

ORIGINAL

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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

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AZ CORP COMMISSION
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DOCKETED BY

COMMISSIONERS
GARY PIERCE, CHAIRMAN
BOB STUMP
SANDRA D. KENNEDY
PAUL NEWMAN
BRENDA BURNS

IN THE MATTER OF THE APPLICATION OF
TUCSON ELECTRIC POWER COMPANY FOR
THE ESTABLISHMENT OF JUST AND
REASONABLE RATES AND CHARGES
DESIGNED TO REALIZE A REASONABLE
RATE OF RETURN ON THE FAIR VALUE OF
ITS OPERATIONS THROUGHOUT THE STATE
OF ARIZONA.

Docket No. E-01933A-07-0402

IN THE MATTER OF THE FILING BY TUCSON
ELECTRIC POWER COMPANY TO AMEND
DECISION NO. 62103.

Docket No. E-01933A-05-0650

NOTICE OF FILING SAMPLE ORDER

The Arizona Corporation Commission's Legal Division hereby files the attached sample order for the Commission's convenience in its consideration, pursuant to A.R.S. § 40-252, of possible modification of Decision No. 70628 to reinstate Tucson Electric Power Company's historical "free footage" consistent with the sample tariff language filed by Commission Staff on June 1, 2011. Neither the attached sample order nor the attached sample tariff language (Exhibit A) are Commission Staff recommendations, but instead are offered solely for the Commission's convenience in its consideration of these matters.

RESPECTFULLY SUBMITTED this 30th day of June, 2011.

Arizona Corporation Commission
DOCKETED

JUN 30 2011

DOCKETED BY

Janice Alward
Chief Counsel, Legal Division
Arizona Corporation Commission
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3 **30th day of June, 2011 with:**

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By Roseann Osorio

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 **COMMISSIONERS**

3 GARY PIERCE, CHAIRMAN

4 BOB STUMP

5 SANDRA D. KENNEDY

6 PAUL NEWMAN

7 BRENDA BURNS

8 IN THE MATTER OF THE APPLICATION OF
9 TUCSON ELECTRIC POWER COMPANY FOR
10 THE ESTABLISHMENT OF JUST AND
11 REASONABLE RATES AND CHARGES
12 DESIGNED TO REALIZE A REASONABLE
13 RATE OF RETURN ON THE FAIR VALUE OF
14 ITS OPERATIONS THROUGHOUT THE STATE
15 OF ARIZONA.

Docket No. E-01933A-07-0402

16 IN THE MATTER OF THE FILING BY TUCSON
17 ELECTRIC POWER COMPANY TO AMEND
18 DECISION NO. 62103.

Docket No. E-01933A-05-0650

Decision No. _____

**Sample Order Amending
Decision No. 70628**

19 **Open Meeting**
20 **July 12-13, 2011**
21 **Phoenix, Arizona**

22 **BY THE COMMISSION:**

23 1. Tucson Electric Power Company (“TEP” or “Company”) is engaged in providing
24 electric service within portions of Arizona, pursuant to authority granted by the Arizona Corporation
25 Commission (“Commission”).

26 2. TEP’s current rates and charges were approved in Decision No. 70628 entered
27 December 1, 2008. In relevant part, Decision No. 70628 approved a tariff (“LXA Tariff”) that
28 eliminated and modified TEP’s historical line extension tariff provisions in effect prior to Decision
No. 70628.

3. Commission Rules (A.A.C. R.14-2-207.C) require electric utilities’ line extension
tariffs to include provisions for a certain amount of electric line extension footage to be provided to
customers at no charge.

1 4. Without addressing A.A.C. R.14-2-207.C., Decision No. 70628 required TEP to
2 remove its “free footage” line extension provisions. Prior to Decision No. 70628, TEP’s historical
3 “free footage” line extension tariff provisions included a free-footage allowance, in accordance with
4 the Commission’s rules.

5 5. In April 2011, Commission Chairman Gary Pierce received requests from several
6 Southern Arizona chambers of commerce and construction organizations for the Commission to
7 consider initiating proceedings to modify Decision No. 70628 to reinstate TEP’s historical line
8 extension provisions.

9 6. On April 27, 2011 at a Commission Open Meeting, the Commission directed
10 Commission Staff to file sample language consistent with TEP’s historical line extension tariff
11 provisions in effect prior to entry of Commission Decision No.70628. Staff filed sample language as
12 directed by the Commission on June 1, 2011.

13 7. On June 3, 2011, Chairman Gary Pierce docketed a letter to parties and stakeholders in
14 the above captioned dockets, seeking comments related to possible reinstatement of TEP’s historical
15 line extension tariffs and the sample tariff language filed by Staff. Interested parties and stakeholders
16 docketed responses to the Chairman’s letter on or about June 15, 2011.

17 8. On June 21, 2011 at a Commission Open Meeting, the Commission discussed and
18 considered these matters, including the docketed responses concerning the sample tariff language
19 filed by Staff. Thereafter, the Commission voted to reopen Decision No. 70628 pursuant to A.R.S. §
20 40-252 with notice and opportunity to be heard for the limited purpose of future consideration of
21 amending the decision to reinstate TEP’s historical line extension tariff provisions consistent with the
22 June 1, 2011 sample tariff language filed by Staff.

23 9. The Commission directed that this matter be placed on its July 12-13, 2011 Open
24 Meeting for proceedings pursuant to A.R.S. § 40-252 with notice and opportunity to be heard.

25 10. On July 12-13, 2011, the Commission held a proceeding in accordance with A.R.S.
26 § 40-252 with notice and opportunity to be heard concerning modifying Decision No. 70628 to
27 approve the reinstatement of historical line extension tariff provisions consistent with the sample
28 tariff language filed by Staff on June 1, 2011.

Decision No. _____

1 11. Upon due consideration of these matters pursuant to A.R.S. § 40-252, and in balancing
2 the public interest, we find and conclude that it is in the public interest to modify Decision No. 70628
3 to approve the sample language filed by Staff as set forth in Exhibit A attached hereto, and
4 incorporated by this reference as part of this decision.

5

6

ORDER

7

IT IS THEREFORE ORDERED that Decision No. 70628 is modified by the Commission to
8 approve the reinstatement of Tucson Electric Power Company's historical line extension tariff
9 provisions in the manner set forth in Exhibit A attached hereto to replace Tucson Electric Power
10 Company's current line extension tariff provisions.

11

IT IS FURTHER ORDERED that all other matters and provisions set forth in Decision No.
12 70628 continue to be in full force and effect, and are unchanged by this decision..

13

IT IS FURTHER ORDERED that Tucson Electric Power Company shall file Exhibit A as its
14 new line extension tariff as a compliance item in this matter within thirty days of this decision.

15

IT IS FURTHER ORDERED that this decision shall become effective immediately.

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Decision No. _____

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BY ORDER OF THE ARIZONA CORPORATION COMMISSION

CHAIRMAN	COMMISSIONER	
COMMISSIONER	COMMISSIONER	COMMISSIONER

IN WITNESS WHEREOF, I, ERNEST G. JOHNSON,
Executive Director of the Arizona Corporation Commission,
have hereunto, set my hand and caused the official seal of this
Commission to be affixed at the Capital, in the City of Phoenix,
this _____ day of _____ 2011.

ERNEST G. JOHNSON
Executive Director

DISSENT: _____

DISSENT: _____

EXHIBIT A



Tucson Electric Power Company Rules and Regulations

A UniSource Energy Company

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Filed By: Raymond S. Heyman
Title: Senior Vice President and General Counsel
District: Entire Electric Service Area

Tariff No.: Rules & Regulations
Effective: December 1, 2008
Page No.: Page 1 of 68



Tucson Electric Power Company Rules and Regulations

A UniSource Energy Company

SECTION 1

APPLICABILITY OF RULES AND REGULATIONS AND DESCRIPTION OF SERVICE

- A. Tucson Electric Power Company ("Company") is an electric utility operating within portions of the state of Arizona. The Company will provide service to any person, institution or business located within its service area in accordance with the provisions of its Pricing Plans and the terms and conditions of these Rules and Regulations.
- B. All electricity delivered to any Customer is for the sole use of that Customer on that Customer's premises only. Electricity delivered by the Company will not be redelivered or resold, or the use thereof by others permitted unless otherwise expressly agreed to in writing by the Company. However, those Customers purchasing electricity for redistribution to the Customer's own tenants (only on the Customer's premises) may separately meter each tenant distribution point for the purpose of prorating the Customer's actual purchase price of electricity delivered among the various tenants on a per unit basis.
- C. These Rules and Regulations will apply to all electric service furnished by the Company to its Customers.
- D. These Rules and Regulations are part of the Company's Pricing Plans on file with, and duly approved by, the Arizona Corporation Commission. These Rules and Regulations will remain in effect until modified, amended, or deleted by order of the ACC. No employee, agent or representative of the Company is authorized to modify the Company Rules.
- E. These Rules and Regulations will be applied uniformly to all similarly situated Customers.
- F. In case of any conflict between these Rules and Regulations and the ACC's rules, these Rules and Regulations will apply.
- G. Whenever the Company and an Applicant or a Customer are unable to agree on the terms and conditions under which the Applicant or Customer is to be served, or are unable to agree on the proper interpretation of these Rules and Regulations, either party may request assistance from the Consumer Services Section of the Utilities Division of the ACC. The Applicant or Customer also has the option to file an application with the ACC for a proper order, after notice and hearing.
- H. The Company's supplying electric service to the Customer and the acceptance thereof by the Customer will be deemed to constitute an agreement by and between the Company and the Customer for delivery, acceptance of and payment for electric service under the Company's Rules and Regulations and applicable Pricing Plans.

Filed By:	Raymond S. Heyman	Tariff No.:	Rules & Regulations
Title:	Senior Vice President and General Counsel	Effective:	December 1, 2008
District:	Entire Electric Service Area	Page No.:	Page 2 of 68



Tucson Electric Power Company Rules and Regulations

A UniSource Energy Company

SECTION 2 DEFINITIONS

- A. In these Rules and Regulations, the following definitions will apply unless the context requires otherwise:
1. Applicant: A person requesting the Company to supply electric service.
 2. Application: A request to the Company for electric service, as distinguished from an inquiry as to the availability or charges for this service.
 3. Arizona Corporation Commission ("ACC" or "Commission"): The regulatory authority of the State of Arizona having jurisdiction over public service corporations operating in Arizona hereinafter referred to as the "Commission."
 4. Billing Month: The period between any two regular readings of the Company's meters at approximately thirty (30) day intervals.
 5. Billing Period: The time interval between two consecutive meter readings taken for billing purposes.
 6. Company: Tucson Electric Power Company acting through its duly authorized officers or employees within the scope of their respective duties.
 7. Competitive Services: All aspects of retail service except those services specifically defined as "Non-competitive Services" pursuant to R14-2-1601(27) of the ACC-approved Competition Rules, or noncompetitive services as defined by the Federal Energy Regulatory Commission.
 8. Connected Load: The sum of the power rating of the Customer's electrical apparatus connected to the Company's system.
 9. Contributions in Aid of Construction ("Contribution"): Funds provided to the Company by the Applicant under the terms of a line extension agreement and/or service connection Pricing Plan, the value of which is not refundable.
 10. Customer: The person(s) or entity(ies) in whose name service is rendered, as evidenced by the request for electric service by the Applicant(s), or by the receipt and/or payment of bills regularly issued in his name regardless of the identity of the actual user of the service.
 11. Customer Charge: The amount the Customer must pay the Company for the availability of electric service, excluding any electricity used, as specified in the Company's Pricing Plans.
 12. Day: Calendar Day
 13. Demand: The rate at which power is delivered during any specified period of time. Demand may be expressed in kilowatts, kilovolt-amperes, or other suitable units.

Filed By: Raymond S. Heyman
Title: Senior Vice President and General Counsel
District: Entire Electric Service Area

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Effective: December 1, 2008
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Tucson Electric Power Company Rules and Regulations

A UniSource Energy Company

SECTION 2 DEFINITIONS (continued)

14. **Disabled:** A person with a physical or mental condition which substantially contributes to the person's inability to manage his or her own resources, carry out daily living activities, or protect oneself from neglect or hazardous situations without assistance from others.
15. **Distribution Lines:** The Company's lines operated at distribution voltage, which are constructed along public roadways or other bona fide rights-of-way, including easements on Customer's property.
16. **Elderly:** A person who is 65 years of age or older.
17. **Energy:** Electric energy, expressed in kilowatt-hours.
18. **Illness:** A medical ailment or sickness for which a residential Customer obtains a verified document from a licensed medical physician stating the nature of the illness and that discontinuance of service would be especially dangerous to the Customer's health.
19. **Inability to Pay:** Circumstances in which a residential Customer:
 - a. Is not gainfully employed and unable to pay, or
 - b. Qualifies for government welfare assistance, but has not begun to receive assistance on the date he receives his bill and can obtain verification of that fact from the government welfare assistance agency.
 - c. Has an annual income below the published federal poverty level and can produce evidence of this, and
 - d. Signs a declaration verifying that the Customer meets one of the above criteria and is either elderly, handicapped, or suffers from illness.
20. **Interruptible Electric Service:** Electric service that is subject to interruption as specified in the Company's Pricing Plan.
21. **Kilowatt ("kW"):** A unit of power equal to 1,000 watts.
22. **Kilowatt-Hour ("kWh"):** The amount of electric energy delivered in one hour at a constant rate of one kilowatt.
23. **Law:** Any statute, rule, order or requirement established and enforced by government authorities.
24. **Line Extension:** The lines and equipment necessary to extend the electric distribution system of the Company to provide service to additional Customers.

Filed By: Raymond S. Heyman
Title: Senior Vice President and General Counsel
District: Entire Electric Service Area

Tariff No.: Rules & Regulations
Effective: December 1, 2008
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Tucson Electric Power Company
Rules and Regulations

A UniSource Energy Company

SECTION 2
DEFINITIONS
(continued)

- 25. Long-Term Rental Mobile Home Park: A park which is finish-graded and has permanently paved roadways, sewer and water connections, and which provides rental spaces to permanent and semi-permanent occupants of mobile homes which are owned either by the occupant or by other persons.
26. Master Meter: A meter for measuring or recording the flow of electricity at a single location before distribution to tenants or occupants for their individual usage.
27. Megawatt ("MW"): Unit of power equal to 1,000,000 watts.
28. Meter: The instrument and any associated equipment used for measuring, indicating or recording the flow of electricity that has passed through it.
29. Meter Tampering: A situation in which a meter has been illegally altered, including, but not limited to: meter bypassing, use of magnets to slow the meter recording, and broken meter seals.
30. Minimum Charge: The amount the Customer must pay for the availability of electric service, including an amount of usage, as specified in the Company's Pricing Plans.
31. Month: The period between any two (2) regular readings of the Company's meters at approximately thirty (30) day intervals.
32. On-site Generation: Any and all power production generated on or adjacent to a Customer's property that is controlled, utilized, sold, or consumed by said Customer or its agent.
33. Pad Mounted Elbow ("PME"): A 3-phase pad mounted switchgear used within an underground distribution system.
34. Permanent Customer: A Customer who is a tenant or owner of a service location who applies for and receives permanent electric service.
35. Permanent Service: Service which, in the opinion of the Company, is of a permanent and established character. The use of electricity may be continuous, intermittent, or seasonal in nature.
36. Person: Any individual, partnership, firm, corporation, governmental agency, or other organization operating as a single entity.
37. Point of Delivery: In all cases, unless otherwise specified, "point of delivery" is the location on the Customer's building, structure, or premises where all wires, conductors, or other current-carrying devices of the Customer join or connect with wires, conductors, or other current-carrying devices of the Company. Location of the point of delivery will be determined by the Company in conformity with its standards and specifications, rate schedules and construction standards as they exist from time to time. Location of metering facilities will be determined by the Company and may or may not be at the same location as the point of delivery.

Filed By: Raymond S. Heyman
Title: Senior Vice President and General Counsel
District: Entire Electric Service Area

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Tucson Electric Power Company Rules and Regulations

A UniSource Energy Company

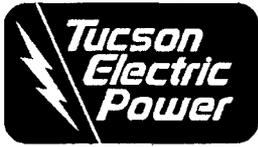
SECTION 2 DEFINITIONS (continued)

38. Power: The rate of generating, transferring and/or using electric energy, usually expressed in kilowatts.
39. Power Factor: The ratio of real or active power ("kW") to apparent or reactive power ("kVA").
40. Premises: All of the real property and apparatus employed in a single enterprise on an integral parcel of land undivided by public streets, alleys or railways.
41. Pricing Plans: A part of the Company's Tariffs that sets forth the rates and charges related to specific categories of Customers and related terms and conditions.
42. Primary Service and Metering: Service supplied directly from the Company's high voltage distribution or transmission lines without prior transformation to a secondary level.
43. Residential Subdivision Development: Any tract of land which has been divided into six or more contiguous lots with an average size of one acre or less for use for the construction of residential buildings or permanent mobile homes for either single or multiple occupancy.
44. Residential Use: Service to Customers using electricity for domestic purposes such as space heating, air conditioning, water heating, cooking, clothes drying, and other residential uses, including use in apartment buildings, mobile home parks, and other multi-unit residential buildings.
45. Rules and Regulations or Company Rules: These Rules and Regulations that are part of the Company's Tariffs and Pricing Plans.
46. Secondary Service: Service supplied at secondary voltage levels from the load side of step-down transformers connected to the Company's high voltage distribution lines.
47. Service Area: The territory in which the Company has been granted a certificate of convenience and necessity and is authorized by the Commission to provide electric service.
48. Service Classifications: Service classifications will be those provided by the filed rate schedules.
49. Service Drop: The overhead service conductors from the last Company-owned pole or other aerial support to and including the splices, if any, connecting to the Customer's service entrance conductors at a building or other structure.
50. Service Establishment Charge: The charge as specified in the Company's Pricing Plans which covers the cost of establishing a new account.

Deleted: ~~Secondary Service Charge:~~
The Company's current average cost of
construction of secondary services.]

Filed By: Raymond S. Heyman
Title: Senior Vice President and General Counsel
District: Entire Electric Service Area

Tariff No.: Rules & Regulations
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Tucson Electric Power Company Rules and Regulations

A UniSource Energy Company

SECTION 2 DEFINITIONS (continued)

51. **Service Lateral:** The underground service conductors between the street main, including any risers at a pole or other structure or from transformers, and the first point of connection to the Customer's service entrance conductors in a terminal box or meter or other enclosure with adequate space, inside or outside the building wall.
52. **Service Line:** The last line extending from a distribution line or transformer to the Customer's premises or point of delivery.
53. **Service Point:** Unless otherwise stated, all references to "service point" in this agreement will refer to an installed service, identified by a Universal Node Identifier ("UNI").
54. **Service Reconnection Charge:** The charge as specified in the Company's Pricing Plans which must be paid by the Customer prior to reestablishment of electric service each time the electricity is disconnected for nonpayment or whenever service is otherwise discontinued for failure to comply with the Company's Pricing Plans or Rules and Regulations.
55. **Service Reestablishment Charge:** A charge as specified in the Company's Pricing Plans for service at the same location where the same Customer had ordered a service disconnection within the preceding twelve-month period.
56. **Single Family Dwelling:** A house, apartment, or a mobile home permanently affixed to a lot, or any other permanent residential unit which is used as a permanent home.
57. **Single-Phase Service:** Three (3) wire service (usually 120/240 volts).
58. **Tariffs:** The documents filed with the Commission which list the services offered by the Company which set forth the terms and conditions and a schedule of the rates and charges for those services.
59. **Temporary Service:** Service to premises or enterprises which are temporary in character, or where it is known in advance that the service will be of limited duration. Service which, in the opinion of the Company, is for operations of a speculative character is also considered temporary service.
60. **Third-Party Notification:** A notice of pending discontinuance of service to a Customer of record sent to an individual or a public entity in order to make satisfactory arrangements with the Company on behalf of said Customer.
61. **Three-Phase Service:** Four (4) wire service (usually 120/208 volts).
62. **Universal Node Identifier ("UNI"):** A unique, permanent identification number assigned to each service point of delivery.
63. **Weather Especially Dangerous to Health:** That period of time commencing with the scheduled termination date when the local weather forecast, as predicted by the National Oceanic and Atmospheric Administration, indicates that the temperature will not exceed 32 degrees Fahrenheit for the next day's forecast.

Filed By: Raymond S. Heyman
Title: Senior Vice President and General Counsel
District: Entire Electric Service Area

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Tucson Electric Power Company Rules and Regulations

A UniSource Energy Company

SECTION 3 ESTABLISHMENT OF SERVICE

A. Information from New Applicants

1. The Company may obtain the following minimum information from each new application for service:
 - a. Name or names of Applicant(s);
 - b. Service address or location and telephone number;
 - c. Billing address and telephone number, if different than service address;
 - d. Social security number or Driver's License number and date of birth to be consistent with verifiable information on legal identification;
 - e. Address where service was provided previously;
 - f. Date Applicant will be ready for service;
 - g. Whether premises had been supplied with electric service previously;
 - h. Purpose for which service is to be used;
 - i. Whether Applicant is owner or tenant of, or agent for the premises;
 - j. Information concerning the energy and demand requirements of the Customer; and
 - k. Type and kind of life-support equipment, if any, used by the Customer.
2. The supplying of electric service by the Company and the acceptance of that electric service by the Customer will be deemed to constitute an agreement by and between the Company and the Customer for delivery, acceptance of and payment for electric service under the Company's applicable Pricing Plans and Rules and Regulations.
3. The term of any agreement not otherwise specified will become operative on the day the Customer's installation is connected to the Company's facilities for the purpose of taking electric energy.
4. The Company may require a written contract with special guarantees from Applicants whose unusual characteristics of load or location would require excessive investment in facilities or whose requirements for service are of a special nature.
5. Signed contracts may be required for service to commercial and industrial establishments. Neither these contracts, nor any modifications to these contracts, will be binding upon the Company until executed by a duly authorized representative of the Company.
6. Where service is rendered to two (2) or more Customers whose names appear on the bill, as evidenced on the bill, the Company will have the right to collect the full amount owed it from any one of the Customers.

Filed By: Raymond S. Heyman
Title: Senior Vice President and General Counsel
District: Entire Electric Service Area

Tariff No.: Rules & Regulations
Effective: December 1, 2008
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Tucson Electric Power Company Rules and Regulations

A UniSource Energy Company

SECTION 3 ESTABLISHMENT OF SERVICE (continued)

B. Deposits

1. The Company may require from any present or prospective Customer a deposit to guarantee payment of all bills. This deposit may be retained by the Company until service is discontinued and all bills have been paid, except as provided in Subsection 3.B.3 below. Upon proper application by the Customer, the Company will then return said deposit, together with any unpaid interest accrued thereon from the date of commencement of service or the date of making the deposit, whichever is later. The Company will be entitled to apply said deposit together with any unpaid interest accrued thereon, to any indebtedness for the same class of service owed to the Company for electric service furnished to the Customer making the deposit. When said deposit has been applied to any such indebtedness, the Customer's electric service may be discontinued until all such indebtedness of the Customer is paid and a like deposit is again made with the Company by the Customer. No interest will accrue on any deposit after discontinuance of the service to which the deposit relates.

The Company will not require a deposit from a new Applicant for residential service if the Applicant is able to meet any of the following requirements:

- a. The Applicant has had service of a comparable nature with the Company at another service location within the past two (2) years and was not delinquent in payment during the last twelve (12) consecutive months of service or was not disconnected for nonpayment; or
 - b. The Applicant can produce a letter regarding credit verification from an electric utility where service of a comparable nature was last received which states that the Applicant has had a timely payment history at time of service discontinuation; or
 - c. Instead of a deposit, the Company receives deposit guarantee notification from a social or governmental agency acceptable to the Company. A surety bond may be provided as security for the Company in an amount equal to the required deposit.
2. The Company may issue a non-assignable, non-negotiable receipt to the Applicant for the deposit. The inability of the Customer to produce his or her receipt will in no way impair the Customer's right to receive a refund of the deposit that is reflected on the Company records.

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SECTION 3 ESTABLISHMENT OF SERVICE (continued)

3. Cash deposits held by the Company twelve (12) months or longer will earn interest at the established one-year Treasury constant maturities rate, effective on the first business day of each year, as published on the Federal Reserve website.
 - a. Residential Customers – Deposits or other instruments of credit will automatically expire or be refunded or credited to the Customer's account, after twelve (12) consecutive months of service during which time the Customer has not been delinquent more than two (2) times in a twelve-month period.
 - b. All Customers – Upon final discontinuance of the use of the service and full settlement of all bills by the Customer, any deposit, not previously refunded, with accrued interest, if any, in accordance with the provisions of these Rules and Regulations will be returned to the Customer or, at the Company election, it may be applied to the payment of any unpaid accounts of the Customer and the balance, if any, returned to the Customer.
4. The Company may require a Customer to establish or reestablish a deposit if the Customer became delinquent in the payment of three (3) or more bills within a twelve (12) consecutive month period, or has been disconnected from service during the last twelve (12) months.
5. The Company may review the Customer's usage after service has been connected and adjust the deposit amount based upon the Customer's actual usage.
6. A separate deposit may be required for each meter installed.
7. Residential Customer deposits will not exceed two (2) times that Customer's estimated average monthly bill. Non-residential Customer deposits will not exceed two and one-half (2.5) times that Customer's maximum estimated monthly bill. If actual usage history is available, then that usage, adjusted for normal weather, will be the basis for the estimate.
8. The posting of a deposit will not preclude the Company from terminating service when the termination is due to the Customer's failure to perform any obligation under the agreement for service or any of these Rules and Regulations.

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SECTION 3 ESTABLISHMENT OF SERVICE (continued)

C. Conditions for Supplying Service

The Company reserves the right to determine the conditions under which service will be provided. Conditions for service and extending service to the Customer will be based upon the following:

1. Customer has wired his premises in accordance with the National Electric Code, City, County and/or State codes, whichever are applicable.
2. Customer has installed the meter loop in a suitable location approved by the Company.
3. In the case of a mobile home, the meter loop must be attached to a meter pole or to an approved support.
4. In case of temporary construction service, the meter loop must be attached to an approved support.
5. All meter loop installations must be in accordance with the Company's specifications and located at an outdoor location accessible to the Company.
6. Individual Customers may be required to have their property corner pins and/or markers installed to establish proper right-of-way locations.
7. Developers must have all property corner pins and/or markers installed necessary to establish proper locations to supply electric service to individual lots within subdivisions.
8. Where the installation requires more than one meter for service to the premises, each meter panel must be permanently marked (not painted) by the contractor or Customer to properly identify the portion of the premises being served.
9. The identification will be the same as the apartment, office, etc., served by that meter socket. The identifying marking placed on each meter panel will be impressed into or raised from a tab of aluminum, brass or other approved non-ferrous metal with minimum one-fourth (1/4) inch-high letters. This tag must be riveted to the meter panel. The impression must be deep enough to prevent the identification(s) from being obscured by subsequent painting of the building and attached service equipment.
10. The Company may require the assistance of the Customer and/or the Customer's contractor to open the apartments or offices at the time the meters are set, in order to verify that each meter socket actually serves the apartment or office indicated by the marking tag. In the case of multiple buildings, the building or unit number and street address will be identified on the pull section in the manner described above.

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SECTION 3 ESTABLISHMENT OF SERVICE (continued)

D. Grounds for Refusal of Service

The Company may refuse to establish service if any of the following conditions exist:

1. The Applicant has an outstanding amount due for the same class of service with the Company and the Applicant is unwilling to make satisfactory arrangements with the Company for payment.
2. A condition exists which in the Company's judgment is unsafe or hazardous to the Applicant, the general population, or the Company's personnel or facilities.
3. Refusal by the Applicant to provide the Company with a deposit when the Customer has failed to meet the credit criteria for waiver of deposit requirements.
4. Customer is known to be in violation of the Company's Pricing Plans filed with and approved by the Commission.
5. Failure of the Customer to furnish such funds, service, equipment, and/or rights-of-way necessary to serve the Customer and which have been specified by the Company as a condition for providing service.
6. Customer fails to provide access to the meter that would be serving the Customer.
7. Applicant falsifies his or her identity for the purpose of obtaining service.

E. Service Establishment, Reestablishment and Reconnection Charge

1. The Company will make a charge, as approved by the Commission for service establishment or reestablishment for service reads only as set forth in the Statement of Additional Charges.
2. The Company will make a charge, as approved by the Commission for service establishment or reestablishment other than service reads under usual operating procedures, for single-phase service only during regular business hours as set forth in the Statement of Additional Charges.
3. Should single-phase service be established or reestablished during a period other than regular working hours at the Customer's request, the Customer will be required to pay an after-hours charge for the service connection as set forth in the Statement of Additional Charges. Where Company scheduling will not permit service establishment on the same day as requested, the Customer may elect to pay the after-hours charge for establishment that day or his/her service will be established on the next available business day. Even so, a Customer's request to have the Company establish service after-hours is subject to the Company having Staff available; there is no guarantee that the Company will have the staffing available for service establishment, reestablishment or reconnection outside of regular business hours.

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SECTION 3 ESTABLISHMENT OF SERVICE (continued)

4. The Company will make a charge, as approved by the Commission for service establishment or reestablishment other than service reads under usual operating procedures, for three-phase service only, during regular business hours as set forth in the Statement of Additional Charges.
5. Should three-phase service be established or reestablished during a period other than regular working hours at the Customer's request, the Customer will be required to pay an after-hours charge for the service connection as set forth in the Statement of Additional Charges. Where Company scheduling will not permit service establishment on the same day as requested, the Customer may elect to pay the after-hours charge for establishment that day or his/her service will be established on the next available business day. Even so, a Customer's request to have the Company establish service after-hours is subject to the Company having Staff available; there is no guarantee that the Company will have the staffing available for service establishment, reestablishment or reconnection outside of regular business hours.
6. For the purpose of this rule, the definition of service establishment is where the Applicant's facilities are ready and acceptable to the Company, the Applicant has obtained all required permits and/or inspections indicating that the Applicant's facilities comply with local construction safety and governmental standards and regulations, and the Company needs only to install a meter, read a meter, or turn the service on.
7. **Reconnection Charge:** Whenever the Company has discontinued service under its usual operating procedures because of any default by the Customer as provided herein, a reconnection charge not to exceed the charge for the reestablishment of service as set forth in the Statement of Additional Charges will be made and may be collected by the Company before service is restored. When, due to the behavior of the Customer, it has been necessary to discontinue service utilizing other than usual operating procedures, the Company will be entitled to charge and collect, through verifiable means, actual costs to restore service.

F. Temporary Service

1. Applicants for temporary service will be required to pay the Secondary Service Charge as set forth in the Statement of Additional Charges.
2. Where duration of service is to be less than one month, the Applicant may also be required to advance a sum of money equal to the estimated bill for service.
3. Where the duration of service is to exceed one month, the Applicant may also be required to meet the deposit requirements of the Company.

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SECTION 3 ESTABLISHMENT OF SERVICE (continued)

- G. Identification of Load and Premises: Upon request of the Company, the Applicant must identify the electric load and premises to be served by the Company at the time of application. If the service address is not recognized in terms of commonly-used identification system, the Applicant may be required to provide specific written directions and/or legal descriptions before the Company will be required to act upon a request for electric service.
- H. Identification of Responsible Party: Any person applying on behalf of another Applicant for service to be connected in the name of or in care of another Applicant must furnish to the Company written approval from that Applicant guaranteeing payment of all bills under the account. The Customer is responsible in all cases for service supplied to the premises until the Company has received proper notice of the effective date of any change. The Customer will also promptly notify the Company of any change in billing address.
- I. Tampering With or Damaging Company Equipment
1. The Customer agrees, when accepting service that no one except authorized Company employees or agents of the Company will be allowed to remove or replace any Company-owned equipment installed on Customer's property.
 2. No person, except an employee or agent acting on behalf of the Company will alter, remove, or make any connection to the Company's meter or service equipment.
 3. No meter seal may be broken or removed by anyone other than an employee or agent acting on behalf of the Company; however the Company may give its prior consent to break the seal by an approved electrician employed by a Customer when deemed necessary by the Company.
 4. The Customer will be held responsible for any broken seals, tampering, or interfering with the Company's meter(s) or any other Company-owned equipment installed on the Customer's premises. In cases of tampering with meter installations, interfering with the proper working thereof, or any tampering, interfering, theft, or service diversion, including the falsification of Customer-read meter readings, Customer will be subject to immediate discontinuance of service. The Company will be entitled to collect from the Customer whose name the service is in, under the appropriate rate, for all power and energy not recorded on the meter as the result of such tampering, or other theft of service, and also additional security deposits as well as all expenses incurred by the Company for property damages, investigation of the illegal act, and all legal expenses and court costs incurred by the Company.
 5. The Customer will be held liable for any loss or damage occasioned or caused by the Customer's negligence, want of proper care or wrongful act or omission on the part of any Customer's agents, employees, licensees or contractors.

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SECTION 4 MINIMUM CUSTOMER INFORMATION REQUIREMENTS

A. Information for Residential Customers

1. The Company will make available upon Customer request not later than sixty (60) days from the date of the request, a concise summary of the rate schedule applied for by the Customer. The summary will include the following:
 - a. The monthly minimum or Customer charge, identifying the amount of the charge and the specific amount of usage included in the minimum charge, where applicable;
 - b. Rate blocks, where applicable;
 - c. Any adjustment factor(s) and method of calculation; and
 - d. Demand charge, where applicable.
2. Upon application for service or upon request, the Applicant or the Customer will elect the applicable Pricing Plan best suited to his requirements. The Company may assist in making this election, but will not be held responsible for notifying the Customer of the most favorable Pricing Plan and will not be required to refund the difference in charges under different Pricing Plans.
3. Upon written notification of any material changes in the Customer's installation or load conditions, the Company will assist in determining if a change in Pricing Plans is desirable, but not more than one (1) such change at the Customer's request will be made within any twelve-month period.
4. The supply of electric service under a residential rate schedule to a dwelling involving some business or professional activity will be permitted only where such activity is of only occasional occurrence, or where the electricity used in connection with such activity is small in amount and used only by equipment which would normally be in use if the space were used as living quarters. Where the portion of a dwelling is used regularly for business, professional or other gainful purposes, and any considerable amount of electricity is used for other than domestic purposes, or electrical equipment not normally used in living quarters is installed in connection with such activities referred to above, the entire premises must be classified as non-residential and the appropriate general service Pricing Plan will be applied.

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SECTION 4 MINIMUM CUSTOMER INFORMATION REQUIREMENTS (continued)

5. Upon Customer request the Company will make available within sixty (60) days from date of service commencement, a concise summary of the Company's Pricing Plans or the Commission's Rules and Regulations concerning:
 - a. Deposits;
 - b. Termination of service;
 - c. Billing and collection; and
 - d. Complaint handling.
6. Upon request of a Customer, the Company will transmit a written statement of actual consumption for each billing period during the prior twelve (12) months unless this data is not reasonably ascertainable. But the Company will not be required to accept more than one such request from each Customer in a calendar year. Even so, the Company will charge a fee consistent with its ACC-approved Pricing Plans and/or these Rules and Regulations for providing consumption, interval or other data to the Customer.
7. The Company will inform all new Customers of their right to obtain the information specified above.

B. Information Required Due to Changes in Pricing Plans

1. The Company will transmit to affected Customers a concise summary of any change in the Company's Pricing Plans affecting those Customers.
2. This information will be transmitted to the affected Customer within sixty (60) days of the effective date of the change.

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SECTION 5 MASTER METERING

A. Mobile Home Parks - New Construction/Expansion

1. The Company will refuse service to all new construction and/or expansion of existing permanent residential mobile home parks unless the construction and/or expansion are individually metered by the Company. Line extensions and service connections to serve this new construction and/or expansion will be governed by these Rules and Regulations.
2. For the purpose of this rule, permanent residential mobile home parks will mean mobile home parks where, in the opinion of the Company, the average length of stay for an occupant is a minimum of six months.
3. For the purpose of this rule, expansion means the acquisition of additional real property for permanent residential spaces in excess of that existing at the effective date of this rule.

B. Residential Apartment Complexes, Condominiums, and other Multi-unit Residential Buildings

1. Master metering will not be allowed for new construction of apartment complexes and condominiums unless the building(s) will be served by a centralized heating, ventilation and/or air conditioning system and the contractor can provide to the Company an analysis demonstrating that the central unit will result in a favorable cost/benefit relationship.
2. At a minimum, the cost/benefit analysis will consider the following elements for a central unit as compared to individual units:
 - a. Equipment and labor costs;
 - b. Financing costs;
 - c. Maintenance costs;
 - d. Estimated kWh usage;
 - e. Estimated kW demand on a coincident demand and non-coincident demand basis (for individual units);
 - f. Cost of meters and installation; and
 - g. Customer accounting cost (one account vs. several accounts).

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SECTION 6 SERVICE LINES AND ESTABLISHMENTS

A. Priority and Timing of Service Establishments

1. After an Applicant has complied with the Company's application requirements and has been accepted for service by the Company and obtained all required easements, permits and/or inspections indicating that the Customer's facilities comply with local construction, safety and governmental standards or regulations, the Company will schedule that Customer for service establishment.
2. All charges are due and payable before the Company will schedule the Customer for service establishment.
3. Service establishments will be scheduled for completion within five (5) business days of the date the Customer has been accepted for service, except in those instances when the Customer requests service establishment beyond the five (5) business day limitation.
4. When the Company has made arrangements to meet with a Customer for service establishment purposes and the Company or the Customer cannot make the appointment during the prearranged time, the Company will reschedule the service establishment to the satisfaction of both parties.
5. The Company will schedule service establishment appointments within a maximum range of four (4) hours during normal working hours, unless another time frame is mutually acceptable to the Company and the Customer.
6. Service establishments must only be made by the Company.
7. For the purposes of this rule, service establishments are where the Customer's facilities are ready and acceptable to the Company and the Company needs only to install or read a meter or turn the service on.

B. Service Lines

1. Customer-provided Facilities
 - a. Each Applicant for service will be responsible for all inside wiring, including the service entrance, meter socket and conduit. For three-phase service, the Customer will provide, at his expense, all facilities, including conductors and conduit, beyond the Company-designated point of delivery.
 - b. Meters and service switches in conjunction with the meter must be installed in a location where the meters will be readily and safely accessible for reading, testing and inspection and where such activities will cause the least interference and inconvenience to the Customer. Location of metering facilities will be determined by the Company and may or may not be at the same location as the point of delivery. However, the meter locations will not be on the front exterior wall of the home, or in the carport or garage, unless mutually agreed to between the home builder or Customer and the Company. Without cost to the Company, the Customer must provide, at a suitable and easily accessible location, sufficient and proper space for installation of meters.

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SECTION 6
SERVICE LINES AND ESTABLISHMENTS
(continued)

- c. Where the meter or service line location on the Customer's premises is changed at the request of the Customer or due to alterations on the Customer's premises, the Customer, at his expense, must provide and have installed all wiring and equipment necessary for relocating the meter and service line connection.
d. Customer will provide access to the main switch or breaker for disconnecting load to enable safe installation and removal of Company meters.
2. Overhead Service Connections - Secondary Service
a. For the initial service drop: where the Company's distribution pole line is located on the Customer's premises, or on a street, highway, lane, alley, road or private easement immediately contiguous thereto, the Company will, at its own expense, furnish and install a single span of service drop line (up to 500 feet in total) from its pole to the Customer's point of attachment, provided such attachment is at the point of delivery and is of a type and so located that the service drop wires may be installed in a manner approved by the Company in accordance with good engineering practice, and in compliance with all applicable laws, ordinances, rules and regulations, including those governing clearance and points of attachment.
b. Whenever any of the clearances required by the applicable laws, ordinances, rules or regulations of public authorities or standards of the Company from the service drops to the ground or any object becomes impaired by reason of any changes made by the owner or tenant of the premises, the Customer will, at his own expense, provide a new and approved support, in a location approved by the Company, for the termination of the Company's service drop wires and will also provide all service entrance conductors and equipment necessitated by the change of location.
c. For each overhead service connection, the Customer will furnish, at his own expense, a set of service entrance conductors that will extend from the point of delivery at the point of termination of the Company's service drop on the Customer's support to the Customer's main disconnect switch. These service entrance conductors will be of a type and be in an enclosure which meets with the approval of the Company and any inspection authorities having jurisdiction.
d. The cost of any service line footage, in excess of that allowed at no charge, will be paid for by the Customer as set forth in the Statement of Additional Charges and will be treated as a contribution in aid of construction.
3. Underground Service Connections - Secondary Service
a. In areas where the Company maintains an underground distribution system, individual services will be underground.
b. Whenever the Company's underground distribution system is not complete to the point designated by the Company where the service lateral is to be connected to the distribution system, the system may be extended in accordance with Section 7.

Deleted: Any service line will be paid for by the Customer. The Customer will be charged a Secondary Service Charge as set forth in the Statement of Additional Charges. The Company will review its costs and file a Pricing Plan revision annually. Such revisions will be subject to approval by the Commission before becoming effective.

Deleted: Any service line will be paid for by the Customer. The Customer will be charged a Secondary Service Charge as set forth in the Statement of Additional Charges. The Company will review its costs and file a Pricing Plan revision annually. Such revisions will be subject to approval by the Commission before becoming effective.

Deleted: and paid for by the Customer

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SERVICE LINES AND ESTABLISHMENTS
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- c. For an initial underground service connection of single-phase service, the Company will install a service lateral from its distribution line to the Customer's Company-approved termination facilities under the following conditions (unless otherwise agreed to by the Company and the Applicant):
i. The Customer, at his expense, will provide the necessary trenching, conduit, conduit installation, backfill, landscape restoration and paving and will furnish, install, own and maintain termination facilities on or within the building to be served.
e. The Company, at its expense (up to 500 feet in total), will furnish, install, own, and maintain the underground single-phase service cables to the Customer's Company-approved termination facilities.
f. The Company will determine the minimum size and type of conduit and conductor for the single-phase service. The Customer will furnish and install the conduit system, including pull ropes. The ownership of this conduit or duct will be conveyed to the Company, and the Company will thereafter maintain this conduit or duct. The maximum length of any service conductor will be determined by the Company in accordance with accepted engineering practice in determining voltage drop, voltage flicker, and other relevant considerations.
g. The cost of any underground service line footage, in excess of that allowed at no charge, will be paid for by the Customer as set forth in the Statement of Additional Charges and will be treated as a contribution in aid of construction.
h. For three-phase service, the Customer will also provide, at his expense, all facilities, including conductors and conduit, beyond the Company-designated point of delivery.

Deleted:

Deleted: in addition to the Secondary Service Charge.

C. Easements and Rights-of-Way

- 1. At no cost to the Company, each Customer must grant adequate easements and rights-of-way satisfactory to the Company to ensure that Customer's proper service connection. Failure on the part of the Customer to grant adequate easements and rights-of-way will be grounds for the Company to refuse service.
2. When the Company discovers that a Customer or his agent is performing work, has constructed facilities, or has allowed vegetation to grow adjacent to or within an easement or right-of-way and such work, construction, vegetation or facility poses a hazard or is in violation of federal, state or local laws, ordinances, statutes, rules or regulations, or significantly interferes with the Company's access to equipment, the Company will notify the Customer or his agent and will take whatever actions are necessary to eliminate the hazard, obstruction or violation at the Customer's expense.

D. Number of Services to be Installed

The Company will not install more than one service, either overhead or underground, for any one building or group of buildings on a single premises except as separate services may be installed for separate buildings or group of buildings

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where necessary for the operating convenience of the Company, where provided for in Pricing Plans, or where required by law or local ordinance.

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SECTION 6
SERVICE LINES AND ESTABLISHMENTS
(continued)

E. Multiple Service Points

Unless otherwise expressly provided herein, or in a rate schedule or contract, any person, firm, corporation, agency or other organization or governmental body receiving service from the Company at more than one location or for more than one separately-operated business will be considered as a separate Customer at each location and for each business. If several buildings are occupied and used by a Customer in the operation of a single business, then the Company, upon proper application, will furnish service for the entire group of buildings through one service connection at one point of delivery, provided all of these buildings are at one location on the same lot or tract, or on adjoining lots or tracts forming a contiguous plot (not separated by any public streets) wholly owned, or controlled, and occupied by the Customer in the operation of this single business. Dwelling units will be served, metered and billed separately, except at the option of the Company.

F. Temporary Service

For service that is temporary in nature or for operations of a speculative character or questionable permanency the Customer will be charged the cost of establishing and removing the temporary service.

Deleted: Secondary Service Charge as set forth in the Statement of Additional Charges

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SECTION 7
LINE EXTENSIONS

Introduction

The Company will construct, own, operate and maintain lines along public streets, roads and highways which the Company has the legal right to occupy, and on public lands and private property across which rights-of-way and easements satisfactory to the Company may be obtained without cost to or condemnation by the Company.

A request for electric service often requires the construction of new distribution lines of varying distances. The distances and costs vary widely depending upon Customer's location and load size. With such a wide variation in extension requirements, it is necessary to establish conditions under which the Company will extend its electric facilities.

All extensions (single-phase, three-phase or feeder) are subject to the availability of adequate capacity, voltage and Company facilities at the beginning point of an extension, as determined by the Company.

A standard policy has been adopted to provide service to Customers whose requirements are deemed by the Company to be ordinary in nature.

A. General Requirements

1. Upon an Applicant's request for a line extension, the Company will prepare, without charge, a preliminary electric design and a rough estimate of the cost of installation to be paid by said Applicant.
2. Any Applicant for a line extension requesting the Company to prepare detailed plans, specifications, or cost estimates will be required to deposit with the Company an amount equal to the estimated cost of preparation. The Company will, upon request, make available within ninety (90) days after receipt of the deposit referred to above, these plans, specifications, or cost estimates of the proposed line extension. Where the Applicant authorizes the Company to proceed with construction of the extension, the deposit will be credited to the cost of construction; otherwise the deposit will be nonrefundable. If the extension is to include oversizing of facilities to be done at the Customer's expense, appropriate details will be set forth in the plans, specifications and cost estimates. Subdivision developers providing the Company with approved plats will be provided with plans, specifications, or cost estimates within forty-five (45) days after receipt of the deposit referred to above.
3. The Company will provide a copy of the line extension policy prior to the Applicant's acceptance of the utility's extension agreement.
4. All line extension agreements requiring payment by the Applicant will be in writing and signed by each party.

Deleted: ~~¶~~All charges are due and payable at the time that the line extension agreement is executed.¶

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LINE EXTENSIONS
(continued)

5. The provisions of this rule apply only to those Applicants who, in the Company's judgment, will be permanent Customers of the Company. Applications for temporary service will be governed by the Company's rules concerning temporary service applications. The Company reserves the right to delay the extension of facilities until the satisfactory completion of required site improvements, as determined by the Company, and an approved service entrance to accept electric service has been installed.

B. Minimum Written Agreement Requirements

1. Each line extension agreement will, at a minimum, include the following information:

- a. Name and address of Applicant(s);
b. Proposed service address or location;
c. Description of requested service;
d. Description and sketch of the requested line extension;
e. A cost estimate which includes a cost break down of materials, labor, and other costs as necessary;
f. Payment terms;
g. A concise explanation of any refunding provisions, if applicable;
h. The Company's estimated commencement and completion dates for construction of the line extension; and
i. A summary of the results of the economic feasibility analysis performed by the Company to determine the amount of advance required from the Applicant for the proposed line extension where applicable.
j.

2. Each Applicant will be provided with a copy of the written line extension agreement.

Deleted: ~~of~~ Total cost of the line extension; and ~~of~~ The Company's estimated commencement and completion dates for construction of the line extension.

C. Line Extension Requirements

Overhead Extensions to Individual Applicants,

Deleted: and to the Perimeter of Duty-Recorded Real Estate Subdivisions~~]~~ Except as otherwise provided herein, overhead extensions will be made as follows:

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SECTION 7
LINE EXTENSIONS
(continued)

a. Line Extension Allowance

Upon the Applicant's satisfactory completion of required site improvements, the Company will make extensions from its existing facilities of proper voltage and adequate capacity at the Company's expense up to five hundred (500) feet. The distance of five hundred (500) feet is to be measured by the shortest feasible route along public streets, roads, highways, or suitable easements from the existing facilities to the Applicant's nearest point of delivery and inclusive of the service drop.

b. Extensions in Excess of Line Extension Allowance Distance,

The Company will make extensions in excess of five hundred (500) feet per customer upon receipt of a non-interest bearing, refundable cash deposit with the Company to cover costs of construction computed at the rates shown in Section 18, Statement of Additional Charges for each foot of single-phase line extension or for each foot of three-phase line extension in excess of the allowance length and in accordance with Section 7 C.2.a.5.(unless otherwise agreed to by the Company and the Applicant).

The foregoing charges shown in Section 18, Statement of Additional Charges are based on the company's current average cost of construction of distribution lines. The Company will review its costs periodically and will file a Pricing Plan revision when such costs have changed by more than ten percent (10%) since the last revision of costs. Such revisions will be subject to approval by the Commission before becoming effective.

The Company will install, own and maintain, on an individual project basis, the distribution facilities necessary to provide permanent service.

c. Method of Refund

- 1. After a period of twelve (12) months from the date the Company is initially ready to render service from an extension, seventy-five percent (75%) of any revenue received from the Customer in excess of the footage allowance (calculated using applicable Section 18 rates per foot times the 500 allowance feet) during that period will be applied toward refunding the line extension deposit. The amount of refund may not exceed the amount of the deposit.
2. Deposit refunds will be made to a depositor when separately metered Customers are served directly from the line extension originally constructed to serve said depositor, providing the new line extension is less than five hundred (500) feet in distance, and the Customer to be served occupies a permanent structure designed for continued occupancy for either residential or business purposes, meeting established municipal, county or state codes as applicable.

The amount of the deposit refund will be equal to the applicable Section 18 rates per foot multiplied by five hundred (500) feet less the actual footage of the new line extension required to serve the new Customer.

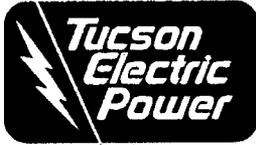
Deleted: Rates for Overhead Extensions
The Company will install, own, and maintain the distribution facilities necessary to provide permanent service to the Customer. Prior to the installation of facilities, the Customer will be required to pay the cost of the construction of the distribution facilities. The costs of construction are set forth in the Statement of Additional Charges.
The line extension charges are based on the Company's current average cost of construction of distribution lines. The Company will review its costs and file a Pricing Plan revision annually. Such revisions will be subject to approval by the Commission before becoming effective.

Deleted: to Large Light and Power Customers

Deleted: to a large light and power Customer. Prior to the installation of facilities, the Customer will be required to pay the estimated cost of the construction of the distribution facilities. Upon completion of construction the Company will compare actual cost to the estimated cost and any difference will be either billed or refunded to the Customer

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In no event will the total of the refund payments made by the Company to a depositor be in excess of the deposit amount advanced.

A pictorial explanation of the method of refund for a single-phase line extension (dollar charges are for example purposes only) is as follows:

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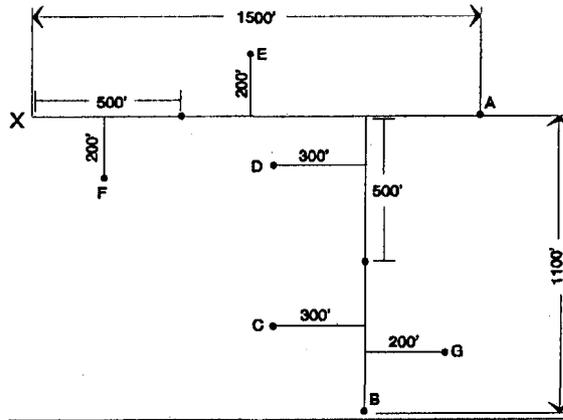
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SECTION 7 LINE EXTENSIONS (continued)



Applicant "A" – Customer makes refundable advance of \$20,530 for footage over 500' at \$20.53/foot.

Applicant "B" – Customer makes refundable advance of \$12,318 for footage over 500' at \$20.53/foot. No refund to A for B's connection because B is over 500'.

Applicant "C" – Customer gets line at no cost. Refund goes to B at \$20.53 x 200', or \$4,106.00 because C ties directly into B's line and is less than 500'.

Applicant "D" – Customer gets line at no cost. Refund goes to B at \$20.53 x 200', or \$4,106.00, because it ties directly into B's line and is less than 500'.

Applicant "E" – Customer gets line at no cost. Refund goes to A at \$20.53 x 300', or \$6,159.00 because E ties directly into A's line and is less than 500'.

Applicant "F" – Customer gets line at no cost. Refund goes to A at \$20.53 x 300', or \$6,159.00 because F ties directly into A's line and is less than 500'.

Applicant "G" – Customer gets line at no cost. Refund goes to B at \$20.53 x 300', or \$6,159.00; B receives \$4,106.00 since this is the remaining balance of the initial deposit.

Notes: The dollars in the example above are illustrative. This method requires that: i) The deposit advance made for an initial line extension cannot be refunded to the depositor unless a new line extension required to serve a new separately metered Customer is directly connected to the initial line extension; and ii) the new line extension is less than 500' in length.

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SECTION 7
LINE EXTENSIONS
(continued)

- 3) Payment of eligible refunds will be made within ninety (90) days following receipt of notification to the Company that a qualifying permanent Customer has commenced receiving service from an extension.
 - 4) A Customer may request an annual survey to determine if additional Customers have been connected to and are using service from the extension.
 - 5) After a period of six (6) years from the date the Company is initially ready to render service from an extension, the Company will review the deposit and make appropriate refunds then due, if any. Any unrefunded amount remaining thereafter will become the property of the Company and will no longer be eligible for refund and will become a contribution in aid of construction.
- d. Extensions to Large General Service and Large Light and Power Customers
1. For line extensions with voltages less than or equal to 14kV, the Company will install, own and maintain, on an individual project basis, the distribution facilities necessary to provide permanent service to a large general service or large light and power Customer. Prior to the installation of facilities, the Customer will be required to make a cash advance to the Company for any portion of the capital expenditures not justified by the estimated two year revenue of the new facilities. Such advance, if any, will be in the amount determined by subtracting two (2) times the estimated annual revenue from the total estimated installation costs based Section 18, Statement of Additional Charges. If the total of such charge is less than one hundred dollars (\$100.00), the charge will be waived by the Company. Adjustments to the advance will be made after the initial twenty-four (24) month billing period, and the Company will refund to the amount by which the estimated advance exceeds the actual installation cost less the actual twenty-four (24) month billing. In no event shall the total of the refund payments made by the company to the depositor be in excess of the deposit amount advanced.

500 foot line extension allowance does not apply.
 2. For line extensions with voltages greater than 14kV and less than or equal to 46kV, the installation costs will be the actual costs of construction. The Company will install, own and maintain, on an individual project basis, the facilities necessary to provide permanent service. Prior to the installation of facilities, the Customer will be required to pay the estimated cost of the construction of the distribution or transmission facilities. Upon completion of construction, the Company will compare the actual cost to the estimated cost and any difference will be either billed or refunded within 60 days to the Customer.

500 foot line extension allowance and adjustments for annual revenues do not apply.

LLP customers with line voltages greater than 46kV will necessitate a special line extension agreement as required per section 7.C.7.e, Exceptional Cases.

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2. Overhead or Underground Distribution Facilities Up to and Within a New Duly Recorded Residential Subdivision

a. General

Required distribution facilities up to and within a new duly recorded residential subdivision, including subdivision plats which are activated subsequent to their recordation, for permanent service to single and/or multi-family residences and/or unmetered area lighting, will be constructed, owned, operated and maintained by the Company in advance of applications for service by permanent Customers only after the Company and the Applicant have entered into a written contract which (unless otherwise agreed to by the Company and the Applicant) provides that:

- 1) The total estimated installed cost of such overhead distribution facilities, exclusive of meters, services and exclusive of other costs as may be deemed as reasonable by the Company, will be advanced to the Company as a refundable non-interest bearing cash deposit to cover the Company's cost of construction. In the event that the advance has not met the requirements for total refunding on or before the end of two (2) years from the date of installation of the Company's facilities, the advance will further be utilized for reimbursement of the Company's cost of ownership as provided in Subsection 7.C.2.b. In lieu of the refundable cash deposit, the Applicant may elect to execute a Deferred Construction Deposit Agreement, secured by a bond or letter of credit in a form acceptable to the Company, equal to the deferred cash deposit, which guarantees the posting by the Applicant of the full cash deposit one (1) to six (6) years subsequent to the completion of construction of the Company's facilities. Letters of credit and bonds will not be acceptable where the original cash deposit would be less than one thousand dollars (\$1,000.00).
- 2) Refundable advances will become non-refundable at such time and in such manner provided in Subsection 7.C.2.b.
- 3) The Applicant will be responsible for ownership costs at such time and in such manner as provided in Subsection 7.C.2.b.
- 4) Where applicable, if distribution facilities must be constructed in excess of an average of five hundred (500) feet per new permanent customer within a duly recorded residential subdivision, a nonrefundable cash amount equal to that portion of the total estimated installed cost represented by those required line facilities in excess of five hundred (500) feet per customer average will be paid to the Company.
- 5) Underground Installations – Extensions of single-phase underground distribution lines necessary to furnish permanent electric service to new residential buildings or mobile homes within a subdivision, in which facilities for electric service have not been constructed, for which applications are made by a developer will be installed underground in accordance with the provisions set forth in this regulation except where it is not feasible from an engineering, operational, or economic standpoint. Extensions of single-phase underground distribution lines necessary to furnish permanent electric service within a new single family and/or multi-family residential subdivision will be made by the Company in advance of receipt of applications for service by permanent Customers in accordance with the following provisions (unless otherwise agreed to by the Company and the Applicant):

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- i. The subdivider or other Applicant will provide and install all of the required underground duct system (including all or a portion of the necessary trenching, backfilling, conduits, ducts, transformer and equipment pads, manholes, and pull boxes) in accordance with the Company's specifications and subject to the Company's inspection and approval. Upon acceptance and approval by the Company, the Applicant will grant to the Company the exclusive right to use and occupy said duct system or, at the option of the Company, will transfer ownership thereof to the Company.

- ii. Underground service will be installed, owned, operated and maintained as provided in Section 6 of these Rules and Regulations.

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SECTION 7
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(continued)

- iii. Any underground electric distribution system requiring more than single-phase service is not governed by this Subsection 7.C.2, but rather will be constructed pursuant to Subsection 7.C.4.
- 6) Underground extensions up to the duly recorded Subdivision will be owned, operated and maintained by the Company, provided the Applicant pays a non-refundable sum equal to the estimated difference between the cost of the underground extension and an equivalent overhead extension at the rate indicated by the Underground Differential on Schedule 18.
- b. Method of Refund
 - 1) For Line Extensions Within A New Duly Recorded Residential Subdivision ("Subdivision Agreements") - On or after two (2) years subsequent to the installation of the Company's facilities, and thereafter every six (6) months, the Company will review the status of a subdivision to determine the percentage ratio that the number of lots or service locations occupied by permanent Customers bears to the number of lots identified in each Subdivision Agreement specified as the basis for refund. Refunds will be made prior to the actual occupancy by a permanent Customer if the lot or service location has been substantially completed so that in the judgment of the Company permanent occupancy will occur within a reasonable time. Such periodic review will continue until either: i) the calculated ratio equals a maximum of seventy-five percent (75%) at which time the total refund will be made to the Applicant; or ii) a six (6) year period subsequent to the completion of installation of the Company's facilities elapses. For purposes of computation of all charges and refundable deposit requirements under these Rules and Regulations, the installation of the Company's facilities will be that date upon which the construction is determined to be completed and the facilities are entered into the Company records of Plant and Property. The ratio determined at the time of each review multiplied by the total refundable advance associated with the line extension agreement, less applicable cost of ownership charges previously deducted, if any, will represent that portion of the advance qualified for refund. If the foregoing calculation indicates a refund is due, an appropriate refund of cash deposit, or reduction of the cash deposit requirement at the end of the deferral period in those cases where a Deferred Construction Deposit Agreement has been executed, will be made.

Refunds of cash deposits, less applicable cost of ownership charges, if any, will also be made by the Company within ninety (90) days following receipt of written notice from the developer requesting payment of earned refund, provided that the earned refund due represents a minimum of twenty percent (20%) of the total amount of the advance. Furthermore, if at any time a maximum of seventy-five percent (75%) or more of the total refundable advance qualifies for refund, any balance of the advance remaining, after applicable cost of ownership charges, if any, have been deducted, will be refunded. No payment will be made by the Company in excess of the total refundable advance less applicable cost of ownership charges, if any, nor after a period of six (6) years subsequent to the completion of construction of the Company's facilities. Any un-refunded amount remaining at the end of the six (6) year period will become nonrefundable and the property of the Company and be a contribution in aid of construction.

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For Line Extensions To The Perimeter of New Duly Recorded Residential Subdivisions ("Feeder Agreements") - On or after two (2) years subsequent to the installation of the Company's facilities, and thereafter every six (6) months, the Company will review the status of customers added as a result of the extension and within connected subdivisions in excess of the customer level identified in each subdivision's agreement to determine the percentage that the number of lots or service locations occupied by permanent Customers bears to the number of lots identified in the Feeder Agreement specified as the basis for refund. Refunds will be made prior to the actual occupancy by a permanent Customer if the lot or service location has been substantially completed so that in the judgment of the Company permanent occupancy will occur within a reasonable time. Such periodic review will continue until either: i) the calculated ratio equals the level identified in the Feeder Agreement at which time the total refund will be made to the Applicant; or ii) a six (6) year period subsequent to the completion of installation of the Company's facilities elapses. For purposes of computation of all charges and refundable deposit requirements under these Rules and Regulations, the installation of the Company's facilities will be that date upon which the construction is determined to be completed and the facilities are entered into the Company records of Plant and Property. The ratio determined at the time of each review multiplied by the total refundable advance associated with the line extension agreement, less applicable cost of ownership charges previously deducted, if any, will represent that portion of the advance qualified for refund. If the foregoing calculation indicates a refund is due, an appropriate refund of cash deposit, or reduction of the cash deposit requirement at the end of the deferral period in those cases where a Deferred Construction Deposit Agreement has been executed, will be made.

Refunds of cash deposits, less applicable cost of ownership charges, if any, will also be made by the Company within ninety (90) days following receipt of written notice from the developer requesting payment of earned refund, provided that the earned refund due represents a minimum of twenty percent (20%) of the total amount of the advance. Furthermore, if at any time a maximum of seventy-five percent (75%) or more of the total refundable advance qualifies for refund, any balance of the advance remaining, after applicable cost of ownership charges, if any, have been deducted, will be refunded. No payment will be made of the Company in excess of the total refundable advance less applicable cost of ownership charges, if any, nor after a period of six (6) years subsequent to the completion of construction of the Company's facilities. Any unrefunded amount remaining at the end of the six (6) year period will become nonrefundable and the property of the Company and will be treated as a contribution in aid of construction.

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SECTION 7 LINE EXTENSIONS (continued)

- 2) In the event that any portion of an advance has not qualified for refund at the time of each review, the developer will be responsible for the Company's cost of ownership charges based on the average (mean) of the electric facilities represented by:
- i) that portion of the advance not qualified for refund at the time of current review, and
 - ii) that portion of the advance not qualified for refund at the time of the last periodic review.

When the advance is in the form of a cash deposit, the semi-annual cost of ownership charges will be equal to the average of (i) and (ii) above multiplied by five and one-half percent (5-1/2%). When the advance is in the form of a Deferred Construction Deposit, the semi-annual cost of ownership charges will be equal to (i) and (ii) above multiplied by the sum of five and one-half percent (5-1/2%) plus one-half of the original cost equivalent of the rate of return, expressed as a percent, last allowed to the Company by the Commission. Payment of such cost of ownership charges, which will be computed and paid at the time of each review after the initial review, will be made in the following manner:

When the advance is in the form of a cash deposit, a deduction of cost of ownership charge will be made by the Company from the cash deposit.

When the advance is in the form of a Deferred Construction Deposit, the Company will bill and developer will pay to Company said cost of ownership charge. In the event that the Applicant fails to pay the cost of ownership charge when due, the Company will exercise its rights provided for in the Deferred Construction Deposit, and will call the bond or letter of credit.

The portion of the original advance on which cost of ownership charges are computed will not be reduced for purposes of that computation by amounts deducted previously for cost of ownership charges.

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SECTION 7 LINE EXTENSIONS (continued)

3. Underground Extensions to Individual Applicants,

a. General

Underground line extensions will generally be made only where mutually agreed upon by the Company and the Applicant, or in areas where the Company does maintain underground distribution facilities for its operating convenience.

- 1) Underground extensions will be owned, operated and maintained by the Company, provided the Applicant pays in advance a non-refundable sum equal to the estimated difference between the cost, exclusive of meters and services, of the underground extension and an equivalent overhead extension at the rate indicated by the Underground Differential on Schedule 18.
- 2) In addition to the non-refundable sum, the Applicant will (unless otherwise agreed to by the Company and the Applicant) make such refundable deposit as shown in Section 18, Statement of Additional Charges and in accordance with Section 7C as otherwise would have been required under these Rules and Regulations if the extension had been made by overhead construction.
- 3) The Applicant will provide and install all of the required underground duct system (including all or a portion of the necessary trenching, backfilling, conduits, ducts, transformer and equipment pads, manholes, and pull boxes) in accordance with the Company's specifications and subject to the Company's inspection and approval. Upon acceptance and approval by the Company, the Applicant will grant to the Company the exclusive right to use and occupy said duct system or, at the option of the Company, will transfer ownership thereof to the Company.
- 4) Refunds of cash deposits will be made in the same manner as provided for overhead extensions to individual Applicants for service, in accordance with the applicable provisions of Subsection 7.C.
- 5) Underground services will be installed, owned, operated and maintained as provided in Section 6 of these Rules and Regulations.

~~Deleted: <#>The total charge of the line extension, as set forth in the Statement of Additional Charges, will be paid by the Customer to cover the Company's costs of construction.~~

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SECTION 7 LINE EXTENSIONS

(continued)

<#>Underground Installations - Extensions of electric lines necessary to furnish permanent electric service to new residential buildings or mobile homes within a subdivision, in which facilities for electric service have not been constructed, for which applications are made by a developer will be installed underground in accordance with the provisions set forth in this regulation except where it is not feasible from an engineering or operational standpoint.

Extensions of underground distribution lines necessary to furnish permanent electric service within a new single family and/or multi-family residential subdivision will be made by the Company in advance of receipt of applications for service by permanent Customers in accordance with the following provisions (unless otherwise agreed to by the Company and the Applicant):

<#>The subdivider or other Applicant will provide at its expense the trenching, conduit, conduit installation, backfilling (including any imported backfill required), compaction, repaving, landscape restoration and any earthwork for pull boxes and transformer pad sites required to install the underground electric system, all in accordance with the specifications of the Company. ... [1]

~~Deleted: and the Perimeter of Duly Recorded Real Estate Subdivisions~~

~~Deleted: <#>The total charge of the line extension, as set forth in the Statement of Additional Charges, will be paid by the Customer to cover the costs of construction.~~

<#>Underground extensions will be installed, owned, operated and maintained by the Company.

<#>The Applicant will install all of the required underground duct system (including all or a portion of the necessary trenching, backfilling, conduits, ducts, transformer and equipment pads, manholes, and pull boxes) in accordance with the Company's specifications and subject to the Company's inspection and approval. Upon acceptance and approval by the Company, the Applicant will grant to the Company the exclusive right to use and occupy said duct system or, at the opt ... [2]

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(continued)

4. Replacement of Overhead with Underground Distribution Facilities

- a. Where a Customer has requested that existing overhead distribution facilities be replaced with underground distribution facilities, the total cost of such replacement will be paid by the Customer.

5. Conversion from Single-Phase to Three-Phase Service

Where it is necessary to convert all or any portion of an existing underground distribution system from single-phase to three-phase service to a Customer, the total cost of such conversion will be paid by the Customer.

6. Long Term Rental Mobile Home Park, Townhouses, Condominiums and Apartment Complexes

Line extensions to long term rental mobile home parks, townhouses, condominiums and apartment complexes will be made by the Company under terms and conditions provided in Subsection 7.C.1. The Company will, when requested by the Customer, install, own and maintain internal distribution facilities and individual metering for said development in accordance with the provisions pertaining to duly recorded real estate subdivisions as stated in Subsection 7.C.2 hereof.

7. Special Conditions

a. Contracts

Each subdivider or other Applicant for service requesting an extension over the allowable footage allowance, or in advance of applications for service to permanent Customers, or in advance of completion of required site improvements will (unless otherwise agreed to by the Company and the Applicant) be required to execute contracts covering the terms under which the Company will install lines at its own expense, or contracts covering line extensions for which advance deposits will (unless otherwise agreed to by the Company and the Applicant) be made in accordance with the provisions of these Rules and Regulations or of the applicable rate schedules.

b. Primary Service and Metering

The Company will provide primary service to a point of delivery, such point of delivery to be determined by the Company. The Customer will provide the entire distribution system (including transformers) from the point of delivery to the load. The system will be treated as primary service for the purposes of billing. The Company reserves the right to approve or require modification to the Customer's distribution system prior to installation, and the Company will determine the voltage available for primary service. Instrument transformers, metering riser poles and associated equipment to be installed and maintained by the Company will be at the Customer's expense.

Deleted: <#>Prior to Improvement[]
Each subdivider or other Applicant for service requesting an extension in advance of applications for service to permanent Customers, or in advance of completion of required site improvements will (unless otherwise agreed to by the Company and the Applicant) be required to execute contracts covering the terms under which the Company will install lines at the Applicant's expense in accordance with the provisions of these Rules and Regulations or of the applicable rate schedules.[]
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LINE EXTENSIONS
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c. Advances under Previous Rules and Contracts

Amounts advanced under the conditions established by a rule previously in effect will be refunded in accordance with the requirements of such contract under which the advance was made.

d. Extensions for Temporary Service

Extensions for temporary service or for operations of a speculative character or questionable permanency will be charged the applicable line extension charges as set forth in the Statement of Additional Charges.

e. Exceptional Cases

Where unusual terrain, location, soil conditions, or other unusual circumstances make the application of these line extension rules impractical or unjust to either party or in the case of extension of lines of other than standard distribution voltage, service under such circumstances will be negotiated under special agreements specifying terms and conditions covering such extensions.

f. Special or Excess Facilities

Under this rule, the Company will install only those facilities which it deems are necessary to render service in accordance with the rate schedules. Where the Customer requests facilities which are in addition to, or in substitution for, the standard facilities which the Company normally would install, the extra cost thereof will be paid by the Customer.

g. Unusual Loads

Line extensions to unusually small loads not consisting of a residence or permanent building (e.g. individual lights, wells, signs, etc.) will not be granted the five hundred (500) foot allowance but will instead be required to advance any costs of service in excess of their estimated two years annual revenue. Refunding will be according to Subsections 7.C.1.c.2 and 7.C.1.d.

Deleted: Line extensions to unusually small loads not consisting of a residence or permanent building (e.g. individual lights, wells, signs, etc.) will be charged the applicable line extension charges as set forth in the Statement of Additional Charges.¶

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SECTION 7
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D. Construction / Facilities Related Income Taxes

1. Collection of Income Tax Gross up

- a. Any federal, state or local income taxes resulting from the receipt of a contribution or advance in aid of construction in compliance with this rule is the responsibility of the Company and will be recorded as a deferred tax asset and reflected in the Company's rate base for ratemaking purposes.
- b. However, if the estimated contribution or advance for any service line or distribution main extension (as determined for each individual extension agreement) exceeds \$500,000, the Company may require the Applicant to include in the contribution, advance or deferred construction deposit agreement an amount (the "gross up amount") equal to the estimated federal, state or local income tax liability of the Company resulting from the contribution or advance computed as follows:

$$\text{Grossup Amount} = \frac{\text{Advance or Contribution}}{(1 - \text{Statutory combined income tax rate})} - \text{Advance or Contribution}$$

- c. After the Company's tax returns for the year of receipt of the advance or contribution are completed, if the statutory combined income tax rate is less than the rate used to calculate the gross-up, the Company shall refund to the Applicant an amount equal to such excess.
- d. When a gross-up amount is to be collected in connection with an extension agreement, the contract will state the tax rate used to compute the gross up amount, and will also disclose the gross-up amount separately from the estimated cost of facilities.
2. Refund of Income Tax Gross Up
- a. In the case of construction advance refunds made pursuant to Section 7C, 1,d (Large Light & Power Extensions), a pro rata portion of the gross up will be refunded when the amount of the underlying contribution is refunded. Any remaining gross-up will be refunded on November 1 of each year as tax depreciation deductions are taken on the Company's tax returns. At the end of five years from installation, the remaining gross up will be refunded at an amount that reflects the net present value of the Company's remaining tax depreciation deductions on the underlying advance discounted at the Company's authorized rate of return.
- b. In the case of all other advances or deferred construction deposit agreements, the gross up will be refunded, or the amount of required deferred construction deposit will be reduced, as follows:
- i. If the full amount of the advance is refunded prior to September 30 of the year following the year in which the advance is received, the entire amount of the gross-up will be refunded.

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- ii. For any amount of the advance not refunded as of September 30 of the year following the year in which the advance is received, on November 1 of each year a portion of the gross-up will be refunded based on the amount of the tax depreciation deductions taken by the Company on its federal and state income tax returns.
iii. When any advance is refunded after depreciation refunds pursuant to clause ii have begun, a pro rata portion of the gross up will be refunded reduced by the amount of depreciation refunds previously made for that portion of the gross up.
iv. For any advance that is not refunded at the end of the contract period, the remaining gross up will be refunded at an amount that reflects the net present value of the Company's remaining tax depreciation deductions on the underlying advance discounted at the Company's authorized rate of return.

E. Transition to Revised Line Extension Rules

From the effective date of these Rules and Regulations:

All applicants that have begun the process of requesting a line extension agreement will be notified that they are eligible to reapply under the newly effective Rules and Regulations with respect to line extension agreements. The Company will make all reasonable efforts to reserve those applicants' place in order of processing line extension request.

All applicants with an executed line extension agreement in place and construction of Company's facilities have not been determined as completed by the Company will be notified of the rules change and the Company will work with the applicant to amend their line extension agreements to reflect the newly effective Rules and Regulations.

Deleted: Construction / Facilities Related Income Taxes
Any federal, state or local income taxes resulting from the receipt of a contribution in aid of construction in compliance with this rule is the responsibility of the Company and will be recorded as a deferred tax asset.
However, if the estimated cost of facilities for any line extension exceeds \$500,000, the Company shall require the Applicant to include in the contribution an amount (the "gross up amount") equal to the estimated federal, state or local income tax liability of the Company resulting from the contribution, computed as follows:
Gross Up Amount = Estimated Construction Cost * (1 - Combined Federal-State-Local Income Tax Rate)
After the Company's tax returns are completed, and actual tax liability is known, to the extent that the computed gross up amount exceeds the actual tax liability resulting from the contribution, the Company shall refund to the Applicant an amount equal to such excess, or collect the additional amount from the Applicant. When a gross-up amount is to be obtained in connection with an extension agreement, the contract will state the tax rate used to compute the gross up amount, and will also disclose the gross-up amount separately from the estimated cost of facilities. In subsequent years, as tax depreciation deductions are taken by the Company on its tax returns for the constructed assets with tax bases that have been grossed-up, a refund will be made to the Applicant in an amount equal to the related tax benefit. In lieu of scheduling such refunds over the remaining tax life of the constructed assets, a reduced lump sum refund may be made at the end of five (5) years at the election of either the Company or the Applicant. This lump sum payment shall reflect the net present value of remaining tax depreciation deductions discounted at the Company's authorized rate of return.
Transition Period for Elimination of Free Footage
From the effective date of these Rules and Regulations, there is a six (6) month grace period for Customers, developers and subdividers to execute a line extension agreement or receive approval on a new service application from the Company in order to be eligible for the line extension policy in effect between March 14, 2000 and November 30, 2008. Those new applicants must ... [3]

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SECTION 8 PROVISION OF SERVICE

A. Company Responsibility

1. The Company will be responsible for the safe transmission and distribution of electricity until it passes the point of delivery to the Customer.
2. The Company will be responsible for maintaining in safe operating condition all meters, equipment and fixtures installed on the Customer's premises by the Company for the purpose of delivering electric service to the Customer. The Company, however, will not be responsible for the condition of meters, equipment, and fixtures damaged or altered by the Customer.
3. The Company may, at its option, refuse service until the Customer has obtained all required permits and/or inspections indicating that the Customer's facilities comply with local construction and safety standards, including any applicable Company specifications.

B. Customer Responsibility

1. Each Customer will be responsible for maintaining in safe operating condition all Customer facilities on the Customer's side of the point of delivery.
2. Each Customer will be responsible for safeguarding all Company property installed in or on the Customer's premises for the purpose of supplying utility service to that Customer.
3. Each Customer will exercise all reasonable care to prevent loss or damage to Company property, excluding ordinary wear and tear. The Customer will be responsible for loss of or damage to, Company property on the Customer's premises arising from neglect, carelessness, misuse, diversion or tampering and will reimburse the Company for the cost of necessary repairs or replacements.
4. Each Customer, regardless of who owns the meter, will be responsible for payment for any equipment damage and/or estimated unmetered usage and all reasonable costs of investigation resulting from unauthorized breaking of seals, interfering, tampering or bypassing the utility meter.
5. Each Customer will be responsible for notifying the Company of any equipment failure identified in the Company's equipment.
6. Each Customer will be responsible for informing the Company of, and meeting the Company's requirements regarding, on-site Generation that the Customer or its agent intends to interconnect to the Company's transmission and distribution system.

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SECTION 8 PROVISION OF SERVICE (continued)

7. The Customer, at his expense, may install, maintain and operate check-measuring equipment as desired and of a type approved by the Company, provided that such equipment will be installed so as not to interfere with operation of the Company's equipment, and provided that no electric energy will be re-metered or sub-metered for resale to another or to others, except where such remetering will be done in accordance with the applicable orders of the Commission.

C. Continuity of Service

The Company will make reasonable efforts to supply a satisfactory and continuous level of service. However, the Company will not be responsible for any damage or claim of damage attributable to any interruption or discontinuation of service resulting from:

1. Any cause against which the Company could not have reasonably foreseen or made provision for (*i.e.*, force majeure);
2. Intentional service interruptions to make repairs or perform routine maintenance; or
3. Curtailment, including brownouts or blackouts.

D. Service Interruptions

1. The Company will make reasonable efforts to reestablish service within the shortest possible time when service interruptions occur.
2. When the Company plans to interrupt service for more than four (4) hours to perform necessary repairs or maintenance, the Company will attempt to inform affected Customers at least twenty-four (24) hours in advance of the scheduled date, and these repairs will be completed in the shortest possible time to minimize the inconvenience to the Customers of the Company.
3. In the event of a national emergency or local disaster resulting in disruption of normal service, the Company may, in the public interest, interrupt service to other Customers to provide necessary service to civil defense or other emergency service agencies on a temporary basis until normal service to these agencies can be restored.
4. The Commission will be notified of interruption in service affecting the entire system or any major division thereof. The interruption of service and cause will be reported by telephone to the Commission within four (4) hours after the responsible representative of the Company becomes aware of said interruption. A written report to the Commission will follow.

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SECTION 8 PROVISION OF SERVICE (continued)

E. Interruption of Service and Force Majeure

1. The Company will make reasonable provision to supply a satisfactory and continuous electric service, but does not guarantee a constant or uninterrupted supply of electricity. The Company will not be liable for any damage or claim of damage attributable to any temporary, partial or complete interruption or discontinuance of electric service attributable to a force majeure condition as set forth at Subsections 8.E.4. and 8.E.5. or to any other cause which the Company could not have reasonably foreseen and made provision against, or which, in the Company's judgment, is necessary to permit repairs or changes to be made in the Company's electric generating, transmission or distribution equipment or to eliminate the possibility of damage to the Company's property or to the person or property of others.
2. Whenever the Company deems that a condition exists to warrant interruption or limitation in the service being rendered, this interruption or limitation will not constitute a breach of contract and will not render the Company liable for damages suffered thereby or excuse the Customer from further fulfillment of the contract.
3. The use of electric energy upon the premises of the Customer is at the risk of the Customer. The Company's liability will cease at the point where its facilities are connected to the Customer's wiring.
4. Neither the Company nor the Customer will be liable to the other for any act, omission or circumstances (including, with respect to the Company, but not limited to, inability to provide service) occasioned by or in consequence of the following:
 - a. flood, rain, wind, storm, lightning, earthquake, fire, landslide, washout or other acts of the elements;
 - b. accident or explosion;
 - c. war, rebellion, civil disturbance, mobs, riot, blockade or other act of the public enemy;
 - d. acts of God;
 - e. interference of civil and/or military authorities;
 - f. strikes, lockouts or other labor difficulties;
 - g. vandalism, sabotage or malicious mischief;
 - h. usurpation of power, or the laws, rules, regulations or orders made or adopted by any regulatory or other governmental agency or body (federal, state or local) having jurisdiction of any of the business or affairs of the Company or the Customer, direct or indirect;
 - i. breakage or accidents to equipment or facilities;
 - j. lack, limitation or loss of electrical or fuel supply; or
 - k. any other casualty or cause beyond the reasonable control of the Company or the Customer, whether or not specifically provided herein and without limitation to the types enumerated, and which by the exercise of due diligence such party is unable to prevent or overcome.

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SECTION 8 PROVISION OF SERVICE (continued)

5. A failure to settle or prevent any strike or other controversy with employees or with anyone purporting or seeking to represent employees will not be considered to be a matter within the control of the Company.
6. Nothing contained in this Section will excuse the Customer from the obligation of paying for electricity delivered or services rendered.

F. General Liability

1. The Company will not be responsible for any third-party claims against the Company that arise from Customer's use of the Company's electricity.
2. Customer will indemnify, defend and hold harmless the Company (including the costs of reasonable attorney's fees) against all claims (including, without limitation, claims for damages to any business or property, or injury to, or death of, any person) arising out of any act or omission of the Customer, or the Customer's agents, in connection with the Company's service or facilities.
3. The liability of the Company for damages of any nature arising from errors, mistakes, omissions, interruptions, or delays of the Company, its agents, servants, or employees, in the course of establishing, furnishing, rearranging, moving, terminating, or changing the service or facilities or equipment will not exceed an amount equal to the charges applicable under the Company's Pricing Plans (calculated on a proportionate basis where appropriate) to the period during which the error, mistake, omission, interruption or delay occurs.
4. In no event will the Company be liable for any incidental, indirect, special, or consequential damages (including lost revenue or profits) of any kind whatsoever regardless of the cause or foreseeability thereof.
5. The Company will not be responsible in an occasion for any loss or damage caused by the negligence or wrongful act of the Customer or any of his agents, employees or licensees in installing, maintaining, using, operating or interfering with any electric facilities.

G. Construction Standards and Safety

The Company will construct all facilities in accordance with the provision of the ANSI C2 Standards (National Electric Safety Code, 1997 edition, and other amended editions as are adopted by the Commission), the 1995 ANSI B.31.1 Standards, the ASME Boiler and Pressure Vessel Code, and other applicable American National Standards Institute Codes and Standards, except for such changes as may be made or permitted by the Commission from time to time. In the case of conflict between codes and standards, the more rigid code or standard will apply.

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SECTION 9 CHARACTER OF SERVICE – VOLTAGE, FREQUENCY AND PHASE

A. Electric energy furnished under these Rules and Regulations will be alternating current, sixty (60) hertz single or three-phase, at the standard, nominal voltages specified by the Company. The following nominal voltages are available on the Company's system:

1. Residential Customers: 120/240 volts single-phase
2. General Service or Light and Power Customers:
 - a. Single-Phase: 120/240 volts (all areas)
 - b. Three-Phase:
 - 1) 120/240 volts 4 wire delta (from overhead system only)*
 - 2) 240/480 volts 4 wire delta (from overhead system only)*
 - 3) 120/208 volts 4 wire wye
 - 4) 277/480 volts 4 wire wye

* This may be available in some existing underground areas.

B. The primary voltage supplied will depend on the Customer's load and the system voltage available at that location; it will be specified by the Company. Normally, this will be one of the following nominal distribution or sub-transmission voltages: 7970/13800 volts 4 wire wye, or 46,000 volts 3 wire delta. The actual standard nominal voltages available to a specific Customer will depend on location, load, and type of system in the area and will be specified by the Company.

C. A Customer must meet certain minimum load requirements in order to qualify for three-phase service under Section 7.

D. The Company does not guarantee the constancy of its voltage or frequency, nor does it guarantee against its loss of one or more phases in a three-phase service. The Company will not be responsible for any damage to the Customer's equipment caused by any or all of these occurrences brought about by circumstances beyond its control.

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SECTION 9 CHARACTER OF SERVICE – VOLTAGE, FREQUENCY AND PHASE (continued)

E. Motor Protection

The following protective apparatus, to be provided by the Customer, is required on all motor installations:

1. **No-Voltage Protection:** Motors that cannot be safely subjected to full voltage at starting must be provided with a device to insure that upon failure of voltage, the motors will be disconnected from the line. Said device should be provided with a suitable time delay relay.
2. **Overload Protection:** All motors whose voltage does not exceed 750 volts are to be provided with approved fuses of proper rating. Where the voltage exceeds 750 volts, protective devices are to be provided. In these cases it will be found desirable to install standard switching equipment. The installation of overload relays and no-voltage releases is recommended on all motors, not only as additional protection, but as a means of reducing the cost of refusing.
3. **Phase Reversal:** Reverse phase relays and circuit breakers or equivalent devices are recommended on all polyphase installations to protect the installation in case of phase reversal or loss of one phase.

F. Load Fluctuation and Balance

1. **Interference with Service:** The Company reserves the right to refuse to supply loads of a character that may seriously impair service to any other Customers. In the case of hoist or elevator motors, welding machines, furnaces and other installations of like character where the use of electricity is intermittent or subject to violent fluctuations, the Company may require the Customer to provide at the Customer's own expense suitable equipment to reasonably limit those fluctuations.
2. The Company has the right to discontinue electric service to any Customer who continues to use appliances or other devices, equipment and apparatus detrimental to the service after the Company notifies the Customer of his or her causing detriment to the service.
3. **Allowable Instantaneous Starting Current Values:** The instantaneous starting current (determined by tests or based on limits guaranteed by manufacturers) drawn from the line by any motor must not exceed a value (as determined by the Company) that may be deemed detrimental to the normal operation of the system. If the starting current of the motor exceeds that value, a starter must be used or other means employed to limit the current to the value specified. A reduced voltage starter may be required for polyphase motors.
4. When three-phase service supplied under a power rate includes incidental lighting, the Customer will supply any necessary lighting transformers and arrange its lighting to give a substantially balanced three-phase load.

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SECTION 9 CHARACTER OF SERVICE – VOLTAGE, FREQUENCY AND PHASE (continued)

G. Customer Responsibility for Equipment Used in Receiving Electric Energy

No statement or requirement in these Rules and Regulations can be construed as the assumption of any liability by the Company for any wiring of electrical equipment or the operation of same, installed in, upon, or about the Customer's premises, nor will the Company be responsible for any loss or damage occasioned or caused by the negligence, want of proper care or wrongful act of the Customer, or any of the Customer's agents or employees or licenses on the part of the Customer in installing, maintaining, using, operating, or interfering with any such wiring, machinery or apparatus.

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SECTION 10 METER READING

A. Company or Customer Meter Reading

1. The Company may, at its discretion, allow for Customer reading of meters.
2. It will be the responsibility of the Company to inform the Customer how to properly read his or her meter.
3. Where a Customer reads his or her own meter, the Company will read the Customer's meter at least once every six (6) months.
4. The Company will provide the Customer with postage-paid cards or other methods to report the monthly reading to the Company.
5. The Company will specify the timing requirements for the Customer to submit his or her monthly meter reading to conform to the Company's billing cycle.
6. In the event the Customer fails to submit the reading on time, the Company may issue the Customer an estimated bill.
7. Meters will be read monthly on as close to the same day as practical.

B. Measuring of Service

1. All energy sold to Customers and all energy consumed by the Company, except that sold according to fixed charge schedules, will be measured by commercially acceptable measuring devices owned and maintained by the Company. This Subsection will not apply where it is impractical to install meters, such as street lighting or security lighting, or where otherwise authorized by the Commission.
2. When there is more than one meter at a location, the metering equipment will be so tagged or plainly marked as to indicate the circuit metered or metering equipment in accordance with Subsection 3.C.8.
3. Meters which are not direct reading will have the multiplier plainly marked on the meter.
4. All charts taken from recording meters will be marked with the date of the record, the meter number, Customer, and chart multiplier.
5. Metering equipment will not be set "fast" or "slow" to compensate for supply transformer or line losses.

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SECTION 10 METER READING (continued)

C. Customer Requested Rereads

1. The Company will, at the request of a Customer, reread that Customer's meter within ten (10) business days after the request by the Customer.
2. Any reread may be charged to the Customer at a rate set forth in the Statement of Additional Charges, if the original reading was not in error.
3. When a reading is found to be in error, the Company will not charge the Customer for the reread.

D. Access to Customer Premises

At all times, the Company will have the right of safe ingress to and egress from the Customer's premises at all reasonable hours for any purpose reasonably connected with the Company's property used in furnishing service and the exercise of any and all rights secured to it by law or these rules.

E. Meter Testing and Maintenance Program

1. The Company will replace any meter found to be damaged or associated with an inquiry into its accuracy, whether initiated by the Customer or Company, and which has been in service for more than sixteen (16) years. Replaced meters will be tested for accuracy and will be acceptable if found to have an error margin within plus or minus three percent ($\pm 3\%$).
2. The Company will file an annual report with the Commission summarizing the results of the meter maintenance and testing program for that year. At a minimum, the report should include the following data:
 - a. Total number of meters tested at Company initiative or upon Customer request; and
 - b. Number of meters tested which were outside the acceptable error allowance of $\pm 3\%$.

F. Customer Requested Meter Tests

The Company will test a meter upon Customer request and the Company will be authorized to charge the Customer for the meter test. The charge for the meter test is set forth in the Statement of Additional Charges. However, if the meter is found to be in error by more than three percent (3%), then no meter testing fee will be charged to the Customer.

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SECTION 10 METER READING (continued)

G. Demands

1. The Customer's demand may be measured by a demand meter, under all rate schedules involving billings based on demand, unless appropriate investigation or tests indicate that the Customer's demand will not be such as to require a demand meter for correct application of the rate schedule. In cases where billings under a rate schedule requiring determination of the Customer's demand must be made before a demand meter can be installed, such billings may be made on an estimated demand basis pending installation of the demand meter; provided, however, that billings made on the basis of estimated demands will be appropriately adjusted, if indicated to be greater or less than the actual demands recorded after the demand meter is installed.
2. Demand meters may be installed at any metering location if the nature of the Customer's equipment and operation is such as to indicate that a demand meter is required for correct application of the rate schedule.
3. All demands used for billing purposes will be recorded, or computed to the nearest whole kW.

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SECTION 11 BILLING AND COLLECTION

A. Frequency and Estimated Bills

1. The Company will bill monthly for services rendered. Meter readings will be scheduled for periods of not less than twenty-five (25) days or more than thirty-five (35) days.
2. If the Company is unable to read the meter on the scheduled meter read date, the Company will estimate the consumption for the billing period giving consideration to the following factors where applicable:
 - a. The Customer's usage during the same month of the previous year.
 - b. The amount of usage during the preceding month.
3. After the second consecutive month of estimating the Customer's bill for reasons other than severe weather, the Company will attempt to secure an accurate reading of the meter.
4. Failure on the part of the Customer to comply with a reasonable request by the Company for access to its meter may lead to the discontinuance of service.
5. Estimated bills will be issued only under the following conditions:
 - a. Failure of a Customer who read his own meter to deliver his meter reading card to the Company, in accordance with the requirements of the Company billing cycle.
 - b. Severe weather conditions, emergencies or work stoppages that prevent the Company from reading the meter.
 - c. Circumstances that make it dangerous or impossible to read the meter, including locked gates, blocked meters, vicious or dangerous animals, or any force majeure condition as listed in Subsections 8.E.4 and 8.E.5.
6. Each bill based on estimated usage will indicate that it is an estimated bill.

B. Combining Meters, Minimum Bill Information

1. Each meter at a Customer's premises will be considered separately for billing purposes, and the readings of two (2) or more meters will not be combined unless otherwise provided for in the Company's Pricing Plans.

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SECTION 11 **BILLING AND COLLECTION** (continued)

2. Each bill for residential service will contain the following minimum information:
 - a. Date and meter reading at the start of billing period or number of days in the billing period;
 - b. Date and meter reading at the end of the billing period;
 - c. Billed usage and demand (if applicable);
 - d. Rate schedule number;
 - e. Company telephone number;
 - f. Customer's name;
 - g. Service account number;
 - h. Amount due and due date;
 - i. Past due amount;
 - j. Adjustment clause costs, where applicable;
 - k. All applicable taxes; and
 - l. The address for the Arizona Corporation Commission.

C. Billing Terms

1. All bills for the Company's services are due and payable no later than ten (10) days from the date the bill is rendered. Any payment not received within this time frame will be considered past due.
2. For purposes of this rule, the date a bill is rendered may be evidenced by:
 - a. The postmark date;
 - b. The mailing date; or
 - c. The billing date shown on the bill. However, the billing date will not differ from the postmark or mailing date by more than two (2) days.
3. All past due bills for the Company's services are due and payable within fifteen (15) days. Any payment not received within this time frame will be considered delinquent and will incur a late payment finance charge.

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SECTION 11 BILLING AND COLLECTION (continued)

4. All delinquent bills for which payment has not been received within five (5) days will be subject to the provisions of the Company's termination procedures.
 5. All payments of current amounts may be made at or mailed to the office of the Company or to the Company's duly authorized representative.
- D. Applicable Pricing Plans, Time-of-Use Meters, Prepayment, Failure to Receive, Commencement Date, Taxes
1. Each Customer will be billed under the applicable Pricing Plan indicated in the Customer's application for service.
 2. For a Customer taking service under a TEP Time-of-Use ("TOU") rate schedule, TEP may charge a fee based on the incremental cost of a TOU meter versus a non-TOU meter.
 3. Customers may pay for electrical service by making advance payments.
 4. Failure to receive bills or notices which have been properly placed in the United States mail will not prevent those bills from becoming delinquent nor relieve the Customer of his obligations therein.
 5. Charges for service commence when the service is installed and connection made, whether used or not.
- E. Billing and Meter Error Corrections
1. If, after testing, any meter is found to be more than three percent (3%) in error, either fast or slow, proper correction between three percent (3%) and the amount of the error will be made to previous readings and adjusted bills will be rendered according to the following terms:
 - a. For the period of three (3) months immediately preceding the removal of such meter from service for test or from the time the meter was in service since last tested, but not exceeding three (3) months since the meter will have been shown to be in error by such test.
 - b. From the date the error occurred, if the date of the cause can be definitely fixed.
 2. No adjustment will be made by the Company except to the Customer last served by the meter tested.

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SECTION 11 BILLING AND COLLECTION (continued)

F. Non-sufficient Funds ("NSF") Checks

1. The Company will be allowed to recover a fee, as set forth in the Statement of Additional Charges, for each instance where a Customer tenders payment for electric service with a non-sufficient funds check. This fee will also apply when an electronic funds transfer ("EFT") is denied for any reason, including for lack of sufficient funds.
2. When the Company is notified by the Customer's bank or other financial institution that there are non-sufficient funds to cover the check, EFT or other financial instrument for electric service has been denied for any reason, the Company may require the Customer to make payment in cash, by money order, certified check, or other means which guarantee the Customer's payment to the Company.
3. A Customer who tenders a non-sufficient funds check, or for whom an EFT or other financial instrument has been denied will not be relieved of the obligation to render payment to the Company under the original terms of the bill nor defer the Company's provision for termination of service for nonpayment of bills.
4. No checks will be accepted if two (2) NSF checks have been received by the Company within a twelve-month period in payment of any billing.

G. Levelized Billing Plan

1. The Company may, at its option, offer its Customers a levelized billing plan.
2. If the Company offers a levelized billing plan, the Company will then develop upon Customer request an estimate of the Customer's levelized billing for a twelve-month period based upon:
 - a. Customer's actual consumption history, which may be adjusted for abnormal conditions such as weather variations.
 - b. For new Customers, the Company will estimate consumption based on the Customer's anticipated load requirements.
 - c. The Company's Pricing Plan approved by the Commission applicable to that Customer's class of service.
3. The Company will provide the Customer a concise explanation of how the levelized billing estimate was developed, the impact of levelized billing on a Customer's monthly electric bill, and the Company's right to adjust the Customer's billing for any variation between the Company's estimated billing and actual billing.

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SECTION 11 **BILLING AND COLLECTION** (continued)

4. For those Customers being billed under a levelized billing plan, the Company will show, at a minimum, the following information on the Customer's monthly bill:
 - a. Actual consumption;
 - b. Amount due for actual consumption;
 - c. Levelized billing amount due; and
 - d. Accumulated variation in actual versus levelized billing amount.
5. The Company may adjust the Customer's levelized billing in the event the Company's estimate of the Customer's usage and/or cost should vary significantly from the Customer's actual usage and/or cost. This review to adjust the amount of the levelized billing may be initiated by the Company or Customer.

H. Deferred Payment Plan

1. The Company may, prior to termination, offer to qualifying residential Customers a deferred payment plan for the Customer to retire unpaid bills for electric service.
2. Each deferred payment agreement entered into by the Company and the Customer, due to the Customer's inability to pay an outstanding bill in full, will provide that service will not be discontinued if:
 - a. Customer agrees to pay a reasonable amount of the outstanding bill at the time the parties enter into the deferred payment agreement.
 - b. Customer agrees to pay all future bills for electric service in accordance with the Company's Pricing Plans.
 - c. Customer agrees to pay a reasonable portion of the remaining outstanding balance in installments over a period not to exceed six (6) months.

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SECTION 11 **BILLING AND COLLECTION** (continued)

3. For the purpose of determining a reasonable installment payment schedule under these rules, the Company and the Customer will give consideration to the following conditions:
 - a. Size of the delinquent account;
 - b. Customer's ability to pay;
 - c. Customer's payment history;
 - d. Length of time the debt has been outstanding;
 - e. Circumstances which resulted in the debt being outstanding; and
 - f. Any other relevant factors related to the circumstances of the Customer.
4. Any Customer who desires to enter into a deferred payment agreement must do so before the Company's scheduled termination date for nonpayment of bills. The Customer's failure to execute a deferred payment agreement prior to the scheduled service termination date will not prevent the Company from terminating service for nonpayment.
5. Deferred payment agreements may be in writing and may be signed by the Customer and an authorized Company representative.
6. A deferred payment agreement may include a finance charge in an amount equal to the Company's actual or average cost of providing such arrangements.
7. If a Customer has not fulfilled the terms of a deferred payment agreement, the Company has the right to disconnect service pursuant to the Company's Termination of Service Rules in Section 12 and, under these circumstances, it will not be required to offer subsequent negotiation of a deferred payment agreement prior to disconnection.

I. Change of Occupancy

1. The Customer must give the Company at least three (3) business days advance notice in writing or by telephone, to discontinue service or to change occupancy.
2. The outgoing Customer will be responsible for all electric services provided and/or consumed up to the scheduled turn-off date.
3. The outgoing Customer is responsible for providing access to the meter so that the Company may obtain a final meter reading.

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SECTION 11 BILLING AND COLLECTION (continued)

J. Electronic Billing

1. Electronic Billing is an optional billing service whereby Customers may elect to receive, view and pay their bills electronically. The Company may modify its Electronic Billing services from time to time. A Customer electing an electronic billing service may receive an electronic bill in lieu of a paper bill.
2. Customers electing an electronic billing service may be required to complete additional forms and agreements.
3. Electronic Billing may be discontinued at any time by Company or the Customer.
4. An Electronic Bill will be considered rendered at the time it is electronically sent to the Customer. Failure to receive bills or notices that have been properly sent by an Electronic Billing system does not prevent these bills from becoming delinquent and does not relieve the Customer of the Customer's obligations therein.
5. Any notices that the Company is required to send to the Customer who has elected an Electronic Billing service may be sent by electronic means at the option of the Company.
6. Except as otherwise provided in this subsection, all other provisions of the Company's Rules and Regulations and other applicable Pricing Plans are applicable to Electronic Billing.
7. The Customer must provide the Company with a current email address for electronic bill delivery. If the electronic bill is electronically sent to the Customer at the email address that the Customer provided to the Company, then the Electronic Bill will be considered properly sent. Further, the Customer will be responsible for updating the Company with any changes to this email address. Failure to do so will not excuse the Customer from timely paying the Company for electric service.

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SECTION 12 TERMINATION OF SERVICE

A. Non-permissible Reasons to Disconnect Service

1. The Company will not disconnect service for any of the reasons stated below:
 - a. Delinquency in payment for services rendered to a prior Customer at the premises where service is being provided, except in the instance where the prior Customer continues to reside on the premises;
 - b. Failure of the Customer to pay for services or equipment which are not regulated by the Commission;
 - c. Nonpayment of a bill related to another class of service;
 - d. Failure to pay for a bill to correct a previous underbilling due to an inaccurate meter or meter failure if the Customer agrees to pay over a reasonable period of time;
 - e. Failure to pay the bill of another Customer as guarantor thereof; or
 - f. Disputed bills where the Customer has complied with the ACC's rules on Customer bill disputes.
2. The Company will not terminate residential service for any of the reasons stated below:
 - a. The Customer can establish through medical documentation that, in the opinion of a licensed medical physician, termination would be especially dangerous to the health of a Customer or permanent resident residing on the Customer's premises;
 - b. Life supporting equipment used in the home that is dependent on electric service for operation of this equipment;
or
 - c. Where weather will be especially dangerous to health as defined herein or as determined by the Commission.
3. Residential service to ill, elderly, or handicapped persons who have an inability to pay will not be terminated until all of the following have been attempted:
 - a. The Customer has been informed of the availability of funds from various government and social assistance agencies of which the Company is aware; and
 - b. A third party previously designated by the Customer has been notified and has not made arrangements to pay the outstanding electric bill.
4. A Customer utilizing the provisions of Subsections 12.A.2. or 12.A.3. above may be required to enter into a deferred payment agreement with the Company within ten (10) days after the scheduled termination date.

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SECTION 12 TERMINATION OF SERVICE (continued)

B. Termination of Service Without Notice

1. Electric service may be disconnected without advance written notice under the following conditions:
 - a. The existence of an obvious safety or health hazard to the consumer, the general population or the Company's personnel or facilities;
 - b. The Company has evidence of meter tampering or fraud; or
 - c. Failure of a Customer to comply with the curtailment procedures imposed by the Company during supply shortages.
2. The Company will not be required to restore service until the conditions that led to the termination have been corrected to the satisfaction of the Company.
3. The Company will maintain a record of all terminations of service without notice for a minimum of one (1) year and will be available for inspection by the Commission.

C. Termination of Service With Notice

1. The Company may disconnect service to any Customer for any reason stated below provided that the Company has met the notice requirements described in Subsection 12.E. below:
 - a. Customer violation of any of the Company's Pricing Plans;
 - b. Failure of the Customer to pay a delinquent bill for electric service;
 - c. Failure of the Customer to meet agreed-upon deferred payment arrangements;
 - d. Failure to meet or maintain the Company's deposit requirements;
 - e. Failure of the Customer to provide the Company reasonable access to its equipment and property;
 - f. NSF Checks or denied EFTs;
 - g. Customer breach of a written contract for service between the Company and Customer;
 - h. When necessary for the Company to comply with an order of any governmental agency having such jurisdiction;
 - i. When a hazard exists that is not imminent, but in the Company's opinion, may cause property damage; or
 - j. Customer facilities that do not comply with Company requirements or specifications.

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SECTION 12 TERMINATION OF SERVICE (continued)

2. The Company will maintain a record of all terminations of service with notice for one (1) year and be available for Commission inspection.
- D. The Company will not be obligated to renotify the Customer of the termination of service, even if the Customer – after receiving the required termination of service notification – has made payment, yet the payment is returned within three (3) to five (5) business days of receipt for any reason. The original notification will apply.
- E. Termination Notice Requirements
1. The Company will not terminate service to any of its Customers without providing advance written notice to the Customer of the Company's intent to disconnect service, except under those conditions specified in Subsection 12.B. where advance written notice is not required.
 2. This advance written notice will contain, at a minimum, the following information:
 - a. The name of the person whose service is to be terminated and the address where service is being rendered.
 - b. The Company's Pricing Plan that was violated and explanation of the violation or the amount of the bill that the Customer has failed to pay in accordance with the payment policy of the Company, if applicable.
 - c. The date on or after which service may be terminated.
 - d. A statement advising the Customer to contact the Company at a specific address or phone number for information regarding any deferred payment or other procedures that the Company may offer or to work out some other mutually agreeable solution to avoid termination of the Customer's service.
 - e. A statement advising the Customer the Company's stated reason(s) for the termination of services may be disputed by contacting the Company at a specific address or phone number, advising the Company of the dispute and making arrangements to discuss the cause for termination with a responsible employee of the Company in advance of the scheduled date of termination. The responsible employee will be empowered to resolve the dispute and the Company will retain the option to terminate service after affording this opportunity for a meeting and concluding that the reasons for termination is just and advising the Customer of his right to file a complaint with the Commission.
 3. Where applicable, a copy of the termination notice will be simultaneously forwarded to designated third parties.

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SECTION 12 TERMINATION OF SERVICE (continued)

F. Timing of Terminations With Notice

1. The Company will give at least a five (5) day advance written notice prior to the termination date.
2. This notice will be considered to be given to the Customer when a copy of the notice is left with the Customer or posted first class in the United States mail, addressed to the Customer's last known address.
3. If, after the period of time allowed by the notice has elapsed and the delinquent account has not been paid nor arrangements made with the Company for payment of the bill – or in the case of a violation of the Company's rules the Customer has not satisfied the Company that this violation has ceased – then the Company may terminate service on or after the day specified in the notice without giving further notice.
4. The Company will have the right (but not the obligation) to remove any or all of its property installed on the Customer's premises upon the termination of service. Upon the termination of service the Company may, without liability for injury or damage, dismantle and remove its line extension facilities within two (2) years after termination of service. The Company will give the Customer thirty (30) days written notice before removing its facilities should the Company decide to do so, or else waive any reestablishment charge within the next one (1) year for the same service to the same Customer at the same location.

G. Landlord/Tenant Rule

1. In situations where service is rendered at an address different from the mailing address of the bill or where the Company knows that a landlord/tenant relationship exists and the landlord is the Customer of the Company, and where the landlord as a Customer would otherwise be subject to disconnection of service, the Company may not disconnect service until the following actions have been taken:
 - a. Where it is feasible to so provide service, the Company, after providing notice as required in these rules, will offer the occupant the opportunity to subscribe for service in his or her own name. If the occupant then declines to so subscribe, the Company may disconnect service pursuant to the rules.
 - b. The Company will not attempt to recover from a tenant or condition service to a tenant, upon the prepayment of any outstanding bills or other charges due upon the outstanding account of the landlord.

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SECTION 13 RECONNECTION OF SERVICE

When service has been discontinued for any of the reasons set forth in these Rules and Regulations, the Company will not be required to restore service until the following conditions have been met by the Customer:

- A. Where service was discontinued without notice:
 - 1. The hazardous condition must be removed and the installation will conform to accepted standards.
 - 2. All bills for service and/or applicable investigative costs due the Company by reason of fraudulent or unauthorized use, diversion or tampering must be paid and a deposit to guarantee the payment of future bills may be required.
 - 3. Required arrangements for service must be made.

- B. Where service was discontinued with notice:
 - 1. The Customer must make arrangements for the payment of all bills and these arrangements must be satisfactory to the Company.
 - 2. The Customer must furnish a satisfactory guarantee to pay all future bills.
 - 3. The Customer must correct any and all violations of these Rules and Regulations.

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SECTION 14 ADMINISTRATIVE AND HEARING REQUIREMENTS

A. Customer Service Complaints

1. The Company will make a full and prompt investigation of all service complaints made by its Customers, either directly or through the Commission.
2. The Company will respond to the complainant and/or the Commission representative within five (5) business days as to the status of the Company's investigation.
3. The Company will notify the complainant and/or the Commission representative of the final disposition of each complaint. Upon request of the complainant or the Commission representative, the Company will report the findings of its investigation in writing.
4. The Company will inform the Customer of his right of appeal to the Commission.
5. The Company will keep a record of all written service complaints received that must contain, at a minimum, the following data:
 - a. Name and address of complainant;
 - b. Date and nature of the complaint;
 - c. Disposition of the complaint; and
 - d. A copy of any correspondence between the Company, the Customer, and/or the Commission.
6. This record will be maintained for a minimum period of one (1) year and will be available for inspection by the Commission.

B. Customer Bill Disputes

1. Any utility Customer who disputes a portion of a bill rendered for electric service must pay the undisputed portion of the bill and notify the Company's designated representative that any unpaid amount is in dispute prior to the delinquent date of the bill.

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SECTION 14 ADMINISTRATIVE AND HEARING REQUIREMENTS (continued)

2. Upon receipt of the Customer notice of dispute, the Company will:
 - a. Notify the Customer within five (5) business days of the receipt of a written dispute notice.
 - b. Initiate a prompt investigation as to the source of the dispute.
 - c. Withhold disconnection of service until the investigation is completed and the Customer is informed of the results.
 - d. Upon request of the Customer, the Company will report the results of the investigation in writing.
 - e. Inform the Customer of his right of appeal to the Commission.
3. Once the Customer has received the results of the Company's investigation, the Customer will submit payment within five (5) business days to the Company for any disputed amounts. Failure to make full payment may be grounds for termination of service.
4. The Company will inform the Customer of his right of appeal to the Commission.

C. Commission resolution of service and bill disputes

1. In the event the Customer and the Company cannot resolve a service or bill dispute the customer must file a written statement of dissatisfaction with the Commission; by submitting this statement to the Commission, the Customer will be deemed to have filed an informal complaint against the Company.
2. Within 30 days of the receipt of a written statement of customer dissatisfaction related to a service or bill dispute, a designated representative of the Commission will endeavor to resolve the dispute by correspondence or telephone with the Company and the Customer. If resolution of the dispute is not achieved within 20 days of the Commission representative's initial effort, the Commission will hold an informal meeting to arbitrate the resolution of the dispute. This informal meeting will be governed by the following rules:
 - a. Each party may be represented by legal counsel, if desired.
 - b. All informal meetings may be recorded or held in the presence of a stenographer.
 - c. All parties will have the opportunity to present written or oral evidentiary material to support the positions of the individual parties.
 - d. All parties and the Commission's representative will be given the opportunity to cross-examine the various parties.
 - e. The Commission's representative will render a written decision to all parties within five business days after the date of the informal meeting. This written decision of the arbitrator is not binding on any of the parties and the parties may still make a formal complaint to the Commission.

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SECTION 14 ADMINISTRATIVE AND HEARING REQUIREMENTS (continued)

3. The Company may implement its termination procedures if the Customer fails to pay all bills rendered during the resolution of the dispute by the Commission.
4. The Company will maintain a record of written statements of dissatisfaction and their resolution for a minimum of one (1) year and make these records available for Commission inspection.

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SECTION 15 TEMPORARY SERVICE OR CYCLICAL USAGE

- A. For electric service of a temporary nature [less than two (2) years], a Secondary Service Charge will be charged as set forth in the Statement of Additional Charges, in addition to the regular charges for service which will be billed under the applicable rate schedule. Emergency, supplementary, breakdown or other standby service is not considered temporary and is subject to the provisions of Section 16. Permanent or semi-permanent businesses whose characteristics of operation result in infrequent cyclical usage of energy (e.g., asphalt batch plants, lettuce cooling plants) will require separate contracts with the Company to assure full recovery of the Company's annual ownership cost on the total facilities installed to provide service to the Applicant.

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**SECTION 16
STANDBY SERVICE**

- A. Emergency, breakdown, supplementary or other standby service will be supplied by the Company at its option only under special contracts specifying the rates, terms and conditions governing such service.

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SECTION 17 POWER FACTOR

- A. The Company may require the Customer by written notice to either maintain a specified minimum lagging power factor or the Company may after thirty (30) days install power factor corrective equipment and bill the Customer for the total costs of this equipment and installation.
- B. In the case of apparatus and devices having low power factor, now in service, which may hereafter be replaced, and all similar equipment hereafter installed or replaced, served under general commercial schedules, the Company may require the Customer to provide, at the Customer's own expense, power factor corrective equipment to increase the power factor of any such devices to not less than ninety (90) percent.
- C. If the Customer installs and owns the capacitors needed to supply his reactive power requirements, then the Customer must equip them with suitable disconnecting switches, so installed that the capacitors will be disconnected from the Company's lines whenever the Customer's load is disconnected from the Company's facilities.
- D. Gaseous tube installations totaling more than one thousand (1,000) volt-amperes must be equipped with capacitors of sufficient rating to maintain a minimum of ninety percent (90%) lagging power factor.
- E. Company installation and removal of metering equipment to measure power factor will be at the discretion of the Company.

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SECTION 18
STATEMENT OF ADDITIONAL CHARGES

Table with 3 columns: Item ID (A-K), Description of charge, and Amount. Items include Service Establishment and Reestablishment (A-E), Line extension charges (F-I), PME (J), and Meter Reread (K).

Deleted: secondary Service Charge
Deleted: 640
Deleted: Line Extension Charges

Deleted: <#>Single-phase charge per foot . \$18.00
<#>Three-phase charge per foot . \$64.50
<#>Additional transformer charge for 500 kVA and under . \$6,956.00
<#>Additional transformer charge over 500 kVA . \$16,275.00
<#>Overhead feeder charge per foot . \$36.00
<#>Underground feeder charge per foot . \$51.00
<#>Additional charge per PME . \$20,500.00

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**SECTION 18
STATEMENT OF ADDITIONAL CHARGES
(continued)**

L.	Meter Field Test	\$144.00
M.	NSF Check	\$10.00
N.	Late Payment Finance Charge	1.5%
O.	Interest on Customer Deposits	One-Year Treasury constant maturities rate

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The total charge of the line extension, as set forth in the Statement of Additional Charges, will be paid by the Customer to cover the Company's costs of construction.

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SECTION 7
LINE EXTENSIONS
(continued)

Underground Installations - Extensions of electric lines necessary to furnish permanent electric service to new residential buildings or mobile homes within a subdivision, in which facilities for electric service have not been constructed, for which applications are made by a developer will be installed underground in accordance with the provisions set forth in this regulation except where it is not feasible from an engineering or operational standpoint. Extensions of underground distribution lines necessary to furnish permanent electric service within a new single family and/or multi-family residential subdivision will be made by the Company in advance of receipt of applications for service by permanent Customers in accordance with the following provisions (unless otherwise agreed to by the Company and the Applicant):

The subdivider or other Applicant will provide at its expense the trenching, conduit, conduit installation, backfilling (including any imported backfill required), compaction, repaving, landscape restoration and any earthwork for pull boxes and transformer pad sites required to install the underground electric system, all in accordance with the specifications of the Company.

Underground service will be installed, owned, operated and maintained as provided in Section 6 of these Rules and Regulations.

The total charge of the line extension, as set forth in the Statement of Additional Charges, will be paid by the Customer to cover the costs of construction.

Underground extensions will be installed, owned, operated and maintained by the Company.

The Applicant will install all of the required underground duct system (including all or a portion of the necessary trenching, backfilling, conduits, ducts, transformer and equipment pads, manholes, and pull boxes) in accordance with the Company's specifications and subject to the Company's inspection and approval. Upon acceptance and approval by the Company, the Applicant will grant to the Company the exclusive right to use and occupy said duct system or, at the option of the Company, will transfer ownership thereof to the Company.

Underground services will be installed, owned, operated and maintained as provided in Section 6 of these Rules and Regulations.

Construction / Facilities Related Income Taxes

Any federal, state or local income taxes resulting from the receipt of a contribution in aid of construction in compliance with this rule is the responsibility of the Company and will be recorded as a deferred tax asset.

However, if the estimated cost of facilities for any line extension exceeds \$500,000, the Company shall require the Applicant to include in the contribution an amount (the "gross up amount") equal to the estimated federal, state or local income tax liability of the Company resulting from the contribution, computed as follows:

$$\text{Gross Up Amount} = \frac{\text{Estimated Construction Cost}}{(1 - \text{Combined Federal-State-Local Income Tax Rate})}$$

After the Company's tax returns are completed, and actual tax liability is known, to the extent that the computed gross up amount exceeds the actual tax liability resulting from the contribution, the Company shall refund to the Applicant an amount equal to such excess, or collect the additional amount from the Applicant. When a gross-up amount is to be obtained in connection with an extension agreement, the contract will state the tax rate used to compute the gross up amount, and will also disclose the gross-up amount separately from the estimated cost of facilities. In subsequent years, as tax depreciation deductions are taken by the Company on its tax returns for the constructed assets with tax bases that have been grossed-up, a refund will be made to the Applicant in an amount equal to the related tax benefit. In lieu of scheduling such refunds over the remaining tax life of the constructed assets, a reduced lump sum refund may be made at the end of five (5) years at the election of either the Company or the Applicant. This lump sum payment shall reflect the net present value of remaining tax depreciation deductions discounted at the Company's authorized rate of return.

Transition Period for Elimination of Free Footage

From the effective date of these Rules and Regulations, there is a six (6) month grace period for Customers, developers and subdividers to execute a line extension agreement or receive approval on a new service application from the Company in order to be eligible for the line extension policy in effect between March 14, 2000 and November 30, 2008. Those new applicants must make provisions for the Company to install and energize the extension and service facilities within eighteen (18) months from the date of their respective agreement and/or application. In addition, all existing approved line extension agreements and service applications will be grandfathered in under the policy in effect from March 14, 2000 to November 30, 2008. Grandfathered Customers must make provisions for the Company to install and energize the extension and service facilities within eighteen (18) months from the effective date of these Rules and Regulations or they will be subject to the new line extension policy.