



# THE APS FACT SHEET

The average annual rate increase for APS utility in Arizona varies depending on the time frame considered and the specific price plan you're on. Here's a breakdown for the last few years.

Factors affecting rate increases:

- Fuel costs: SRP's fuel mix includes natural gas, coal, and renewable energy sources. The cost of these fuels can fluctuate significantly, impacting electricity rates.
- Purchased power costs: SRP sometimes needs to purchase electricity from other utilities to meet customer demand. The cost of this purchased power can also impact rates.
- Infrastructure upgrades: SRP invests heavily in its infrastructure to maintain reliability and meet future energy needs. These costs are eventually passed on to customers through rate increases.

Proposed Impact on Customers:

- Residential customers: The average residential customer on the "Fixed Energy Charge Plan" would have seen a monthly increase of \$24.44 to \$25.01, depending on their tier. Additionally, the per-kWh energy charge would have increased by 22.6% to 22.7%, depending on the tier.

Long-term average:

- Historically, APS's rates have increased at an average of around 5.32% per year over the last 5 years.
- However, this rate has been increasing in recent years due to higher fuel and purchased power costs.

Impacts of Solar on APS:

- Reduced revenue: When customers generate their own electricity, they purchase less from APS, decreasing the utility's revenue. This can lead to higher rates for remaining customers, as APS must cover its fixed costs with a smaller customer base.
- Increased infrastructure costs: Rooftop solar can create challenges for managing the grid, such as voltage fluctuations and reverse power flows. This can necessitate investments in grid upgrades to accommodate increasing solar adoption.
- Solar owner advantage: The grid's fixed costs are shifted from solar owners to non-solar customers.