MEMORANDUM

March 21, 2019

TO: Salt River Project Board of Directors
FROM: SRP Management
SUBJECT: Management Recommendations for the March 25, 2019 Special Board Meeting

Background

At a special Board meeting held on February 18, 2019, Management presented to the Salt River Project Agricultural Improvement and Power District (SRP) Board of Directors (the "Board"), its proposal for an overall average 2.2% net decrease to Standard Electric Price Plans, effective with the May 2019 billing cycle. The proposed decrease is the result of a 3.9% reduction in fuel expenses and a 1.7% increase in base prices, and is more comprehensively set forth in Management's December 20, 2018, *Proposed Adjustment to SRP's Standard Electric Price Plans Effective with the May 2019 Billing Cycle*, including *Appendix A to Proposed Adjustments to SRP's Standard Electric Price Plans Effective with the May 2019 Billing Cycle: Proposed Standard Electric Price Plans and Riders* (collectively, the "December 20th Proposal").

The December 20th Proposal, along with other pertinent information, has been available for viewing in the Information Center, as well as online at SRPprices.com, since December 20, 2018. During this time, customers and stakeholders have had the opportunity to submit comments, ask questions, request additional documents and conduct interviews with Management and the Board's consultant. In January, two public listening sessions were held, allowing customers and stakeholders to ask questions of Management, and present comments to representatives of the SRP Board, about the price proposal. Transcripts of those sessions were then provided to all Board members and made available to the public through the Information Center and online at SRPprices.com. Special Board meetings were held on February 18, February 26, March 4 and March 11 to discuss Management's proposal, allow additional public comments, and discuss alternative proposals requested by Board members and other stakeholders.

This memorandum provides Management's recommendations regarding the Standard Electric Price Plans and Management's response to certain comments and proposals made by Board members and other stakeholders during the course of these proceedings.

Management's Recommendations – Summary

The following is a summary of Management's recommendations detailed in this document regarding certain comments and proposals made by Board members and other stakeholders during the course of the current price process. The proposal set forth in the December 20th Proposal remains unchanged except as expressly stated in this document. Management continues to recommend approval of the 2.2% overall decrease and the proposed rate schedules as included in the December 20th Proposal, with only those modifications recommended herein.

- **M-Power Price Plan for Residential Pre-Pay Time-of-Use Service (E-28):**
  Management recommends elimination of the E-28 Price Plan from the rate book (the "E-28 Elimination").

- **Customer Generation:**
  - Management recommends that the Board adopt the Customer Generation TOU Export (E-13), the Customer Generation EV Export (E-14), and the Customer Generation Average Demand (E-15) price plans as proposed in the December 20th Proposal.
  - Management accepts the suggestion to allocate the second meter costs for distributed generation customers among all residential rate classes in future Cost Allocation Studies if it is not needed for operational reasons.
  - Management commits to develop one or more pilot programs that would support community solar, forest health restoration, and other environmental programs in which customers can provide contributions.
  - Management does not recommend adopting the CO_2 fee and dividend proposal presented by one of the Directors. The Board-approved carbon reduction goals are already factored into SRP's overall decision-making process regarding resources and will be reflected in prices as related costs are incurred.

- **Monthly Service Charge (MSC) & Wildfire Request/Limited Income Support:**
  Management recommends that the Board adopt the residential rate structures consistent with its December 20th Proposal.

  - However, to address comments and input made on behalf of limited income customers, Management recommends increasing the credit provided to limited income customers in the Economy Discount Rider to $23/month for every month. Management also recommends increasing the separate SRP Bill Assistance program qualification requirement from 150% to 200% of the Federal Poverty Guideline.

- **Battery Storage Program:**
  Management commits, separate from this pricing action, to increase the battery storage program incentive from $150/kWh to $300/kWh of storage capacity, up to a maximum of $3,600/system. If approved, the doubling of the incentive would begin on May 1, 2019 and continue through the end of the existing program, which is April 30, 2021.

The financial impact of revising Management's December 20th Proposal to increase the Economy Discount Rider credit and increase the battery storage incentive is summarized below, as shown on slide 32 from the March 11th Board meeting.

	FY20 Impact	**FY20-FY23 Impact**
Low Income Credit	$2.0M	$7.9M
Max Storage Incentive*	$3.7M	$7.4M
Total	**$5.7M**	**$15.3M**

*Assumes additional ~2,100 customers per year

Management's Recommendations – Detail

M-Power Price Plan for Residential Pre-Pay Time-of-Use Service (E-28)

The existing E-28 price plan mirrors the E-26 price plan and is intended to provide a time-of-use (TOU) option for pre-pay customers. However, due to technological limitations, no customers have participated in this plan, other than a handful of SRP employees on a trial basis. The December 20th Proposal includes E-28 as a standard price plan so that it could be made available to customers if and when the technological hurdles could be overcome.

During both the March 4 and March 11 Board meetings, Director Miller requested the elimination of E-28 because there are no customers currently participating on the plan. Management explained that if the plan were to be eliminated, it could not thereafter be made available, as a standard price plan, except in a future price process.

Management recommends the elimination of the M-Power Time-of-Use Price Plan (E-28) (the "E-28 Elimination").

Distributed Generation

Background and Management's December 20th Proposal

In 2015, the SRP Board adopted the E-27 Customer Generation Price Plan (E-27). Unlike other residential price plans, in which the relatively fixed generation, transmission, and distribution costs are collected through per-kWh charges, E-27 was designed to capture costs as SRP incurs them, through a fixed MSC, an on-peak per-kW demand charge, and a variable per-net kWh charge. While it better reflects costs, E-27 was designed to be revenue neutral to the E-26 price plan for a typical solar customer before the installation of any distributed generation.

To be responsive to customer and stakeholder feedback regarding the demand (kW) component of the E-27 customer bill, Management's December 20th Proposal includes two non-demand TOU price plans for self-generating customers, the Customer Generation Time-of-Use Export Price Plan (E-13) and the Customer Generation EV Export Price Plan (E-14), and one price plan that has an alternative measurement of on-peak demand, the Customer Generation Average Demand Price Plan (E-15).

Under the first non-demand price plan, E-13, customers will pay an MSC equal to the MSC in the E-27 price plan and, for the electricity SRP instantaneously delivers to the customer, on- and off- peak kWh charges equal to the charges in the E-26 TOU price plan.

The second non-demand TOU price plan, E-14, is similar to E-13, but is applicable to customers with an electric vehicle (EV) and has per-kWh charges equal to the E-29 Residential Electric Vehicle Price Plan. While both the E-13 and E-14 price plans are largely based on corresponding full-requirements price plans for residential customers, each may be evaluated independently for cost recovery in the future. Under E-13 and E-14, if the customer exports generated energy to the grid instantaneously (e.g., excess rooftop solar generation), then SRP will credit the customer at an "export rate" of 2.81 cents per kWh, an amount reflective of the recent cost of new utility scale solar generation, increased for line and transformation losses to reflect the local nature of the generation.

Under the proposed price plan with an alternative measurement of on-peak demand, E-15, the measurement of demand is based on the average of all the *daily* maximum on-peak demands for the month (as opposed to the *monthly* maximum on-peak demand used for E-27). This design is intended to address customer and stakeholder concerns about a single anomalous event having a significant impact on a customer's bill for the entire month. Similar to E-27, the customer's bill is based on net load, and therefore no export rate applies.

E-13, E-14, and E-15 were each designed to generate the same levels of revenues as E-27 if the rate were applied to all E-27 customers. As such, the rate of return for each of those price plans is the same as the rate of return for E-27 (-1.8 percent).

Despite the designs being neutral if applied to all customers, there will likely be customer bill savings as customers self-select onto the price plan that works best for their usage and production. Management estimates that around 40% of E-27 customers could lower their bills by switching to one of the newly proposed price plans available to them. Management estimates that those customers who save will save just over $9 per month on average.

The -1.8% rate of return for the E-27 class includes expenses associated with a production meter. The production meter is a second meter that is required for SRP to measure the gross load and total solar production of self-generation customers. SRP currently utilizes the second meter so it can inform customers about their total energy consumption and production. SRP also uses the data from the second meter to more accurately forecast solar generation versus load. Because the costs of the meter are clearly identifiable and distinct to solar customers, the 2019 Cost Allocation Study (CAS) allocated the second meter costs solely to solar customers. If the costs were instead allocated to all customers, the E-27 rate of return would improve from -1.8% to -1.3%. While the CAS assesses costs associated with the production meter, solar customers are not currently, and would not under the December 20th Proposal, be charged for that meter. In other words, while the costs of the second meter influence the rate of return for the E-27 rate class, it does not increase bills. Under both current prices and the December 20th Proposal, residential solar customers pay the same meter charges as other residential customers.

<u>Management's Current Recommendation</u>

Management proposes no changes to the December 20th Proposal with respect to the E-13, E-14, and E-15 price plans. The price plans give self-generation customers a choice between different rate structures, including non-demand options, so they can select the price plan that works best for their lifestyle while providing a sufficient level of cost recovery. SRP continues to see the growth of solar installations at an increasing rate.

Much of the input received in the price process has been focused on improving the customer economics of adding solar or the business economics of the solar installers, which is related to, but separate from carbon reductions objectives. Some stakeholders and Board members advocated that the Board adopt a higher export rate than Management's proposed 2.81 cents/kWh. However, doing do would come at an otherwise higher cost to SRP's other 1 million plus customers at a time when SRP is pursuing carbon reduction goals at the lowest reasonable cost to all its customers.

SRP can obtain utility-scale solar for a price equivalent to or less than 2.81 cents/kWh when adjusted for losses. SRP has announced an initiative to install 1,000 MW of solar by 2025 and Management is pursuing those installations, and other carbon-reduction and solar objectives, at the lowest cost to SRP customers. Management recommends basing the export credit on the amount SRP would pay for utility-scale solar because it is the most comparable alternative resource. Management agrees with the Arizona Corporation Commission (ACC) when they concluded that "Use of utility-scale solar obligations represents the most reliable and objective avoided cost proxy for rooftop solar and diminishes concerns for the inclusion of societal and environmental factors and other externalities in valuing solar DG exports."[1] **Management does not recommend adopting an export rate higher than 2.81 cents because it would exceed the cost of comparable resources and add costs to SRP's other customers.**

Management recommends paying 2.81 cents at all times for exported generation because the utility-scale contracts on which that rate was based do not differentiate between on- and off- peak generation. Note also that approximately 94% of exported energy occurs during the winter season or during off-peak hours.

As noted above, self-generation customers do not pay higher meter charges because of the second meter. However, the second meter costs are allocated to the E-27 customer class in the CAS, which results in a lower return for the class. **If Management concludes that the second meter is not necessary for operational reasons going forward, Management will allocate the second meter costs to all customer classes in future Cost Allocation Studies.**

<u>Sandstone Transition</u>

Management recommends no modification to the December 20th Proposal to increase the export rate for self-generation customers on the E-13 or E-14 price plans. If the Board desires a modification, Management's recommendation, as discussed at the March 11 Board meeting, would be to temporarily increase the export credit under those price plans to a rate of 5.6 cents/kWh for the May 2019 through April 2021 billing cycles and 4.2 cents/kWh for the May 2021 through April 2023 billing cycles (the "Sandstone Transition Alternative"). No customer would receive a credit for exported kWh above 2.81 cents per kWh after the four-year temporary period.

There is no export credit on the E-27 and E-15 price plans because these price plans are based on a customer's net load. Should the Sandstone Transition Alternative be adopted, Management proposes making conforming changes that would apply to customers receiving service under E-27 and E-15. Customers on those price plans would receive a credit of $1.82 and $3.00, respectively, that would be applied to each billed on-peak kW during the May 2019 through April 2021 billing cycles; and a credit of $0.91 and $1.50 per kW, respectively, during the May 2021 to April 2023 billing cycles.

This temporary increase to the export credit under the Sandstone Transition Alternative would provide additional compensation to self-generation customers, and would cost non-self-generation customers approximately $6.2M over the four-year period, assuming 5,000 customers per year add solar. Implementation of the Sandstone Transition Alternative would depress the E-27 rate of return by 3.5% to a total return of -5.3% on a temporary basis, and then restore returns to the level obtained under the December 20th Proposal at the end of four years. This alternative maintains a link to utility-scale solar because the Sandstone project, which began operations in 2015, had a flat price of 5.3 cents per kWh. 5.3 cents adjusted upward for transmission and distribution losses results in a price of 5.6 cents per kWh. **Management recommends that the Board adopt Management's December 20th Proposal rather than the Sandstone Transition Alternative.**

<u>Director Woods' Proposal</u>

Director Woods proposed a community solar program that would pay rooftop solar customers 8.5 cents per exported kWh, which amount would be funded by voluntary contributions from non-solar customers. Management estimates that it would take approximately seven non-solar customers paying $3 per month towards this program to support one rooftop solar customer. In order to support 5,000 rooftop solar customers, this program would need approximately 35,000 participants each paying $3 per

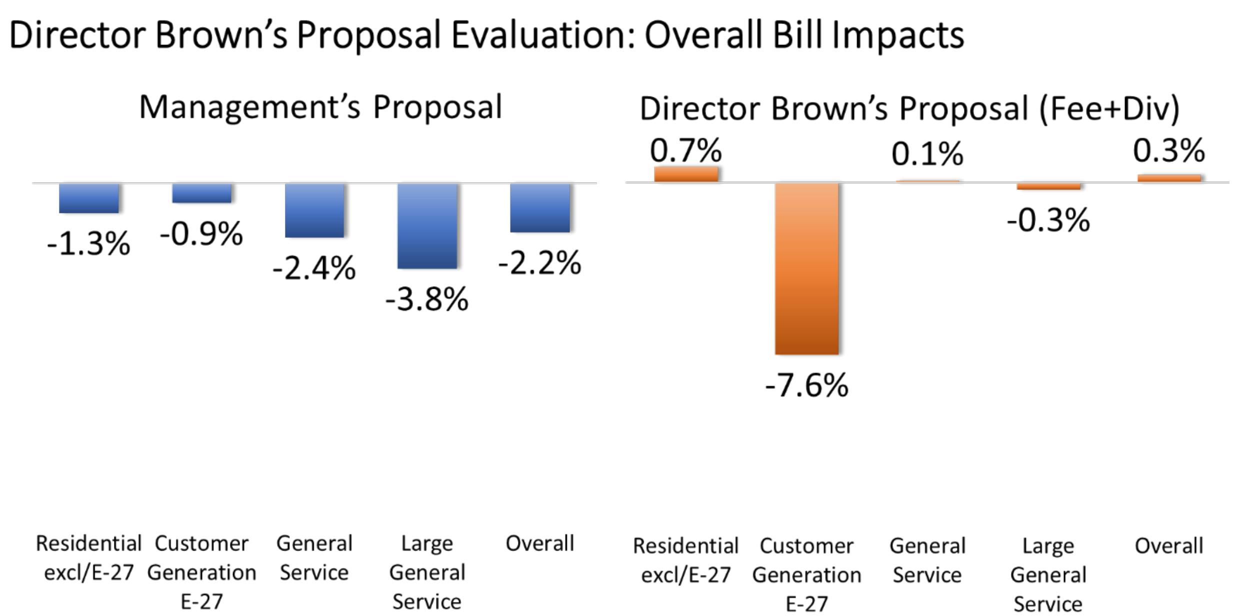
[1] Arizona Corporation Commission, Docket No. E-00000J- 14-0023, Decision No. 75859, page 170

month. SRP has two similar programs with voluntary contributions: Solar for Nonprofits had 4,500 participating customers at its peak and EarthWise Energy has 6,500 participating customers. Management agrees that community solar options are a good idea, and therefore included in the December 20th Proposal an umbrella rider for future programs. However, **Management does not recommend that the Board adopt Director's Woods' proposed offering. Alternatively, Management commits to develop a pilot program or programs that would support community solar options for residential customers, forest health restoration, and other environmental programs for which customers can provide contributions.**

<u>Director Brown's Proposal</u>

Director Brown proposed a CO_2 fee and dividend pricing structure that would provide for a \$0.0024/kWh fee on "brown power" and a \$0.0100/kWh dividend on "green power." Management analyzed this proposal and found that it would collect \$69 million more in revenue than the December 20th Proposal. The result of this proposal would effectively eliminate Management's proposed decrease. Figure 1 below contrasts the overall class bill impacts between the December 20th Proposal and Director Brown's proposal.

Figure 1:



When developing SRP's resource plan, SRP considers customer/operational needs, cost and value, fuel diversity and supply, environmental implications/sustainability, and location/transmission. SRP considers environmental/sustainability aspects heavily.

SRP's resource decisions also must comply with SRP 2035 sustainability goals. SRP's current carbon sustainability goal calls for a 33% reduction in carbon emissions per retail MWh from SRP's generation portfolio by Fiscal Year 2035, compared to emission levels in Fiscal Year 2016. Refinements to the 2035 sustainability goals are being considered as part of a stakeholder engagement process, subject to review by the Board. Any changes made to the carbon goal will impact future resource plans.

To lower its carbon emissions and meet its sustainability goals, SRP will need to make changes to its current resource mix and transition to less carbon intensive resources. Given SRP's pricing structure, the costs associated with that transition will be reflected both in SRP's base rates and the Fuel and Purchased Power Adjustment Mechanism (FPPAM). Because cost and value are of significant importance in developing a resource plan, SRP will focus on developing and procuring the most cost-effective resources while also considering their carbon implications and the impact on SRP's sustainability goals.

Management does not recommend adopting Director Brown's proposal. The Board-approved 2035 carbon reduction goals are already factored into SRP's overall decision-making process regarding resources and will be reflected in prices as related costs are incurred.

Monthly Service Charge

The December 20th Proposal leaves each residential MSC unchanged from the levels established in 2015. In the 2015 price process, the MSC for non-customer generation residential price plans was increased from $17 to $20 per month. At the same time, the Board increased the Economy Discount Rider credit from $17 to $20 in winter season to mitigate the impact of the MSC increase to limited income customers (the summer discount was already $21 per month).

During this current price process, several parties requested a reduction to the MSC, proposing that SRP instead collect those related revenues through the volumetric portion of the price plans, and asserted that doing so would, among other things, lower bills for limited income customers, promote energy efficiency, and better align the MSC with that of certain other utilities.

The industry trend, however, is to increase MSCs, to improve fixed cost recovery and better align prices with how costs are incurred. In a January 2019 report from NC Clean Energy Technology Center titled *50 States of Solar, Q4 2018 Quarterly Report & 2018 Annual Review*, there are several key takeaways related to fixed (monthly service) charges, including:

- *In 2018, there were 77 pending or decided utility proposals in 36 states to increase residential fixed charges or minimum bills by at least 10%, and*
- *34 utilities in 22 states filed new requests to increase residential fixed charges by at least 10% during 2018.*

At the March 11, 2019 Board meeting, the Board's consultant also provided MSC comparisons among the 30 largest cooperative utilities and 10 largest public power utilities, which indicated that SRP's existing MSC is within the overall range of its peers.

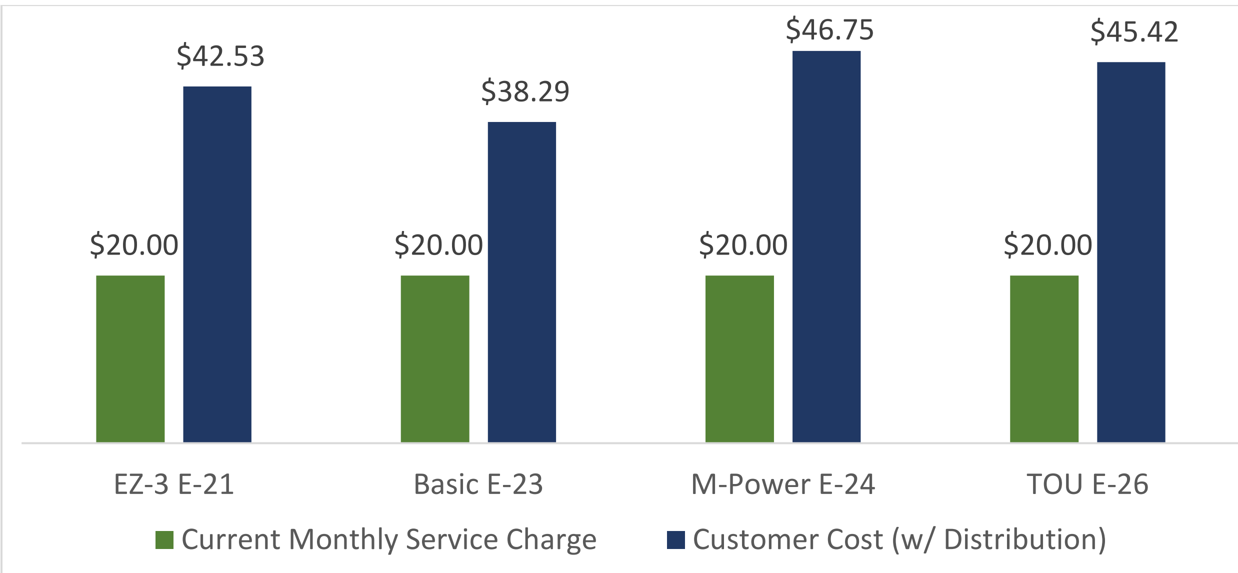
<u>$17 Monthly Service Charge Impact</u>

In response to a request from Director Hendrickson, Management presented an alternative E-23 Basic Price Plan rate design with a $17 MSC that was revenue neutral with the proposed design; this means that the revenue loss from the reduced fixed charge would be included in the volumetric ($/kWh) charges. When compared to the December 20th Proposal, reducing the MSC to $17 for non-customer generation residential price plans would result in an average increase of $1.47/month (0.6%) for 340,000 residential customers and $1.16 (0.6%) for 15,000 limited income customers. **While Management's December 20th Proposal will provide more than 99.9% of all residential customers with a decrease, the implementation of a $17 MSC will negatively impact 340,000 residential customers relative to Management's December 20th Proposal and will further cause a bill increase for an estimated 45,000 customers (or about 5% of all residential customers including some limited income customers).**

Some proponents of a lower MSC argued that lowering the MSC and raising the per kWh rate would incentivize energy conservation, while giving customers more control over their bills. However, a higher per kWh price also may discourage electrification (e.g., the adoption of technologies such as EVs). Management is of the opinion that cost-based pricing is the best way to balance these objectives and that a $20 MSC is better aligned with costs than a lower figure. Management further believes the most effective way to further conservation goals is to fund energy efficiency programs directly. Accordingly, SRP has increased its energy efficiency funding 28% since FY16, to approximately $50 million per year.

As demonstrated in Figure 2 below, the current MSCs under non-customer generation residential price plans are well below calculated customer-related costs.

Figure 2: Customer-Related and Distribution-Related Costs (Non-Customer Generation Residential Price Plans)



Because lowering the MSC would negatively impact over 340,000 customers (including limited income customers) that otherwise receive a greater decrease under the December 20th Proposal, and would result in prices being less aligned with costs, **Management recommends that the Board adopt the residential rate structures as set forth in the December 20th Proposal.**

However to address comments and input made on behalf of limited income customers, Management recommends increasing limited income support to provide significantly better value than a $17 MSC for these customers. This recommendation is discussed in the next section.

Wildfire Request/ Limited Income Support

Because Management's December 20th Proposal is a price decrease for all price plans, it did not include a change to the Economy Discount Rider. This rider provides qualifying customers with a $20/month discount in the winter and $21/month discount in the summer and summer peak billing cycles. However, Management's December 20th Proposal does include an increase to the SRP Bill Assistance Program contribution to a minimum for $500,000 annually for five years.

Management's Revised Recommendation

Rather than restructuring price plans to reduce the MSC, Management's recommendation is to increase the discount provided under the Economy Discount Rider to $23/month for every month (the "Economy Discount Increase") as described in Attachment A. For limited income customers, this frees up $2-$3/month more to apply to energy use. The Economy Discount Increase provides a better value than lowering the MSC to $17 for just these customers, while still maintaining the preferred alignment of prices and costs for all residential customers. The estimated cost of the Economy Discount Increase is approximately $2 million per year.

Under Management's revised recommendation, all limited income customers would receive bill reductions that average from $2.50 per month to more than $6.00 per month. Under the rate designs with a $17 MSC, most limited income customers would receive bill reductions between $0.01 per month to no more than $3.00 per month. In addition, there are a number of limited income customers who would receive net bill increases compared to current price plans.

Management also recommends increasing the qualification requirement from 150% to 200% of the Federal Poverty Guideline for the separate SRP Bill Assistance program. Cynthia Zwick from Wildfire is supportive of Management's recommendation as it relates to limited income customers.

Buy-through

At the March 4, 2019 Board meeting Arizonans for Electric Choice and Competition (AECC) requested that SRP offer a buy-through program. A buy-through program as described by AECC would permit customers to arrange for their own generation supply with competitive suppliers and SRP would act as an intermediary in the transaction. However, SRP would continue to provide retail delivery services.

Management does not recommend adding a buy-through program as part of this price process. Management's December 20th Proposal includes a Market Price Pilot Rider which will, if approved, provide an option for large customers to receive energy at market prices. Customers under this program avoid SRP's FPPAM costs, but do not shift costs to other non-participating customers. Management believes that the development of any buy-through program must have diverse stakeholder involvement and extensive customer outreach to ensure non-participating customers are not adversely impacted by such a program, one of the key principles from the ACC's policy statement on the development of such programs. Management will continue to explore this issue since it of interest to a segment of SRP's customers.

Large Extra High Load Factor Substation Large General Service Price Plan (E-67)

Management recommends adopting the proposed high load factor rate, E-67, for large general service customers, as set forth in the December 20th Proposal. Eligibility for this rate requires a minimum load factor of 90 percent and a minimum load of 20 MW. This proposed price plan is responsive to customer and community input to support regional economic development, while providing large, efficient users of energy with another price plan option. This price plan is supported by large general service customers including Intel, CyrusOne, Digital Realty, Mortenson Development, Inc., and AVAIO Capital. The combined return for the Substation Service (E-65/E-67) class would be 5.5%, which is above the overall average rate of return of 3.8%.

Battery Storage Program

At the March 4, 2019 Board meeting, there was discussion regarding battery storage, including the low adoption rate of that technology, and its potential use with other evolving technologies. Management believes there is more to be understood about how the technology may affect cost and the reliability of the grid. As a result, Management commits, separate from the pricing action, to provide a greater incentive to residential customers wishing to install storage at their homes. Specifically, **Management recommends an increase to the existing incentive from $150/kWh to $300/kWh of storage capacity; up to a maximum of $3,600/system.** All other terms and conditions of the current program open to 4,500 participants would continue to apply. The doubling of the incentive would begin on May 1, 2019 and continue through the end of the existing program, which is April 30, 2021. The current incentive budget of $8.1 million could increase to a total funding level of $15.5 million should the remaining 4,000+ customers participate.

Cost Allocation Study

In 2016, following the prior price process, Management, with the participation of a diverse group of stakeholders, completed a review of SRP's cost allocation methodology. Large General Service (LGS) customers requested changes in SRP's method for the allocation of the following costs: generation capacity, distribution capacity, and energy efficiency/renewable costs.

Management's December 20th Proposal includes the requested change for the allocation of distribution costs and better reflects the LGS customers' position on energy efficiency and renewable costs. Under the December 20th Proposal, renewable costs are allocated consistent with other purchased power expenses, and energy efficiency contributions are capped at $300,000 per customer.

SRP allocates generation capacity costs using the Peak and Average (P&A) method (also referred to as Average and Peak). AECC proposes that SRP instead use the Average and Excess (A&E) method to allocate generation costs. The effect of changing methodologies is a shifting of fixed generation costs from the large industrial class to the residential class.

Consistent with the positions of the Board's consultant during the last price process (Sussex Economic Advisors) and the current Board consultant (The Brattle Group), Management believes that, given how SRP incurs costs, the P&A method is more appropriate than the A&E method for allocating generation capacity costs. **Management therefore recommends no change in the allocation of the generation capacity costs.**

ATTACHMENT A

SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT

ECONOMY DISCOUNT RIDER

SUPPLEMENTAL TO RESIDENTIAL PRICE PLANS E-13, E-14, E-15, E-21, E-22, E-23, E-24, E-26, E-27, E-28 AND E-29

Effective: May 2019 Billing Cycle
Supersedes: April 2015 Billing Cycle

APPLICABILITY:

To customers receiving service under Standard Price Plans E-13, E-14, E-15, E-21, E-22, E-23, E-24, E-26, E-27, E-28 or E-29 who qualify for this rider as specified below and further outlined in SRP's administration plan. All provisions of the applicable residential price plans will apply except as modified herein.

To qualify:

1. The account must be in the qualifying customer's name.
2. Each application is good for a 12-month period. Annual recertification may be required for the discount to be extended beyond one year.
3. Household income must be at or below 150 percent of federal poverty guidelines or customer must be approved for the Low Income Home Energy Assistance Program (note that SRP's Bill Assistance program is available to customers with a household income at or below 200 percent of federal poverty guidelines).
4. The certification process and any administrative issues relating to the discount not explicitly stated in this rider are defined in SRP's administration plan.

CONDITIONS:

A. The discount will be applied to the customer's total bill before any adjustments and application of any other taxes, credits, penalties, or fees.

B. Customer may not elect the Economy Discount Rider in addition to the Medical Life Support Equipment Discount Rider.

C. Applicable monthly credits may be converted to daily amounts. The amounts would be annualized and then converted to daily credits.

DISCOUNT:

The monthly bill will be in accordance with the above specified price plans with the addition of a $23.00 discount per billing cycle. The bill before taxes, credits, penalties and fees cannot be reduced below zero.