

COMPETITIVE ELECTRICITY TARIFF

Sempra Energy Solutions, Inc. San Diego, CA

A.C.C. No. E-03964A Tariff No. RSESO1 Effective: August 23, 2002

NON-RESIDENTIAL TARIFF

DESCRIPTION

Under this Tariff, Sempra Energy Solutions, Inc. ("Sempra") provides competitive retail electricity supply and other competitive energy services to NON-RESIDENTIAL customers eligible for direct access throughout the state of Arizona. Both single and aggregation accounts may receive service under this Tariff. Sempra is providing electricity as an Electric Service Provider ("ESP") as defined in A.A.C. R14-2-1601 (15).

Pursuant to this Tariff, Sempra will provide and sell competitive electricity supply and billing services. Sempra will also sell, but not physically provide, the meter services of A.C.C. certificated providers of UDC's.

Sempra will serve as agent for customers in arranging and coordinating regulated services including electric delivery services. Sempra does not provide regulated electric delivery services.

Sempra intends to sell and provide to customers who take service under this Tariff other competitive energy services (including financing options) which are not regulated by the Commission. These energy services are not addressed in this Tariff.

THIS IS NOT A "PROVIDER OF LAST RESORT" TARIFF. Retail customers are not required to select Sempra. This Tariff is not available to residential customers. Sempra is not a utility distribution company. Sempra is not the same company as either Southern California Gas Company or San Diego Gas & Electric Company, its California based utility affiliates.

AVAILABILITY

Sempra makes electric energy and capacity available under this Tariff to non-residential retail customers who are eligible under the Commission's applicable rules. This Tariff is available throughout the state of Arizona at transmission and distribution voltage levels.

Sempra may refuse service to a customer for any of the following reasons: 1) The customer is not credit worthy; 2) The customer refuses to pay the price at which Sempra offers electricity supply; 3) Sempra is unwilling or incapable of providing the service requested by the customer at a price the customer is willing to pay; 4) The customer is located in a geographic area where Sempra is either not certificated to serve (or related agreements are not established) or the customer is not eligible to receive direct access services; 5) The customer refuses to sign a contract for service or refuses to accept offered prices, terms and conditions for electricity supply; 6) The customer is unwilling to wait for the period of time Sempra (or the UDC) deems is necessary to begin receiving service from Sempra; or 7) The customer does not have the proper electrical equipment infrastructure to receive electricity from Sempra.

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Sempra shall not be deemed as having refused service to any potential customer if, in the opinion of such customer, Sempra did not respond to a sales inquiry or otherwise present or follow up on a specific sales contract proposal in a time frame desired by said customer. Sempra has the right to evaluate each and every potential customer opportunity and determine whether and in what time period to respond to such opportunity.

Sempra is not required to respond to any request for proposal issued by a potential customer seeking competitive bids from Energy Service Providers.

THIS TARIFF IS NOT AVAILABLE ON A PROVIDER OF LAST RESORT BASIS.

CHARGES

Sempra's monthly charges may include:

- Electricity Supply: A market based charge, as negotiated, not to exceed \$25 per kilowatt hour. Services include energy, capacity and competitive generation-related ancillary services. Billing determinants shall likewise be established through negotiation (e.g., a demand charge). Electric supply prices may be constant or variable and will be set forth in the NONRESIDENTIAL POWER SALES AGREEMENT executed with the customer.
- 2. Competitive Transition Charge: If applicable, a charge, as approved by the Commission for the UDC of the customer passed through without mark-up by Sempra.
- 3. Fuel or purchased power: If applicable, a charge, as approved by the Commission for the UDC of the customer passed through without mark-up by Sempra.
- 4. Distribution Services: A charge, as approved by the Commission for the UDC of the customer, passed though by Sempra as agent without mark-up to the customer.
- 5. Transmission Services: A charge, as approved by the F.E.R.C. for the UDC of the customer, passed through Sempra as agent without mark-up to the customer.
- 6. Ancillary Services: A charge for transmission related services, as approved by the F.E.R.C. for the UDC of the customer, passed through by Sempra as agent without mark-up to the customer.

7. Metering Services:

- a) If provided by a Commission certificated meter service provider, a Market based charge not to exceed the provider's maximum approved charge, passed through by Sempra without mark-up to the customer.
- b) If provided by the UDC of the customer, a charge, as approved by the Commission passed through by Sempra without mark-up to the customer.
- 8. Meter Reading Service:

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- a) If provided by a Commission certificated meter reading provider, a Market based charge of the provider, not to exceed the provider's maximum approved charge, passed through by Sempra without further mark-up to the customer.
- b) If provided by the UDC of the customer, a charge, as approved by the Commission, passed through by Sempra without mark-up to the customer.
- 9. Billing and Collection: A market based charge included in the charge for electricity supply. Only specialized billing and collections services charges, if any, will be itemized on a customer's bill.
- 10. Systems Benefits: A charge, as approved by the Commission, and passed through by Sempra without mark-up to the customer.
- 11. Environmental Portfolio Surcharge: A charge, mandated by the Corporation Commission, and passed through by Sempra without mark-up to the customer.
- 12. Applicable taxes.
- 13. Such other charges as the Commission or the UDC may require which will be passed through by Sempra without mark-up.
- 14. Other charges for services provided by Sempra that are not subject to this Tariff.

All of the above charges will appear only when Sempra provides consolidated ESP billing. In the case of consolidated UDC billing, the UDC controls the entire billing format although it is also required by the Commission to provide identical billing components. For dual billing, Sempra bills will display items: 1), 7) a or b (as negotiated), 8) a or b (as negotiated), 9, 12, and 13 (if appropriate). The UDC's bill would be expected to contain the remaining billing items.

Sempra has the right to express market based electricity supply prices in terms of discounts (percentage or otherwise) from bundled regulated services (i.e., Standard Offer Service) in contracts and monthly bills, or in any other manner or pricing structure. Sempra may include in the price for electricity supply the costs of any other energy services purchased by the customer pursuant to the contract between the customer and Sempra. Sempra shall be permitted to use any financing mechanisms (e.g., balanced payment) over the life of the contract that result in a customer's actual monthly charges in any month being different than the amount determined for the charges above pursuant to the contract.

Terms and conditions for all other items listed in this "CHARGES" section shall be as approved by the Commission for the individual UDC or certificated meter provider, as set forth in their filed tariffs for these services. Sempra and, in turn, customers shall comply with the Commission's Rules and UDC Open Access tariffs as regards loan profiling or meter specifications.

CONTRACT

Customer must execute a contract (i.e., NON-RESIDENTIAL POWER SALES AGREEMENT) with Sempra. Contract duration, market-based prices, UDC name(s), UDC

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account number(s), customer address(es), and other terms and conditions of service to be negotiated by the parties must be stated in the contract.

MISCELLANEOUS

Sempra may seek to change, amend or revise this Tariff at any time upon application to the Commission. Any such amendments, changes, or revisions shall become effective only upon approval by the Commission, and shall be implemented by Sempra only prospectively. Such approved changes, amendments or revisions shall not operate to amend, modify, change or revise contracts entered into prior to the effective date of such approved changes, amendments or revisions of this Tariff.

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