

RESOLUTION NO. 10953

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MESA, ARIZONA
DECLARING AS A PUBLIC RECORD
PROPOSED TITLES AND SCHEDULES OF TERMS, RATES, FEES AND CHARGES
FOR CITY-OWNED ELECTRIC UTILITIES**

BE IT RESOLVED by the City Council of the City of Mesa, Maricopa County, State of Arizona, as follows:

Section 1: That the following Titles and Schedules of Terms, Rates, Fees and Charges for City-Owned Electric Utilities, true and correct copies of which are attached hereto and incorporated herein by reference, are declared to be public records pursuant to A.R.S. §9-801, *et seq.*, three copies of which shall be filed in the Office of the City Clerk and kept available for public use and inspection.

| TITLE | SCHEDULE NO. |
|---|--------------|
| Residential Service – Standard Offer | E1.1 |
| Residential Service – Direct Access | E1.5 |
| Pilot Program Residential Service – Economy | E1.11 |
| Downtown Small Business Attraction Electric Rate Schedule | E3.6D |

Additions to the text in the attachments are shown in bold, and underline: **Abc**

Deletions to the text in the attachments are shown in strike-outs: ~~Abe~~

PASSED AND ADOPTED by the City Council of the City of Mesa, Arizona, this 8th day of May, 2017.

ATTEST:

APPROVED


City Clerk


Mayor



City of Mesa
Mesa, Arizona

Residential Service – Standard Offer
Effective ~~07/01/16~~ **07/01/17**
Ordinance No. ~~5329~~ **TBD**
Supersedes Schedule Effective ~~07/01/15~~ **07/01/16**

ELECTRIC RATE SCHEDULE

Electricity sold hereunder is delivered to a Customer at single or three-phase, approximately sixty Hertz, and at one standard voltage (120/240 or 120/208 as may be selected by the Customer, subject to availability and approval by the Mesa Electric Utility). These rates are applicable for the billing of utilities commencing with the August ~~2016~~ **2017** billing cycle.

RESIDENTIAL SERVICE – STANDARD OFFER - E1.1

APPLICATION

To all electric service required for residential purposes in individual private dwellings and in individually metered apartments, when such service is supplied at one Point of Delivery and measured through one meter.

MONTHLY BILL PER METER

| | MAY/OCTOBER | | NOVEMBER/APRIL | |
|--|---------------|----------------------------------|----------------|----------------------------------|
| <u>Electric System Service Charge:</u> | | \$9.50 \$10.75 | | \$9.50 \$10.75 |
| <u>Usage Charge (\$/kWh):</u> | 0 – 1,200 kWh | \$0.05128 | 800 kWh | \$0.03765 |
| | > 1,200 kWh | \$0.04822 | 800 kWh | \$0.01633 |
| <u>Minimum:</u> | | \$9.50 \$10.75 | | \$9.50 \$10.75 |

ADJUSTMENTS

1. An Electric Energy Supply Cost Adjustment Factor (“EECAF”) shall be added to all bills based on the cost of purchased, electric power and its delivery to the City’s electric utility, as shown on the Tariff Adjustments sheet.
2. Plus the applicable proportionate part of any taxes or governmental impositions which are assessed on the basis of gross revenues of the City and/or the price or revenue from the electric energy or service sold hereunder.

THREE-PHASE SERVICE

Three-phase service is furnished under the City standards. Three-phase service is required for motors with an individual rated capacity of 3 hp. or larger.

TERMS AND CONDITIONS

See Schedule ETC-SO: Terms and Conditions for Standard Offer and Direct Access Services.
See Schedule TC-DA: Terms and Conditions for Direct Access Services.
City of Mesa Rules and Regulations – Utility Department – Electric Division.

City of Mesa
Mesa, Arizona

Residential Service – Direct Access
Effective ~~07/01/16~~**07/01/17**
Ordinance No. ~~5329~~**TBD**
Supersedes Schedule Effective ~~07/01/15~~**07/01/16**

ELECTRIC RATE SCHEDULE

Electricity sold hereunder is delivered to a Customer at single or three-phase, approximately sixty Hertz, and at one standard voltage (120/240 or 120/208 as may be selected by the Customer, subject to availability and approval by the Mesa Electric Utility).

RESIDENTIAL SERVICE – DIRECT ACCESS - E1.5

APPLICATION

To all electric service required for residential purposes in individual private dwellings and in individually metered apartments, when such service is supplied at one Point of Delivery and measured through one meter.

MONTHLY BILL PER METER

| | | MAY/OCTOBER | NOVEMBER/APRIL |
|---|---------------|----------------------------------|----------------------------------|
| <u>Customer Charge:</u> | | \$9.50 \$10.75 | \$9.50 \$10.75 |
| <u>Energy Charge: (\$/kWh) Distribution</u> | 0 – 1,200 kWh | \$0.05128 | 800 kWh \$0.03765 |
| | > 1,200 kWh | \$0.04822 | 800 kWh \$0.01633 |
| <u>Minimum:</u> | | \$9.50 \$10.75 | \$9.50 \$10.75 |

ADJUSTMENTS

1. An Electric Energy Cost Adjustment Factor (“EECAF”) shall be added to all bills based on the cost of purchased, electric power and its delivery to the City’s electric utility, as shown on the Tariff Adjustments sheet.
2. Plus the applicable proportionate part of any taxes or governmental impositions which are assessed on the basis of gross revenues of the City and/or the price or revenue from the electric energy or service sold hereunder.

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TERMS AND CONDITIONS

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See Schedule TC-DA: Terms and Conditions for Direct Access Services.
City of Mesa Rules and Regulations – Utility Department – Electric Division.

ELECTRIC RATE SCHEDULE

Electricity sold hereunder is delivered to eligible customers who would otherwise receive service under Schedule E1.1, at single or three-phase, approximately sixty Hertz, and at one standard voltage (120/240 or 120/208 as may be selected by the Customer, subject to availability and approval by the Mesa Electric Utility). These rates are applicable for the billing of utilities for the billing cycles commencing with the August ~~2016~~ **2017** billing ~~cycles~~ **cycle**.

PILOT PROGRAM: RESIDENTIAL SERVICE – ECONOMY – E1.11

APPLICATION

To eligible customers for electric service required for their residential purposes in either individual private dwellings or in individually metered apartments, when such service is supplied at one Point of Delivery and measured through one meter.

ELIGIBILITY

Subject to availability and approval by the Mesa Electric Utility, customers must satisfy the following conditions to be and remain eligible to receive service under this Schedule:

1. The electric utility account must be in the eligible customer's name, and that customer of record must be a full time permanent resident at the dwelling where service is supplied.
2. Customer of record must complete and submit the City's application for the Pilot Program; completed applications are subject to approval by City and must include all requested information. Information is subject to verification by City.
3. Eligible customers will be provided service under this Schedule for 12 months. Annual recertification will be required for the eligibility of rates under this Schedule (if available) to continue. As this service is a Pilot Program, there is no guarantee of continued eligibility or availability and there will be limits on the number of customers who may participate.
4. Eligibility of service under this Schedule is limited to customers of record with total verified household income (income from all sources) at or below twenty seven thousand dollars (\$27,000.00) annually.
5. The Mesa Electric Utility may include consideration of household size in relation to income as well as federal poverty guidelines to determine whether customers receive service under this Schedule. Preference will be made for customers who require life support, are disabled, or have other vulnerabilities.
6. Any customer no longer deemed eligible for service under this Schedule shall be billed, beginning the first month after ineligibility, at E1.1.

MONTHLY BILL PER METER

| | | JULY, AUGUST, SEPTEMBER |
|--|--------------|----------------------------------|
| <u>Electric System Service Charge:</u> | | \$0.00 |
| <u>Usage Charge (\$/kWh):</u> | 0-80 kWh | \$0.0000 |
| | 81-1,200 kWh | \$0.05128 |
| | > 1,200 kWh | \$0.04822 |
| <u>Minimum:</u> | | \$0.00 |
| | | MAY, JUNE or OCTOBER |
| <u>Electric System Service Charge:</u> | | \$9.50 \$10.75 |
| <u>Usage Charge (\$/kWh):</u> | 0-1,200 kWh | \$0.05128 |
| | > 1,200 kWh | \$0.04822 |
| <u>Minimum:</u> | | \$9.50 \$10.75 |

| | | |
|--|-----------|---|
| | | NOVEMBER through APRIL |
| <u>Electric System Service Charge:</u> | | \$9.50 <u>\$10.75</u> |
| <u>Usage Charge (\$/kWh):</u> | 0-800 kWh | \$0.03765 |
| | >800 kWh | \$0.01633 |
| <u>Minimum:</u> | | \$9.50 <u>\$10.75</u> |

ADJUSTMENTS

1. An Electric Energy Supply Cost Adjustment Factor ("EECAF") shall be added to all bills based on the cost of purchased, electric power and its delivery to the City's electric utility, as shown on the Tariff Adjustments sheet.
2. Plus the applicable proportionate part of any taxes or governmental impositions which are assessed on the basis of gross revenues of the City and/or the price or revenue from the electric energy or service sold hereunder.

THREE-PHASE SERVICE

Three-phase service is furnished under the City standards. Three-phase service is required for motors with an individual rated capacity of 3 hp. or larger.

TERMS AND CONDITIONS

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See Schedule TC-DA: Terms and Conditions for Direct Access Services.

City of Mesa Rules and Regulations – Utility Department – Electric Division.

**DOWNTOWN SMALL BUSINESS ATTRACTION ELECTRIC RATE SCHEDULE –
E3.6D**

APPLICATION

These rates are applicable to new Non-Residential service for the billing of utilities commencing with the August 2017 billing cycle and to Customers meeting the following Eligibility Criteria.

Electricity sold hereunder is delivered to the Customer at single or three-phase, approximately Sixty (60) Hertz, and at one standard voltage (7200/12470, 2400/4160, 277/480, 120/240, or 120/208 volts) as may be selected by the Customer, subject to satisfaction and eligibility criteria set forth herein.

PURPOSE

The purpose of this schedule is to attract new non- residential City electric customers to Downtown Mesa, which also generates increased economic activity in Downtown Mesa.

MONTHLY BILLING CYCLE PER METER

| | | <u>MAY/OCTOBER</u> | | <u>NOVEMBER/APRIL</u> | |
|-------------------------|------------------------|---------------------|--------------------|-----------------------|--------------------|
| | | <u>Single Phase</u> | <u>Three Phase</u> | <u>Single Phase</u> | <u>Three Phase</u> |
| <u>Customer Charge:</u> | | <u>\$6.22</u> | <u>\$12.24</u> | <u>\$6.22</u> | <u>\$12.24</u> |
| <u>Energy Charge:</u> | | | | | |
| <u>(\$/kWh)</u> | | | | | |
| <u>Distribution</u> | <u>0 - 15,000 kWh</u> | <u>\$0.06491</u> | <u>\$0.06491</u> | <u>\$0.05375</u> | <u>\$0.05375</u> |
| | <u>15,001 - 75,000</u> | | | | |
| | <u>kWh</u> | <u>\$0.04125</u> | <u>\$0.04125</u> | <u>\$0.03692</u> | <u>\$0.03692</u> |
| | <u>> 75,000 kWh</u> | <u>\$0.02901</u> | <u>\$0.02901</u> | <u>\$0.02060</u> | <u>\$0.02060</u> |
| <u>Demand Charge:</u> | | | | | |
| <u>(\$/kW)</u> | | | | | |
| <u>Generation</u> | <u>0 – 50 kW</u> | <u>\$0.00</u> | <u>\$0.00</u> | <u>\$0.00</u> | <u>\$0.00</u> |
| | <u>> 50 kW</u> | <u>\$3.52</u> | <u>\$3.52</u> | <u>\$3.20</u> | <u>\$3.20</u> |
| <u>Distribution</u> | <u>0 – 50 kW</u> | <u>\$0.00</u> | <u>\$0.00</u> | <u>\$0.00</u> | <u>\$0.00</u> |
| | <u>> 50 kW</u> | <u>\$0.3968</u> | <u>\$0.3968</u> | <u>\$0.1150</u> | <u>\$0.1150</u> |
| <u>Minimum:</u> | | <u>\$6.22</u> | <u>\$12.24</u> | <u>\$6.22</u> | <u>\$12.24</u> |

Charges are subject to discount as set forth in the Adjustments Section.

ADJUSTMENTS

1. An Electric Energy Cost Adjustment Factor (“EECAF”) shall be added to all bills based on the cost of purchased, electric power and its delivery to the City’s electric utility, as shown on the Tariff Adjustments sheet.
2. Bills subject to further adjustment as follows: the EECAF electric supply cost adjustment factor addition, energy usage charge, demand usage charge and the electric system service charge for each bill for each month during the eligibility period shall be reduced by twenty five percent (25%). Taxes not subject to adjustment.
3. Plus the applicable proportionate part of any taxes or governmental impositions that are assessed on the basis of the gross revenues of the City and/or the price or revenue from the electric energy sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.
4. Determination of kW - (Billing Demand) = The average kW supplied during the 30-minute period of maximum use during the month, as determined from readings of the meter.

THREE-PHASE SERVICE

Three-phase service is furnished under the City's standards, including the transformation equipment. Three-phase service is not furnished for motors with an individual rated capacity of less than 3 h.p., except where facilities are already in place. Three-phase service is required for motors of an individual rated capacity of 3 h.p. or more.

TERMS AND CONDITIONS

See Schedule ETC-SO: Terms and Conditions for Standard Offer and Direct Access Services.

See Schedule TC-DA: Terms and Conditions for Direct Access Services.

City of Mesa Rules and Regulations – Utility Department – Electric Division.

Terms and Conditions for the Sale of Utilities

Additional Terms and Conditions:

- (i) Limited to three (3) consecutive years per eligible Customer.
- (ii) The Customer must sign a three-year agreement evidencing the commitment through the 3 year period to meeting the eligibility criteria, including promises to continue operating within the City of Mesa; to meet or increase their initial level of electric consumption; and to use reasonable efforts to increase the number of jobs that are part of their business operations within the City.
- (iii) Customers may apply for the small business utility rate only within their first year of operation.
- (iv) Customers may only participate once.
- (v) Customers that do not maintain or increase their total average annual utility usage from their first year receiving the rate may be required to repay the City for the difference between this Schedule E3.6D and the otherwise applicable City electric rateschedule.
- (vi) The City may terminate, suspend or modify the rate for active and/or future participants should it serve the interests of the City.
- (vii) Customers may be required to obtain a financial instrument satisfactory to the City that protects the City from a default under the agreement and from the accumulation of delinquent and deficient charges of a Customer served under this RateSchedule.
- (viii) The customer becomes ineligible if it has less than two employees for a total of six months or more during any consecutive 12-month period, and may be required to repay the City for the difference between this Schedule and the otherwise applicable rate schedule.

ELIGIBILITY

Non-residential Customers with premises located inside the Central Business District and Town Center Redevelopment Area (CBD/TRA) are eligible for this Schedule provided the Customer and premises: (i) have an average total minimum actual or projected annual energy consumption of twelve thousand (12,000) kilowatt-hours (kWh) and a maximum of eight hundred thousand (800,000) kWh for up to the most recent twelve-month period; (ii) have a single point of delivery within the CBD/TRA measured through one meter for the billing of each utility service; (iii) meets the definition of a small business as stated by the U.S. Small Business Administration; (iv) consists of a use consistent with Mesa's adopted Form-Based Code or are located in a commercial or industrial zoned area where the Form-Based Code does not apply; and (v) employs the equivalent of at least two (2) full-time employee (FTE) positions (subject to verification through unemployment tax and wage reporting or comparable records). Customers must also be current on all utility bills and any other amounts owed the City.

INELIGIBILITY OR LOSS OF ELIGIBILITY

Customers that become ineligible for service under this rate schedule will be served under the otherwise applicable City Electric rate schedule. As set forth above Customer may be responsible for payment of back charges under the otherwise applicable City Electric rate Schedule for service provided under this Schedule which becomes ineligible. In addition, if the Customer's average electric use during the second year of the program or third year of the program is less than the Customer's average use the first year of the program, the Customer may be responsible for payment of the difference of consumption.

ELECTRIC RATE SCHEDULE

Electricity sold hereunder is delivered to a Customer at single or three-phase, approximately sixty Hertz, and at one standard voltage (120/240 or 120/208 as may be selected by the Customer, subject to availability and approval by the Mesa Electric Utility). These rates are applicable for the billing of utilities commencing with the August ~~2016~~ **2017** billing cycle.

RESIDENTIAL SERVICE – STANDARD OFFER - E1.1

APPLICATION

To all electric service required for residential purposes in individual private dwellings and in individually metered apartments, when such service is supplied at one Point of Delivery and measured through one meter.

MONTHLY BILL PER METER

| | | MAY/OCTOBER | | NOVEMBER/APRIL |
|--|---------------|----------------------------------|---------|----------------------------------|
| <u>Electric System Service Charge:</u> | | \$9.50 \$10.75 | | \$9.50 \$10.75 |
| <u>Usage Charge (\$/kWh):</u> | 0 – 1,200 kWh | \$0.05128 | 800 kWh | \$0.03765 |
| | > 1,200 kWh | \$0.04822 | 800 kWh | \$0.01633 |
| <u>Minimum:</u> | | \$9.50 \$10.75 | | \$9.50 \$10.75 |

ADJUSTMENTS

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Electricity sold hereunder is delivered to a Customer at single or three-phase, approximately sixty Hertz, and at one standard voltage (120/240 or 120/208 as may be selected by the Customer, subject to availability and approval by the Mesa Electric Utility).

RESIDENTIAL SERVICE – DIRECT ACCESS - E1.5

APPLICATION

To all electric service required for residential purposes in individual private dwellings and in individually metered apartments, when such service is supplied at one Point of Delivery and measured through one meter.

MONTHLY BILL PER METER

| | | MAY/OCTOBER | | NOVEMBER/APRIL |
|---|---------------|----------------------------------|---------|----------------------------------|
| <u>Customer Charge:</u> | | \$9.50 \$10.75 | | \$9.50 \$10.75 |
| <u>Energy Charge: (\$/kWh) Distribution</u> | 0 – 1,200 kWh | \$0.05128 | 800 kWh | \$0.03765 |
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ELECTRIC RATE SCHEDULE

Electricity sold hereunder is delivered to eligible customers who would otherwise receive service under Schedule E1.1, at single or three-phase, approximately sixty Hertz, and at one standard voltage (120/240 or 120/208 as may be selected by the Customer, subject to availability and approval by the Mesa Electric Utility). These rates are applicable for the billing of utilities for the billing cycles commencing with the August ~~2016~~ **2017** billing ~~cycles~~ **cycle**.

PILOT PROGRAM: RESIDENTIAL SERVICE – ECONOMY – E1.11

APPLICATION

To eligible customers for electric service required for their residential purposes in either individual private dwellings or in individually metered apartments, when such service is supplied at one Point of Delivery and measured through one meter.

ELIGIBILITY

Subject to availability and approval by the Mesa Electric Utility, customers must satisfy the following conditions to be and remain eligible to receive service under this Schedule:

1. The electric utility account must be in the eligible customer's name, and that customer of record must be a full time permanent resident at the dwelling where service is supplied.
2. Customer of record must complete and submit the City's application for the Pilot Program; completed applications are subject to approval by City and must include all requested information. Information is subject to verification by City.
3. Eligible customers will be provided service under this Schedule for 12 months. Annual recertification will be required for the eligibility of rates under this Schedule (if available) to continue. As this service is a Pilot Program, there is no guarantee of continued eligibility or availability and there will be limits on the number of customers who may participate.
4. Eligibility of service under this Schedule is limited to customers of record with total verified household income (income from all sources) at or below twenty seven thousand dollars (\$27,000.00) annually.
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6. Any customer no longer deemed eligible for service under this Schedule shall be billed, beginning the first month after ineligibility, at E1.1.

MONTHLY BILL PER METER

| JULY, AUGUST, SEPTEMBER | | |
|--|--------------|----------------------------------|
| <u>Electric System Service Charge:</u> | | \$0.00 |
| <u>Usage Charge (\$/kWh):</u> | 0-80 kWh | \$0.0000 |
| | 81-1,200 kWh | \$0.05128 |
| | > 1,200 kWh | \$0.04822 |
| <u>Minimum:</u> | | \$0.00 |
| MAY, JUNE or OCTOBER | | |
| <u>Electric System Service Charge:</u> | | \$9.50 \$10.75 |
| <u>Usage Charge (\$/kWh):</u> | 0-1,200 kWh | \$0.05128 |
| | > 1,200 kWh | \$0.04822 |
| <u>Minimum:</u> | | \$9.50 \$10.75 |

| | | |
|--|-----------|---|
| | | NOVEMBER through APRIL |
| <u>Electric System Service Charge:</u> | | \$9.50 <u>\$10.75</u> |
| <u>Usage Charge (\$/kWh):</u> | 0–800 kWh | \$0.03765 |
| | >800 kWh | \$0.01633 |
| <u>Minimum:</u> | | \$9.50 <u>\$10.75</u> |

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DOWNTOWN SMALL BUSINESS ATTRACTION ELECTRIC RATE SCHEDULE –
E3.6D

APPLICATION

These rates are applicable to new Non-Residential service for the billing of utilities commencing with the August 2017 billing cycle and to Customers meeting the following Eligibility Criteria.

Electricity sold hereunder is delivered to the Customer at single or three-phase, approximately Sixty (60) Hertz, and at one standard voltage (7200/12470, 2400/4160, 277/480, 120/240, or 120/208 volts) as may be selected by the Customer, subject to satisfaction and eligibility criteria set forth herein.

PURPOSE

The purpose of this schedule is to attract new non- residential City electric customers to Downtown Mesa, which also generates increased economic activity in Downtown Mesa.

MONTHLY BILLING CYCLE PER METER

| | | <u>MAY/OCTOBER</u> | | <u>NOVEMBER/APRIL</u> | |
|---|------------------------|---------------------|--------------------|-----------------------|--------------------|
| | | <u>Single Phase</u> | <u>Three Phase</u> | <u>Single Phase</u> | <u>Three Phase</u> |
| <u>Customer Charge:</u> | | <u>\$6.22</u> | <u>\$12.24</u> | <u>\$6.22</u> | <u>\$12.24</u> |
| <u>Energy Charge:</u> <u>(\$/kWh)</u> | | | | | |
| <u>Distribution</u> | <u>0 - 15,000 kWh</u> | <u>\$0.06491</u> | <u>\$0.06491</u> | <u>\$0.05375</u> | <u>\$0.05375</u> |
| | <u>15,001 - 75,000</u> | | | | |
| | <u>kWh</u> | <u>\$0.04125</u> | <u>\$0.04125</u> | <u>\$0.03692</u> | <u>\$0.03692</u> |
| | <u>> 75,000 kWh</u> | <u>\$0.02901</u> | <u>\$0.02901</u> | <u>\$0.02060</u> | <u>\$0.02060</u> |
| <u>Demand Charge:</u> <u>(\$/kW)</u> | | | | | |
| <u>Generation</u> | <u>0 – 50 kW</u> | <u>\$0.00</u> | <u>\$0.00</u> | <u>\$0.00</u> | <u>\$0.00</u> |
| | <u>> 50 kW</u> | <u>\$3.52</u> | <u>\$3.52</u> | <u>\$3.20</u> | <u>\$3.20</u> |
| <u>Distribution</u> | <u>0 – 50 kW</u> | <u>\$0.00</u> | <u>\$0.00</u> | <u>\$0.00</u> | <u>\$0.00</u> |
| | <u>> 50 kW</u> | <u>\$0.3968</u> | <u>\$0.3968</u> | <u>\$0.1150</u> | <u>\$0.1150</u> |
| <u>Minimum:</u> | | <u>\$6.22</u> | <u>\$12.24</u> | <u>\$6.22</u> | <u>\$12.24</u> |

Charges are subject to discount as set forth in the Adjustments Section.

ADJUSTMENTS

1. An Electric Energy Cost Adjustment Factor (“EECAF”) shall be added to all bills based on the cost of purchased, electric power and its delivery to the City’s electric utility, as shown on the Tariff Adjustments sheet.
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3. Plus the applicable proportionate part of any taxes or governmental impositions that are assessed on the basis of the gross revenues of the City and/or the price or revenue from the electric energy sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.
4. Determination of kW - (Billing Demand) = The average kW supplied during the 30-minute period of maximum use during the month, as determined from readings of the meter.

THREE-PHASE SERVICE

Three-phase service is furnished under the City's standards, including the transformation equipment. Three-phase service is not furnished for motors with an individual rated capacity of less than 3 h.p., except where facilities are already in place. Three-phase service is required for motors of an individual rated capacity of 3 h.p. or more.

TERMS AND CONDITIONS

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See Schedule TC-DA: Terms and Conditions for Direct Access Services.

City of Mesa Rules and Regulations – Utility Department – Electric Division.

Terms and Conditions for the Sale of Utilities

Additional Terms and Conditions:

- (i) Limited to three (3) consecutive years per eligible Customer.
- (ii) The Customer must sign a three-year agreement evidencing the commitment through the 3 year period to meeting the eligibility criteria, including promises to continue operating within the City of Mesa; to meet or increase their initial level of electric consumption; and to use reasonable efforts to increase the number of jobs that are part of their business operations within the City.
- (iii) Customers may apply for the small business utility rate only within their first year of operation.
- (iv) Customers may only participate once.
- (v) Customers that do not maintain or increase their total average annual utility usage from their first year receiving the rate may be required to repay the City for the difference between this Schedule E3.6D and the otherwise applicable City electric rateschedule.
- (vi) The City may terminate, suspend or modify the rate for active and/or future participants should it serve the interests of the City.
- (vii) Customers may be required to obtain a financial instrument satisfactory to the City that protects the City from a default under the agreement and from the accumulation of delinquent and deficient charges of a Customer served under this RateSchedule.
- (viii) The customer becomes ineligible if it has less than two employees for a total of six months or more during any consecutive 12-month period, and may be required to repay the City for the difference between this Schedule and the otherwise applicable rate schedule.

ELIGIBILITY

Non-residential Customers with premises located inside the Central Business District and Town Center Redevelopment Area (CBD/TRA) are eligible for this Schedule provided the Customer and premises: (i) have an average total minimum actual or projected annual energy consumption of twelve thousand (12,000) kilowatt-hours (kWh) and a maximum of eight hundred thousand (800,000) kWh for up to the most recent twelve-month period; (ii) have a single point of delivery within the CBD/TRA measured through one meter for the billing of each utility service; (iii) meets the definition of a small business as stated by the U.S. Small Business Administration; (iv) consists of a use consistent with Mesa's adopted Form-Based Code or are located in a commercial or industrial zoned area where the Form-Based Code does not apply; and (v) employs the equivalent of at least two (2) full-time employee (FTE) positions (subject to verification through unemployment tax and wage reporting or comparable records). Customers must also be current on all utility bills and any other amounts owed the City.

INELIGIBILITY OR LOSS OF ELIGIBILITY

Customers that become ineligible for service under this rate schedule will be served under the otherwise applicable City Electric rate schedule. As set forth above Customer may be responsible for payment of back charges under the otherwise applicable City Electric rate Schedule for service provided under this Schedule which becomes ineligible. In addition, if the Customer's average electric use during the second year of the program or third year of the program is less than the Customer's average use the first year of the program, the Customer may be responsible for payment of the difference of consumption.