26/01	\$ 66.06	50,800	\$ 3,355,848
7/25/01	\$ 63.16	49,840	\$ 3,147,894
7/24/01	\$ 69.14	46,560	\$ 3,219,158
7/23/01	\$ 54.83	41,280	\$ 2,263,382
7/22/01	\$ 58.93	1,600	\$ 94,288
7/21/01	\$ 40.18	46,720	\$ 1,877,210
7/20/01	\$ 40.06	46,720	\$ 1,871,603
7/19/01	\$ 42.51	47,040	\$ 1,999,670
7/18/01	\$ 46.17	41,520	\$ 1,916,978
7/17/01	\$ 50.89	38,560	\$ 1,962,318
7/16/01	\$ 55.87	41,840	\$ 2,337,601
7/15/01	\$ 46.00	-	\$ -
7/14/01	\$ 48.96	49,840	\$ 2,440,166
7/13/01	\$ 48.96	49,840	\$ 2,440,166
7/12/01	\$ 64.27	44,688	\$ 2,872,098
7/11/01	\$ 73.37	50,160	\$ 3,680,239
7/10/01	\$ 78.14	28,640	\$ 2,237,930
7/9/01	\$ 89.11	19,440	\$ 1,732,298
7/8/01	\$ 80.00	800	\$ 64,000
7/7/01	\$ 91.18	18,560	\$ 1,692,301

7/6/01	\$ 91.18	18,560	\$ 1,692,301
7/5/01	\$ 107.31	10,160	\$ 1,090,270
7/4/01	\$ 113.00	-	\$ -
7/3/01	\$ 95.73	12,000	\$ 1,148,760
7/2/01	\$ 90.31	36,320	\$ 3,280,059
7/1/01	\$ 75.00	400	\$ 30,000
Total		1,005,408	\$61,771,894

Average Price for July 2001 \$ 61.44

In this example the base energy price for July 2001 is \$61.44/MWh or \$0.06144/kWh. This energy price is then adjusted for losses, load factor and an administrative fee according to the schedules below.

Loss Adjustments:

The following table outlines loss factors used to adjust the base energy price:

Service Level	Summer	Winter
Distribution (E20s, E30s, E-40s, E50s)	1.0559	1.0530
LGS – Secondary (E-61)	1.0533	1.0499
LGS – Primary (E-63)	1.0474	1.0446
LGS – Secondary (E-65)	1.0361	1.0367

Load Factor Adjustments:

The base energy charge is also adjusted for variations in monthly load factors according to the following table.

Monthly Load Factor	% Adjust Summer	% Adjust Winter
0 – 10	+52.25	+38.50
10 ⁺ – 20	+42.75	+31.50
20 ⁺ – 30	+33.25	+24.50
30 ⁺ – 40	+23.75	+17.50
40 ⁺ – 50	+14.25	+10.50
50 ⁺ – 60	+4.75	+3.50
60 ⁺ – 70	0.0	0.0
70 ⁺ – 80	-4.75	-3.50
80 ⁺ – 90	-9.50	-7.00
90 ⁺ – 100	-14.25	-10.50

Administration Fee:

An administration fee of 1.0 percent applies.

Example: Using the July 2001 Energy Price of \$61.44/MWh and assuming a secondary LGS customer (E-61) with a load factor between 80 percent and 90 percent, the Monthly Average Energy Price for July 2001 would be calculated as follows:

Base Energy Price:	\$61.44	per MWh
Plus Losses:	<u>x 1.0533</u>	
	\$64.71	
Load Factor Adjustment:	<u>x 0.905</u>	
	\$58.56	
1% Admin Fee	<u>+\$0.59</u>	
	\$59.15	per MWh
	or	
	\$0.0592	per kWh

ADJUSTMENTS:

SRP will increase or decrease billings under the rider in proportion to any taxes, fees, or charges (excluding federal or state income taxes) levied or imposed by any governmental authority and payable by SRP for any services, power, or energy provided under this rider.