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5. Updated Attachment "K" which is the Statement of Charges. The updated attachment includes some minor modifications based on discussions with Staff.

This document was attached to the Dukes Settlement Testimony as Exhibit DJD-5.

RESPECTFULLY SUBMITTED this 1<sup>st</sup> day of March 2013.

TUCSON ELECTRIC POWER COMPANY

By 

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**EXHIBIT A**

**TUCSON ELECTRIC POWER COMPANY**

**PROPOSED SETTLEMENT AGREEMENT**

**DOCKET NO. E-01933A-12-0291**

**FEBRUARY 4, 2013**

**(UPDATED MARCH 1, 2013)**

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**PROPOSED SETTLEMENT AGREEMENT OF DOCKET NO.  
E-01933-A-12-0291 TUCSON ELECTRIC POWER COMPANY REQUEST  
FOR RATE ADJUSTMENT**

The purpose of this Settlement Agreement ("Agreement") is to settle disputed issues related to Docket No. E-01933A-12-0291, Tucson Electric Power Company's ("TEP" or "Company") application to increase rates. This Agreement is entered into by the following entities:

Tucson Electric Power Company  
Arizona Corporation Commission Utilities Division ("Staff")  
Residential Utility Consumer Office ("RUCO")  
Southern Arizona Homebuilder's Association ("SAHBA")  
Kroger Co. ("Kroger")  
Freeport-McMoRan Copper & Gold Inc. ("Freeport-McMoRan")  
Arizonans for Electric Choice and Competition ("AECC")  
EnerNOC, Inc. ("EnerNOC")  
IBEW Local 1116 ("IBEW")  
Cynthia Zwick ("Zwick")  
Arizona Investment Council ("AIC")  
Opower, Inc. ("Opower")  
The Vote Solar Initiative ("Vote Solar")  
U.S. Department of Defense and all other Federal Executive Agencies ("DOD")  
Southern Arizona Water Users Association  
Arizona Solar Energy Industries Association  
Solar Energy Industries Association

These entities shall be referred to collectively as "Signatories;" a single entity shall be referred to individually as a "Signatory."

## I. RECITALS

- 1.1 TEP filed the rate application underlying Docket No. E-01933A-12-0291 on July 2, 2012. Staff found the application sufficient on August 2, 2012.
- 1.2 Subsequently, the Arizona Corporation Commission ("Commission") approved applications to intervene filed by SAHBA, Kroger, Freeport-McMoRan and AECC (collectively "AECC"), RUCO, EnerNOC, Arizona Public Service, Southwest Energy Efficiency Project, IBEW, Sierra Club, DOD, Solar Energy Industries Association, AIC, Cynthia Zwick, Opower, Vote Solar, Arizona Solar Energy Industries Association and Southern Arizona Water Users Association (collectively "Parties").
- 1.3 TEP filed a notice of settlement discussions on January 8, 2013. Settlement discussions began on January 15, 2013. The settlement discussions were open, transparent, and inclusive of all Parties to this Docket who desired to participate. All Parties to this Docket were notified of the settlement discussion process, were encouraged to participate in the negotiations, and were provided with an equal opportunity to participate. Staff filed a Preliminary Term Sheet regarding this matter on January 22, 2013, which was discussed in a Special Open Meeting held on January 23, 2013.
- 1.4 The terms of this Agreement are just, reasonable, fair, and in the public interest in that they, among other things, establish just and reasonable rates for TEP customers; promote the convenience, comfort and safety, and the preservation of health, of the employees and patrons of TEP; resolve the issues arising from this Docket; and avoid unnecessary litigation expense and delay.
- 1.5 The Signatories believe that this Agreement balances the interests of both TEP and its customers. These benefits include:
  - a limited first year bill impact for customers (less than \$3.00 per month<sup>1</sup> for a residential customer using the annual average of 767 kilowatt-hour ("kWh") per month) despite the fact that TEP's current rates will have been in effect for almost 5 years at the time the new rates go into effect;
  - a lower percentage rate impact on small commercial customers than the other customer classes;

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<sup>1</sup> This includes the PPFAC and the DSM surcharge but does not include the REST surcharge, taxes or assessments.

- continuing bill assistance for low income customers;
- a proposal that provides rate treatment for investments in energy efficiency in a manner similar to rate treatment for investments in other resources and that reduces the rate impact to the customer;
- an Environmental Compliance Adjustment (“ECA”) mechanism that allows recovery, with a cap, of government-mandated environmental compliance costs in a manner that smooths the rate impact of such compliance;
- a narrowly-tailored Lost Fixed Cost Recovery (“LFCR”) mechanism that supports energy efficiency (“EE”) and distributed generation (“DG”) at any level or pace set by this Commission; and
- a fixed cost LFCR rate option for residential customers preferring to a pay a specified charge for lost fixed costs rather than the variable LFCR.

1.6 The Signatories agree to ask the Commission (1) to find that the terms and conditions of this Agreement are just and reasonable and in the public interest, along with any and all other necessary findings, and (2) to approve the Agreement such that it and the rates contained herein may become effective on July 1, 2013.

## **TERMS AND CONDITIONS**

### **II. RATE INCREASE**

- 2.1 TEP shall receive a non-fuel base rate increase of \$76,194,000 over adjusted test-year retail revenues, reflecting a total non-fuel revenue requirement of \$659,724,574. Attachment A sets forth the adjustments to TEP’s initial request for a non-fuel base rate increase of \$127,760,000 that results in the settlement amount.
- 2.2 TEP’s base fuel rates shall be set to recover a total of \$300,252,951 which is an annual increase of \$31,599,730 over the amount recovered through current base fuel rates. However, as agreed to in this Agreement, the Purchased Power and Fuel Adjustment Clause (“PPFAC”) rate will be reset on the effective date of the new rates, which will reduce the present annual recovery of fuel costs by \$52,750,597.

- 2.3 The Company's jurisdictional fair value rate base used to establish the rates agreed to herein is \$2,268,199,253, representing an average of the original cost rate base of \$1,507,062,648 and the replacement cost new less depreciation rate based of \$3,029,335,858. The Company's total adjusted Test Year revenue requirement is \$959,977,525.

### **III. BILL IMPACT**

- 3.1 Upon the effective date of the new rates, the monthly bill for a residential customer, using the annual average of 767 kWh per month, will increase by less than \$3.00. This overall impact reflects a base rate increase, as well as a reduction in the PPFAC rate and a reduction in the Demand Side Management ("DSM") surcharge resulting from the adoption of the proposed Energy Efficiency Resource Plan.
- 3.2 The percentage revenue allocation resulting from this Agreement among the customer classes is set forth in Attachment B.

### **IV. COST OF CAPITAL**

- 4.1 The actual test year capital structure comprised of 55.97% long term debt, 0.53% short term debt and 43.50% common equity shall be adopted.
- 4.2 A return on common equity of 10.0%, an embedded cost of long-term debt of 5.18% and a cost of short-term debt of 1.42% shall be adopted.
- 4.3 A fair value rate of return of 5.05%, which includes a rate of return on the fair value increment of rate base of 0.68%, shall be adopted.
- 4.4 The provisions set forth herein regarding the quantification of cost of capital, fair value rate base, fair value rate of return, and the revenue requirement are made for purposes of settlement only and should not be construed as admissions against interest or waivers of litigation positions related to other or future cases.

### **V. DEPRECIATION/AMORTIZATION**

- 5.1 The depreciation and amortization rates proposed by TEP and contained in Exhibit REW-1 to Dr. Ron White's Pre-filed Direct Testimony shall be adopted until further order of the Commission.

## **VI. PURCHASED POWER AND FUEL ADJUSTMENT CLAUSE (“PPFAC”)**

- 6.1 The average retail base fuel rate shall be set at \$0.032335 per kWh. This rate reflects a total of \$300,252,951 in annual fuel and purchased power costs. This base rate does not include the PPFAC rate established in this Agreement, which includes a one-time \$3 million credit related to previous sulfur credits and a \$9.7 million deferral of costs related to the San Juan Thermal Event (as described in Section XIV below). Therefore, on the effective date of new rates in this docket, the PPFAC rate will be set at negative \$0.001388 per kWh (i.e., it will be a credit to the customer’s bill).
- 6.2 TEP’s existing PPFAC mechanism will continue with administrative changes, as set forth in the PPFAC Plan of Administration in Attachment C. The PPFAC is modified to include the recovery of the following costs and/or credits: broker fees; lime costs; sulfur credits; and 100% of proceeds from the sale of SO<sub>2</sub> allowances. TEP will continue to recover its base purchased power and fuel costs through base fuel rates as determined by the Commission in this case. TEP will continue to file annually for the reset of the PPFAC and Staff will review the filings for the appropriateness of the forecasts and the numerical accuracy of the filing. Such Staff review does not imply prudence.
- 6.3 The Signatories believe it is in the public interest to defer the next reset of TEP’s PPFAC rate until the effective date of the rates in this docket in order to partially offset the base rate increase. Therefore, TEP will seek expedited Commission authorization to defer TEP’s April 1, 2013 PPFAC rate adjustment until the effective date of new rates in this docket and the Signatories agree to either support or not oppose that motion.

## **VII. ENERGY EFFICIENCY RESOURCE PLAN**

- 7.1 TEP will implement an Energy Efficiency Resource Plan (“Plan”), as proposed by Staff in its Direct Testimony, which is intended to treat energy efficiency similar to a typical generation resource. Under this Plan, TEP will invest (just as TEP does with other conventional energy resources) in cost-effective energy efficiency programs that have been approved by the Commission. After providing documentation that the energy efficiency programs have been effective, TEP will be allowed to recover the cost of its energy efficiency investments, including the rate of return established in this case on those investments, through TEP’s existing DSM adjustor mechanism.
- 7.2 TEP will amortize annual energy efficiency investments under the Plan over five years.

- 7.3 TEP will resume funding programs previously approved by the Commission beginning March 1, 2013, and shall request recovery of such costs through the Plan.
- 7.4 Upon the effective date of the rates in this case, TEP will begin investing in cost-effective DSM/EE programs pursuant to the Plan for the remainder of year 2013 based upon the Commission's approval of the Plan, which includes the programs and the annual budget (approximately \$12 million on a pro rata basis assuming a July 1, 2013 start date) recommended by Staff in Staff's proposed order for TEP's 2011-2012 Energy Efficiency Implementation Plan filed in Docket No. E-01933A-11-0055 on November 16, 2011.
- 7.5 Upon the effective date of the rates in this case, and approval of the Plan, TEP will file a request to close Docket No. E-01933A-11-0055.
- 7.6 Any customer who can demonstrate an active DSM program and whose single site usage is 25 MW or greater may file a petition with the Commission for an exemption from the DSM adjustor and, if approved, will be removed from the Energy Efficiency Standard denominator. The Parties are not required to support any such petition and some Parties may plan to oppose any such petition.
- 7.7 TEP will conduct the Plan pursuant to a Plan of Administration, which is set forth in Attachment D.
- 7.8 Upon adoption of the Plan, the DSM surcharge will be assessed on a per kWh basis for residential customers and on a percentage of bill basis for non-residential customers. The current DSM surcharge for residential customers will be reset from \$0.001249 per kWh to \$0.000443 per kWh upon the effective date of the new rates in this case.
- 7.9 Nothing in the Plan is intended to bind the Commission to any specific EE policy or standard, but merely sets up the method of recovery for investments in EE for any EE policy or standard established by the Commission.

## **VIII. LOST FIXED COST RECOVERY/FIXED RESIDENTIAL RATE OPTION /LARGE CUSTOMER EXCLUSION**

- 8.1 The Signatories support energy efficiency as a low cost energy resource. The Signatories also recognize that, under TEP's current volumetric rate design, the Company recovers a significant portion of its fixed costs of service through kWh sales. Commission rules related to EE and DG require TEP to sell fewer

kWh, which, in turn, prevents the Company from being able to recover a portion of the fixed costs of service embedded in its volumetric rates.

- 8.2 The Signatories also recognize the Commission's interest in directing EE and DG policy. In signing this Agreement, the Signatories intend that an LFCR mechanism with a residential fixed rate option shall be adopted that allows TEP relief from the financial impact of verified lost kWh sales attributable to Commission requirements regarding EE and DG while preserving maximum flexibility for the Commission to adjust EE and DG requirements, either upward or downward, as the Commission may deem appropriate as a matter of policy. Nothing in this Agreement is intended to bind the Commission to any specific EE or DG policy or standard.
- 8.3 The Signatories propose that the Commission approve an LFCR mechanism that is similar to the LFCR approved for other Arizona utilities. The LFCR shall recover a portion of distribution and transmission costs associated with residential, commercial and industrial customers when sales levels are reduced by EE and DG. It shall not recover lost fixed costs attributable to generation and to other potential factors, such as weather or general economic conditions.
- 8.4 The LFCR will have a 1% year-over-year cap. The annual 1% year over year cap is based on total applicable TEP retail revenues (i.e., average bills for customers shall not increase by more than 1%). Any amount in excess of the 1% cap will be deferred for collection consistent with the LFCR Plan of Administration. The amount of the cap level set herein shall be evaluated in TEP's next rate case.
- 8.5 The LFCR mechanism shall not apply to large light & power, water pumping or lighting customers, as delineated in the LFCR Plan of Administration. However, rate design for these customer classes shall be such that they pay their fair share of fixed costs through their monthly minimum and/or demand charge.
- 8.6 Residential customers shall have a fixed LFCR rate option providing the opportunity to elect an optional higher monthly service charge, graduated by kWh monthly usage. That option is attached hereto as Attachment E. The optional monthly service charge will be incorporated into each residential rate schedule to provide customers with the maximum flexibility to choose the fixed LFCR rate option without requiring a shift to a different rate schedule. The purpose of this fixed LFCR rate option is to replicate, on average, the effects of the LFCR.

- 8.7 TEP shall seek stakeholder input regarding the development of a customer outreach program to inform and educate customers about the LFCR and shall implement this outreach program by February 1, 2014.
- 8.8 The LFCR will recover lost fixed cost on a calendar year basis from January 1, 2013 forward and the first LFCR surcharge will not go into effect until July 1, 2014.
- 8.9 The LFCR Plan of Administration is attached hereto as Attachment F.

#### **IX. ENVIRONMENTAL COMPLIANCE ADJUSTOR SURCHARGE**

- 9.1 TEP will implement an Environmental Compliance Adjustor ("ECA") that will recover environmental compliance costs, subject to a cap equal to 0.25 percent of total TEP retail revenue. TEP will be held responsible for demonstrating that the environmental controls were government-mandated and represented a reasonable and prudent option available to TEP at the time sufficient to meet the environmental requirement. The ECA Plan of Administration is set forth as Attachment G.

#### **X. SPRINGERVILLE UNIT 1**

- 10.1 TEP shall file a report with the Commission no later than July 31, 2014, addressing the status of the Springerville Generating Station ("SGS") lease agreements and the estimated change in TEP's non-fuel revenue requirement at the conclusion of each primary lease term. Specifically, TEP commits to reporting on the following matters:

- The details concerning any commitments made by TEP to purchase SGS Unit 1, or any agreements entered into by TEP to otherwise retain capacity rights to SGS Unit 1, after the end of the primary lease term in January 2015;
- The details concerning any commitments made by TEP to purchase replacement generating resources, or any purchased power agreements entered into by TEP for replacement power, if TEP elects not to purchase or otherwise retain capacity rights to SGS Unit 1 after the end of the primary lease term in January 2015;
- The details concerning any commitments made by TEP to purchase the SGS Coal Handling Facilities, or any agreements

entered into by TEP to extend the Coal Handling Facilities lease term, after the end of the primary lease term in April 2015; and

- The estimated non-fuel revenue requirement associated with each of the commitments described above, including the proposed rate treatment of any remaining balance of SGS leasehold improvements.

10.2 Based on the information in the above reporting, the Commission, on its own motion or a recommendation of a Signatory in this case, may require TEP to explain why the Commission should not conduct a proceeding to have TEP's rates reduced accordingly.

## **XI. PROCUREMENT**

11.1 TEP agrees to adopt Staff's proposed modifications to the Company's energy procurement program discussed in the Direct Testimony of Emily Medine, except for the Risk Manager recommendation. The adopted modifications are set forth in Attachment H.

## **XII. LOW INCOME PROGRAMS**

12.1 TEP will limit a typical Lifeline customer's increase to an amount that is generally reflective of the average monthly dollar increase of a standard R-01 customer. The anticipated bill impacts for Lifeline customers are set forth in Attachment I.

12.2 The PPFAC rate and DSM surcharge shall apply to Lifeline customers, and the currently frozen rates shall no longer be portable.

12.3 In compliance with Decision No. 59594 (March 29, 1996), TEP set up a LIFE Fund of \$4.5 million. The annual interest from the LIFE Fund was used for the benefit of low-income customers. The Signatories agree that the LIFE Fund should be extinguished and that TEP will make an annual contribution to the Arizona Community Action Association in the amount of \$150,000 to fund low-income utility bill assistance programs, commencing on September 1, 2013.

## **XIII. NOGALES TRANSMISSION LINE**

13.1 TEP agrees that, before requesting any rate recovery from the Commission for the cost related to the development of the transmission line between Tucson and Nogales, it will seek recovery of those costs from the Federal Energy

Regulatory Commission (“FERC”). Nothing herein shall preclude Parties from challenging before FERC or the Commission the inclusion of this cost in rates.

#### **XIV. SAN JUAN THERMAL EVENT**

14.1 TEP agrees to maintain a separate accounting of all direct costs related to the thermal event at the San Juan mine and that such cost recovery, with the exception of TEP’s share of the insurance deductible, be deferred until the insurance settlement has been completed. The estimate of deferred costs is \$9.7 million. TEP shall then be eligible to put through all costs in excess of the insurance recovery subject to the standard prudence determination of all fuel costs recovered through the PPFAC. This accounting and regulatory treatment is not intended to set a precedent for future events.

#### **XV. RATE DESIGN**

15.1 In addition to the provisions affecting rate design set forth in this Agreement above, rate design shall be addressed as set forth in Attachment J.

15.2 The rate design portion of this Agreement shall remain open until July 1, 2014, to allow for the possible adjustment of specific tariffs to correct for unanticipated customer rate impacts that are determined to be inconsistent with the public interest. Any tariff changes will not have the effect, in the aggregate, of reducing TEP’s non-fuel revenue requirement.

#### **XVI. RULES AND REGULATIONS**

16.1 TEP’s revised Rules and Regulations shall be as agreed to between the Company and Staff. The final version of the Rules and Regulations will be attached to the Company’s testimony in support of the Agreement.

#### **XVII. GREENWATTS TARIFF AND STATEMENT OF CHARGES**

17.1 TEP’s GreenWatts tariff is eliminated.

17.2 TEP’s revised Statement of Charges is set forth in Attachment K.

#### **XVIII. QUALITY OF SERVICE**

18.1 TEP agrees to: (i) continue to evaluate TEP’s reliability on the basis of the distribution indices being maintained at present levels and (ii) initiate a study within 180 days of the effective date of the approval of this Agreement to examine potential loss reductions and the costs required to convert 4.16 kV circuits to 13.8 kV.

- 18.2 TEP agrees to meet with Staff within 180 days of the effective date of the approval of this Agreement to address: (i) potentially increasing the pace of upgrading critical circuits in need of preventative maintenance; (ii) establishing a routine of periodic load-flow analysis of its system and confirming the accuracy of utilized model; and (iii) equip feeder circuits with meters or other equipment so that power information can be relayed to Energy Management Service (“EMS”) through Supervisory Control and Data Acquisition (“SCADA”) to determine losses on a circuit-by-circuit basis.

## **XIX. COMPLIANCE MATTERS**

- 19.1 TEP’s request for elimination of reporting requirements, as set forth in the Direct Testimony of Craig A. Jones at pages 76-81, shall be approved with the exception of: (i) the reporting requirements under the Commission’s Retail Electric Competition Rules (A.A.C. R14-2-1601 et seq.) and (ii) the Cost Containment Report pursuant to Decision No. 59594 (March 29, 1996). The reporting requirements that are eliminated or modified are set forth in Attachment L.

## **XX. ADDITIONAL SETTLEMENT PROVISIONS**

- 20.1 With respect to the retail space (approximately 12,000 square feet) at the Company’s headquarters building, TEP will in its next rate case propose to treat the retail space in a similar manner as set forth in Attachment A.
- 20.2 Net Operating Losses: Within 60 days following the final decision in Docket No. E-01933A-12-0291, TEP will make a filing proposing the Commission open a generic docket to address the appropriate accounting treatment of Net Operating Losses (NOLs) in future rate cases.
- 20.3 Depreciation Reserves: In recognition of RUCO’s excess depreciation concerns, TEP agrees to the following: (a) If TEP makes any filing with the Commission related to the early retirement of any production asset, TEP will propose that any then-existing excess depreciation reserve for Production Plant will be applied to the unrecovered book value of the retiring asset and (b) TEP will propose in its next rate case that the remaining excess Production Plant depreciation, if any, after the application to the aforementioned early asset retirement will be amortized over 15 years.
- 20.4 Capital Expenditures for Distribution Plant: TEP agrees to meet with RUCO and Staff once a year for the next 3 years to discuss TEP’s capital expenditures, planning horizons, and related planning (reconciled with TEP’s IRP) for the

upcoming year. TEP will provide the capital expenditure details and supporting information at least one week prior to the scheduled meeting.

- 20.5 As a compliance item, TEP agrees that it will file in this docket by August 30, 2013 a proposed tariff for interruptible rates. Staff agrees that it will review the filing and docket a Staff Report and Proposed Order for the consideration of the Commission by December 31, 2013.
- 20.6 In its next general rate case, TEP agrees to propose a rate for customers that take service at 138 kV or higher.

## **XXI. COMMISSION EVALUATION OF PROPOSED SETTLEMENT**

- 21.1 All currently filed testimony and exhibits shall be offered into the Commission's record as evidence.
- 21.2 The Signatories recognize that Staff does not have the power to bind the Commission. For purposes of proposing a settlement agreement, Staff acts in the same manner as any party to a Commission proceeding.
- 21.3 This Agreement shall serve as a procedural device by which the Signatories will submit their proposed settlement of TEP's pending rate case, Docket No. E-01933A-12-0291, to the Commission.
- 21.4 The Signatories recognize that the Commission will independently consider and evaluate the terms of this Agreement. If the Commission issues an order adopting all material terms of this Agreement, such action shall constitute Commission approval of the Agreement. Thereafter, the Signatories shall abide by the terms as approved by the Commission.
- 21.5 If the Commission fails to issue an order adopting all material terms of this Agreement, any or all of the Signatories may withdraw from this Agreement, and such Signatory or Signatories may pursue without prejudice their respective remedies at law. For purposes of this Agreement, whether a term is material shall be left to the discretion of the Signatory choosing to withdraw from the Agreement. If a Signatory withdraws from the Agreement pursuant to this paragraph and files an application for rehearing, the other Signatories, except for Staff, shall support the application for rehearing by filing a document with the Commission that supports approval of the Agreement in its entirety. Staff shall not be obligated to file any document or take any position regarding the withdrawing Signatory's application for rehearing.

## **XXII. MISCELLANEOUS PROVISIONS**

- 22.1 This case has attracted a large number of participants with widely diverse interests. To achieve consensus for settlement, many participants are accepting positions that, in any other circumstances, they would be unwilling to accept. They are doing so because this Agreement, as a whole, is consistent with their long-term interests and with the broad public interest. The acceptance by any Signatory of a specific element of this Agreement shall not be considered as precedent for acceptance of that element in any other context.
- 22.2 No Signatory is bound by any position asserted in negotiations, except as expressly stated in this Agreement. No Signatory shall offer evidence of conduct or statements made in the course of negotiating this Agreement before this Commission, any other regulatory agency, or any court.
- 22.3 Neither this Agreement nor any of the positions taken in this Agreement by any of the Signatories may be referred to, cited, and/or relied upon as precedent in any proceeding before the Commission, any other regulatory agency, or any court for any purpose except to secure approval of this Agreement and enforce its terms.
- 22.4 To the extent any provision of this Agreement is inconsistent with any existing Commission order, rule, or regulation, this Agreement shall control.
- 22.5 Each of the terms of this Agreement is in consideration of all other terms of this Agreement. Accordingly, the terms are not severable.
- 22.6 The Signatories shall make reasonable and good faith efforts necessary to obtain a Commission order approving this Agreement. The Signatories shall support and defend this Agreement before the Commission. Subject to Paragraph 21.5 above, if the Commission adopts an order approving all material terms of the Agreement, the Signatories will support and defend the Commission's order before any court or regulatory agency in which it may be at issue.

22.7 This Agreement may be executed in any number of counterparts and by each Signatory on separate counterparts, each of which when so executed and delivered shall be deemed an original and all of which taken together shall constitute one and the same instrument. This Agreement may also be executed electronically or by facsimile.

ARIZONA CORPORATION COMMISSION  
UTILITIES DIVISION STAFF

By \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

TUCSON ELECTRIC POWER COMPANY

By \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

22.7 This Agreement may be executed in any number of counterparts and by each Signatory on separate counterparts, each of which when so executed and delivered shall be deemed an original and all of which taken together shall constitute one and the same instrument. This Agreement may also be executed electronically or by facsimile.

ARIZONA CORPORATION COMMISSION  
UTILITIES DIVISION STAFF

By   
Title Utilities Review Director  
Date 2-4-13

TUCSON ELECTRIC POWER COMPANY

By   
Title President  
Date February 4, 2013

Signatory to February 4, 2013 Tucson Electric Power Company Settlement Agreement

Docket No. E-01933A-12-0291

Residential Utility Consumer Office

By  \_\_\_\_\_

Title Director RUCO \_\_\_\_\_

Date 2/4/2013 \_\_\_\_\_

Signatory to February 4, 2013 Tucson Electric Power Company Settlement Agreement

Docket No. E-01933A-12-0291

David Godlewski

Southern Arizona Home Builders Association

By 

Title President

Date 1/4/13

Signatory to February 4, 2013 Tucson Electric Power Company Settlement Agreement

Docket No. E-01933A-12-0291

KROGER CO.

By K. Beck

Title Attorney

Date 2-4-13

Signatory to February 4, 2013 Tucson Electric Power Company Settlement Agreement

Docket No. E-01933A-12-0291

Freeport-McMoRan Copper & Gold Inc.

By



C. Webb Crockett  
Patrick J. Black  
Fennemore Craig, P.C.

Title Attorneys for Freeport-McMoRan Copper & Gold Inc.

Date February 4, 2013

Signatory to February 4, 2013 Tucson Electric Power Company Settlement Agreement

Docket No. E-01933A-12-0291

Arizonans for Electric Choice and Competition

By 

C. Webb Crockett  
Patrick J. Black  
Fennemore Craig, P.C.

Title Attorneys for Arizonans for Electric Choice and Competition

Date February 4, 2013

Signatory to February 4, 2013 Tucson Electric Power Company Settlement Agreement

Docket No. E-01933A-12-0291

[PARTY NAME]

By Mona Tierney Lloyd  
Title Director, Reg Affairs, EVERTE  
Date 2-4-13

Signatory to February 4, 2013 Tucson Electric Power Company Settlement Agreement

Docket No. E-01933A-12-0291

IBEW LOCAL 1116

By *Francisco J. Grijalva*

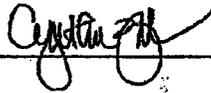
Title Attorney for IBEW *(on behalf of Frankie Grijalva, Business Manager)*

Date 2/4/13

Signatory to February 4, 2013 Tucson Electric Power Company Settlement Agreement

Docket No. E-01933A-12-0291

Cynthia Zwick

By 

Title \_\_\_\_\_

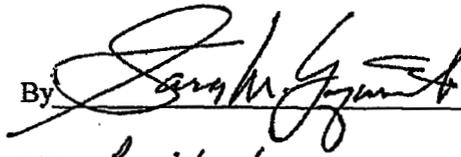
Date FEBRUARY 4, 2013

Signatory to February 4, 2013 Tucson Electric Power Company Settlement Agreement

Docket No. E-01933A-12-0291

ARIZONA INVESTMENT COUNCIL

By



Title

President

Date

2/4/2013

Signatory to February 4, 2013 Tucson Electric Power Company Settlement Agreement

Docket No. E-01933A-12-0291

[Opower Inc.]

By



Title

ATTORNEY

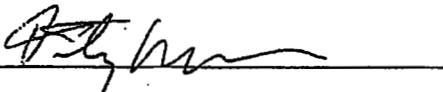
Date

2-4-13

Signatory to February 4, 2013 Tucson Electric Power Company Settlement Agreement

Docket No. E-01933A-12-0291

The Vote Solar Initiative

By 

Title Attorney for VSI

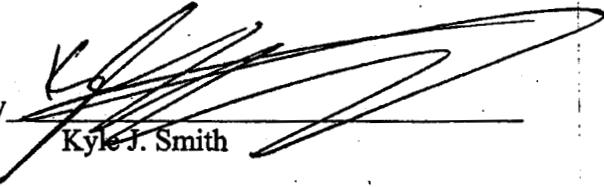
Date Feb. 4, 2013

Signatory to February 4, 2013 Tucson Electric Power Company Settlement Agreement

Docket No. E-01933A-12-0291

United States Department of Defense and all other  
Federal Executive Agencies

By

A large, stylized handwritten signature in black ink, appearing to read 'Kyle J. Smith', is written over a horizontal line.

Kyle J. Smith

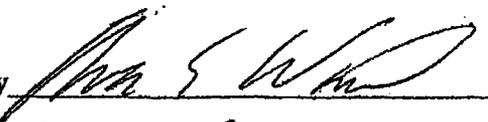
Title General Attorney

Date February 5, 2013

Signatory to February 4, 2013 Tucson Electric Power Company Settlement Agreement

Docket No. E-01933A-12-0291

[Southern Arizona Water Users Association]

By 

Title Board President

Date 2-4-13

Signatory to February 4, 2013 Tucson Electric Power Company Settlement Agreement

Docket No. E-01933A-12-0291

Arizona Solar Energy Industries Association

By M. A. May  
Title Executive Director  
Date 2-12-13

Signatory to February 4, 2013 Tucson Electric Power Company Settlement Agreement

Docket No. E-01933A-12-0291

Solar Energy Industries Association

By 

Title Senior Vice President

Date February 13, 2013

# ATTACHMENT

"A"



**TUCSON ELECTRIC POWER COMPANY  
COMPARISON OF ADJUSTMENTS TO ACC JURISDICTIONAL REVENUE REQUIREMENT  
TEST YEAR ENDED DECEMBER 31, 2011**

	As Filed TEP 6/30/12 \$257,751,277	Settlement 2/4/13 \$257,751,277	Summary
Original Operating Income - Unadjusted			
<b>Operating Revenue Adjustments</b>			
State Energy Program	(1,254,299)	(1,254,299)	The Settling Parties agree to this adjustment for purposes of settlement and that the adjustment be reflected in rates in this proceeding.
REST & DSM	(46,633,198)	(46,633,198)	The Settling Parties agree to this adjustment for purposes of settlement and that the adjustment be reflected in rates in this proceeding.
Green Waits	(81,180)	(81,180)	The Settling Parties agree to this adjustment for purposes of settlement and that the adjustment be reflected in rates in this proceeding.
Springerville Unit 3 & 4	(87,568,386)	(80,607,382)	For purposes of settlement and to be reflected in rates the parties agree to adjust the reimbursement of operating expenses to 100%.
Power Supply Management	(641,665)	(641,665)	The Settling Parties agree to this adjustment for purposes of settlement and that the adjustment be reflected in rates in this proceeding.
Customer and Weather Adjustment	(7,922,107)	(7,922,107)	The Settling Parties agree to this adjustment for purposes of settlement and that the adjustment be reflected in rates in this proceeding.
PPFAC Adjustment	(12,436,902)	(12,176,849)	For purposes of settlement and to be reflected in rates, the Settling Parties agree to adjustments to reflect the current PPFAC rate.
Service Fees & Late Fees	1,109,816	1,109,816	The Settling Parties agree to this adjustment for purposes of settlement and that the adjustment be reflected in rates in this proceeding.
Customer Care & Billing (CC&B) Allocation	717,619	717,619	The Settling Parties agree to this adjustment for purposes of settlement and that the adjustment be reflected in rates in this proceeding.
People Soft Allocation	(64,566)	(64,566)	The Settling Parties agree to this adjustment for purposes of settlement and that the adjustment be reflected in rates in this proceeding.
Building Allocation to Affiliates	506,224	506,224	The Settling Parties agree to this adjustment for purposes of settlement and that the adjustment be reflected in rates in this proceeding.
Sulfur Credit		(5,076,000)	The Settling Parties agree to this adjustment for purposes of settlement and that the adjustment that reflect lime expense and sulfur credits as PPFAC includable costs.
Lime Expense		12,879,613	For purposes of settlement and to be reflected in rates in this proceeding, the Settling Parties agree to reflect lime expense and sulfur credits as PPFAC includable costs.
Headquarter Return Offset		2,389,000	For purposes of settlement and to be reflected in rates, the Settling Parties agree to adjustments that include a reduction to TEP's cost of service producing a return "on" its new office building at TEP's cost of debt.
Headquarter Retail Space Rent		250,000	For purposes of settlement and to be reflected in rates in this proceeding, the Settling Parties have agreed to assume a rent equivalent to \$20.83/square foot on 12,000 square feet of retail space.
Total Adjustments to Operating Revenues	(\$154,268,644)	(\$136,604,974)	[Market equivalent \$12-\$15 per square foot]

TUCSON ELECTRIC POWER COMPANY			
COMPARISON OF ADJUSTMENTS TO ACC JURISDICTIONAL REVENUE REQUIREMENT			
TEST YEAR ENDED DECEMBER 31, 2011			
	As Filed TEP 6/30/12	Settlement 2/4/13	Summary
<b>Operating Expense Adjustments</b>			
Implementation Cost Regulatory Asset	(3,553,210)	(3,553,210)	The Settling Parties agree to this adjustment for purposes of settlement and that the adjustment be reflected in rates in this proceeding.
State Energy Program	(1,253,688)	(1,253,688)	The Settling Parties agree to this adjustment for purposes of settlement and that the adjustment be reflected in rates in this proceeding.
REST & DSM	(34,129,577)	(34,129,577)	The Settling Parties agree to this adjustment for purposes of settlement and that the adjustment be reflected in rates in this proceeding.
Green Walls	(28,094)	(28,094)	The Settling Parties agree to this adjustment for purposes of settlement and that the adjustment be reflected in rates in this proceeding.
Springerville Units 3 & 4	(66,126,339)	(66,126,339)	The Settling Parties agree to this adjustment for purposes of settlement and that the adjustment be reflected in rates in this proceeding.
Revenue form Sale of S02 Allowances	1,212	1,212	The Settling Parties agree to this adjustment for purposes of settlement and that the adjustment be reflected in rates in this proceeding.
Sales for Resale	(128,262,147)	(128,262,147)	The Settling Parties agree to this adjustment for purposes of settlement and that the adjustment be reflected in rates in this proceeding.
Power Supply Management	(217,252)	(217,252)	The Settling Parties agree to this adjustment for purposes of settlement and that the adjustment be reflected in rates in this proceeding.
PPFAC Adjustment	168,304,294	168,564,347	For purposes of settlement and to be reflected in rates in this proceeding, the Settling Parties agree that recovery will be pursued at the Federal Energy Regulatory Commission.
Sahuarita - Nogales Tran Line Amortization	2,982,638	-	The Settling Parties agree to this adjustment for purposes of settlement and that the adjustment be reflected in rates in this proceeding.
Generating Facilities - Operating Lease	(3,148,432)	(3,148,432)	The Settling Parties agree to this adjustment for purposes of settlement and that the adjustment be reflected in rates in this proceeding.
Springerville Unit 1	41,014,390	41,000,514	The Settling Parties agree to this adjustment for purposes of settlement and that the adjustment be reflected in rates in this proceeding.
Overhaul & Outage Normalization	1,191,868	(1,322,100)	The Settling Parties agree to this adjustment for purposes of settlement and that the adjustment be reflected in rates in this proceeding.
Payroll Expense	2,898,605	2,898,605	The Settling Parties agree to this adjustment for purposes of settlement and that the adjustment be reflected in rates in this proceeding.
Payroll Tax Expense	193,390	193,390	The Settling Parties agree to this adjustment for purposes of settlement and that the adjustment be reflected in rates in this proceeding.
Pension & Benefits	200,143	200,143	The Settling Parties agree to this adjustment for purposes of settlement and that the adjustment be reflected in rates in this proceeding.
Retiree Medical	1,235,251	1,235,251	The Settling Parties agree to this adjustment for purposes of settlement and that the adjustment be reflected in rates in this proceeding.
Incentive Compensation	2,014,330	(80,108)	The Settling Parties agree to this adjustment for purposes of settlement and that the adjustment be reflected in rates in this proceeding.
Rate Case Expense	192,187	(25,998)	The Settling Parties agree to this adjustment for purposes of settlement and that the adjustment be reflected in rates in this proceeding.
Injuries and Damages	599,268	599,268	The Settling Parties agree to this adjustment for purposes of settlement and that the adjustment be reflected in rates in this proceeding.

**TUCSON ELECTRIC POWER COMPANY  
COMPARISON OF ADJUSTMENTS TO ACC JURISDICTIONAL REVENUE REQUIREMENT  
TEST YEAR ENDED DECEMBER 31, 2011**

	As Filed TEP 6/30/12	Settlement 2/4/13	Summary
Membership Dues	(79,913)	(191,016)	The Settling Parties agree to this adjustment for purposes of settlement and that the adjustment be reflected in rates in this proceeding.
Bad Debt Expense	639,648	639,648	The Settling Parties agree to this adjustment for purposes of settlement and that the adjustment be reflected in rates in this proceeding.
CC&B Allocation	1,217,949	1,217,949	The Settling Parties agree to this adjustment for purposes of settlement and that the adjustment be reflected in rates in this proceeding.
People Soft Allocation	(187,570)	(187,570)	The Settling Parties agree to this adjustment for purposes of settlement and that the adjustment be reflected in rates in this proceeding.
Depr. & Amort. Expense Annualization	(3,197,238)	(3,197,238)	The Settling Parties agree to this adjustment for purposes of settlement and that the adjustment be reflected in rates in this proceeding.
Non-Recurring	(1,492,550)	(1,492,550)	The Settling Parties agree to this adjustment for purposes of settlement and that the adjustment be reflected in rates in this proceeding.
Property Tax	2,305,832	848,741	The Settling Parties agree to this adjustment for purposes of settlement and that the adjustment be reflected in rates in this proceeding.
Asset Retirement Obligation	(299,189)	(299,189)	The Settling Parties agree to this adjustment for purposes of settlement and that the adjustment be reflected in rates in this proceeding.
Building Expense Annualization	286,055	286,055	The Settling Parties agree to this adjustment for purposes of settlement and that the adjustment be reflected in rates in this proceeding.
Lime Expense	1,246,043	1,246,043	The net Lime expense and sulfur credit amount in O&M were offset and reflected as PPFAC includable costs.
Credit Support		21,000	The Settling Parties agree to this adjustment for purposes of settlement and that the adjustment be reflected in rates in this proceeding.
Post Test Year Depreciation		1,520,175	The Settling Parties agree to this adjustment for purposes of settlement and that the adjustment be reflected in rates in this proceeding.
Income Tax	(23,564,462)	(14,198,335)	The Settling Parties agree to this adjustment for purposes of settlement and that the adjustment be reflected in rates in this proceeding.
OATT	90,028,056	90,028,056	The Settling Parties agree to this adjustment for purposes of settlement and that the adjustment be reflected in rates in this proceeding.
Directors and Officers Liability Insurance		(289,320)	The Settling Parties agree to this adjustment for purposes of settlement and that the adjustment be reflected in rates in this proceeding.
Day Nile / General Corporate Advertising	\$51,011,498	(13,061)	The Settling Parties agree to this adjustment for purposes of settlement and that the adjustment be reflected in rates in this proceeding.
Total Adjustments to Operating Expense		\$52,485,173	
	(\$205,280,142)	(\$189,090,147)	
Total Net Adjustments		\$68,661,130	
Adjusted Operating Income	\$52,471,135	\$52,471,135	
Operating Income Deficiency	\$77,012,393	\$45,927,347	
Gross Revenue Conversion Factor	1.6580	1.6590	
Increase in Gross Revenue Requirement	\$127,760,018	\$76,184,257	



# ATTACHMENT

"B"

Tucson Electric Power Company  
 Test Period Ending December 31, 2011  
 Revenue Allocation - Test Year Adjusted  
 Attachment B

Line No.	Description	Total Adjusted TY Revenues	Total Fuel Revenue Increase	Total Non-Fuel Revenue Increase	Total Proposed Revenues	Percent Allocated
1	Residential	\$363,572,522	\$11,968,386	\$36,283,601	\$411,824,508	13.3%
2	Small General Service	223,685,672	9,960,816	17,646,762	251,293,250	12.3%
3	Water Pumping	7,355,490	481,929	554,386	8,391,806	14.1%
4	Large General Service	100,687,806	4,369,445	9,861,330	114,918,581	14.1%
5	Large Light and Power	114,163,922	4,502,721	11,608,894	130,275,537	14.1%
6	Lighting	3,936,000	316,595	239,336	4,491,931	14.1%
7	Subtotal	<u>\$813,401,411</u>	<u>\$31,599,892</u>	<u>\$76,194,310</u>	<u>\$921,195,613</u>	<u>13.3%</u>

# ATTACHMENT

"C"

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**Tucson Electric Power Company  
Purchased Power and Fuel Adjustment Clause  
Plan of Administration**

**Table of Contents**

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## 1. GENERAL DESCRIPTION

This document describes the plan for administering the Purchased Power and Fuel Adjustment Clause ("PPFAC") the Arizona Corporation Commission ("Commission") approved for Tucson Electric Power Company ("TEP") in Decision No. 70628 (December 1, 2008) and amended by the Commission in Decision No. XXXXX (date). ~~The PPFAC provides for the recovery of fuel and purchased power costs from the date of Decision No. XXXXX that decision forward.~~

The PPFAC described in this Plan of Administration ("POA") uses a forward-looking estimate of fuel and purchased power costs to set a rate that is then reconciled to actual costs experienced. This POA describes the application of the PPFAC.

## 2. DEFINITIONS

Applicable Interest - Based on one-year Nominal Treasury Constant Maturities rate contained in the Federal Reserve Statistical Release H-15. The interest rate is adjusted annually on the first business day of the calendar year.

Base Cost of Fuel and Purchased Power - An amount generally expressed as a rate per kWh, which reflects the fuel and purchased power cost embedded in the base rates as approved by the Commission in TEP's most recent rate case. The Base Cost of Fuel and Purchased Power revenue is the approved rate per kWh times the applicable sales volumes. Decision No. 70628 XXXXX set the base cost at \$0.032335 per kWh ~~at \$0.02896 per kWh effective on December 1, 2008~~[date].

~~Fixed CTC True Up Revenues - The incremental revenue that was collected as a result of retaining the Fixed CTC in place and maintaining Standard Offer rates, pursuant to Decision No. 69568.~~

Brokerage Fees - The costs attributable to the use of brokers recorded in Federal Energy Regulatory Commission ("FERC") Account 557.

Forward Component - An amount expressed as a rate per kWh charge that is updated annually on April 1 of each year and effective with the first billing cycle in April. The Forward Component for the PPFAC Year will adjust for the difference between the forecasted fuel and purchased power costs expressed as a rate per kWh less the Base Cost of Fuel and Purchase Power generally expressed as a rate per kWh embedded in TEP's base rates. The result of this calculation will equal the Forward Component, expressed as a rate per kWh.

Forward Component Tracking Account - An account that records on a monthly basis TEP's over/under-recovery of its actual costs of fuel and purchased power as compared to the actual Base Cost of Fuel and Purchased Power revenue and Forward Component revenue; plus Applicable Interest. The balance of this account as of the end of each PPFAC Year is, subject to periodic audit, reflected in the next True-Up Component calculation. TEP files the balances and supporting details underlying this Account with the Commission on a monthly basis via a monthly reporting requirement.

Fuel and Purchased Power Costs - The costs recorded for the fuel and purchased power used by TEP to serve both Total Native Load Energy Sales and Short Term Sales, less the costs associated with ~~Mark to Market Accounting adjustments~~. Wheeling costs are included. ~~Broker's fees and other expenses TEP records in Account 557 are not included.~~

Lime Costs (FERC Account 502) - The costs recorded for lime used to remove sulfur compounds formed during coal combustion.

Long Term Energy Sales - The portion of load from Total Native Load Energy Sales wholesale customers (currently Salt River Project, Tohono O'odham Utility Authority and Navajo Tribal Utility Authority) that is served by TEP, excluding the load served with Preference Power. Wholesale sales with a duration of one year or greater are also included.

~~Mark to Market Accounting~~ - ~~Recording the value of qualifying commodity contracts to reflect their current market value relative to their actual cost.~~

PPFAC - The Purchased Power and Fuel Adjustment Clause approved by the Commission in Decision No. 70628 and amended by the Commission in Decision No. ~~XXXXXX~~, which is a combination of two rate components that track changes in the cost of obtaining power supplies based upon forward-looking estimates of fuel and purchased power costs that are eventually reconciled to actual costs experienced. This PPFAC also provides for a reconciliation between actual and estimated costs of the last three months of estimated costs used in True-Up Component calculations.

PPFAC Year - A consecutive 12-month period beginning each April 1 and lasting through March 31 the following year. ~~The initial term of the PPFAC will begin on the effective date of the Commission decision in this proceeding (Decision No. 70628) and end on March 31, 2009. The first full year of the PPFAC will begin on April 1, 2009 and end on March 31, 2010. The first True Up Component will include costs and revenues from January 1, 2009 through March 31, 2009.~~

Preference Power - Power allocated to TEP wholesale customers by federal power agencies such as the Western Area Power Administration.

Retail Native Load Energy Sales - The portion of load from Total Native Load Energy Sales that serves TEP's retail customers that is served by TEP and located within the TEP control area.

Short Term Sales - Wholesale sales with for durations of less than one year made to non-Native Load customers for the purpose of optimizing the TEP system, using TEP owned or contracted generation and purchased power, ~~less Mark to Market Accounting adjustments.~~

Short Term Sales Revenue - The revenue recorded from wholesale sales with durations of less than one year made to non-Native Load customers, for the purpose of optimizing the TEP

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system, using TEP-owned or contracted generation and purchased power, ~~less Mark to Market Accounting adjustments.~~

SO<sub>2</sub> Allowance Sales – The revenues related to the sale of SO<sub>2</sub> emission allowances, including gain on SO<sub>2</sub> allowance sales and auction proceeds net of Brokerage Fees ~~Commissions~~ paid.

Sulfur Credits – Credits received by TEP related to coal sulfur content that offset the cost of chemicals used to remove sulfur compounds formed during coal combustion.

Total Native Load Energy Sales – Retail Native Load Energy Sales and Long Term Energy Sales for which TEP has a generation service obligation.

True-Up Component - An amount expressed as a rate per kWh charge that is updated annually on April 1 of each year and effective with the first billing cycle in April. The purpose of this charge is to provide for a true-up mechanism to reconcile any over or under-recovered amounts from the preceding PPFAC Year tracking account balances to be refunded/collected from customers in the coming year's PPFAC rate. ~~The first True-Up Component will include costs and revenues from January 1, 2009 through March 31, 2009.~~

True-Up Component Tracking Account - An account that records on a monthly basis the account balance to be collected or refunded via the True-Up Component rate as compared to the actual True-Up Component revenues, plus Applicable Interest; the balance of which at the close of the preceding PPFAC Year is, subject to periodic audit, then reflected in the next True-Up Component calculation. TEP files the balances and supporting details underlying this Account with the Commission on a monthly basis.

Wheeling Costs (FERC Account 565, Transmission of Electricity by Others) - Amounts payable to others for the transmission of TEP's electricity over transmission facilities owned by others.

Wholesale Trading Activity – Revenue recorded from realized wholesale trading profits.

### **3. PPFAC COMPONENTS**

The PPFAC Rate will consist of two components designed to provide for the recovery of actual, prudently incurred fuel and purchased power costs. Those components are:

1. The Forward Component, which recovers or refunds differences between expected PPFAC Year (each April 1 through March 31 period shall constitute a PPFAC Year) fuel and purchased power costs and those embedded in base rates.
2. The True-Up Component, which tracks the differences between the PPFAC Year's actual fuel and purchased power costs and those costs recovered through the combination of base rates and the Forward Component, and which provides for their recovery during the next PPFAC Year.

The PPFAC Year begins on April 1 and ends the following March 31. ~~The first full PPFAC Year in which the PPFAC rate shall apply will begin on April 1, 2009 and end on March 31, 2010. Succeeding PPFAC Years will begin on each April 1 thereafter.~~

~~For the period from when the Commission issued Decision No. 70628 in this case until March 31, 2009 the Base Cost of Fuel and Purchased Power rate established in that decision will be in effect. The first True Up will include costs and revenues from January 1, 2009 through March 31, 2009.~~

On or before October 31 of each year, TEP will submit a PPFAC Rate filing, which shall include ~~an estimate~~ ~~proposed calculation~~ of the components for the following April's PPFAC rate. This filing shall be accompanied by supporting information as Staff determines to be required. TEP will ~~update~~ ~~supplement~~ this filing with a True Up Component filing on or before February 1 in order to replace estimated balances with actual balances, as explained below.

#### A. Forward Component Description

The Forward Component is intended to refund or recover the difference between: (1) the fuel and purchased power costs embedded in base rates and (2) the forecasted fuel and purchased power costs over a PPFAC Year that begins on April 1 and ends the following March 31. TEP will submit, on or before October 31 of each year, a forecast for the upcoming PPFAC year (April 1 through March 31) of its fuel and purchase power costs. It will also submit a forecast of kWh sales for the same PPFAC year, and divide the forecasted costs by the forecasted sales to produce the cents per kWh unit rate required to collect those costs over those sales. The result of subtracting the Base Cost of Fuel and Purchased Power from this unit rate shall be the Forward Component.

#### Credits to the PPFAC

The following will be credited to the PPFAC:

1. All revenues from Short Term Sales; will be credited against fuel and purchased power costs.
2. Ten percent of the net positive margins realized by TEP during the PPFAC year on its Wholesale Trading Activities;
3. will be credited against fuel and purchased power costs. ~~One hundred (100%)~~ Fifty percent of the margins realized by TEP on SO<sub>2</sub> Allowance Sales (net of brokerage fees);
4. will be credited against fuel and purchased power costs. All Sulfur Credits received by TEP; and
- 1.5. The sale of renewable energy credits that do not flow through the Renewable Energy Standard Tariff.

TEP shall maintain and report monthly the balances in a Forward Component Tracking Account, which will record TEP's over/under-recovery of its actual costs of fuel and purchased power as compared to the actual Base Cost of Fuel and Purchased Power revenue and Forward Component

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revenue. This Account will operate on a PPFAC Year basis (i.e. April 1 to the following March 31), and its balances will be used to administer this PPFAC's True-Up Component, which is described immediately below.

### **B. True-Up Component Description**

The True-Up Component in any current PPFAC Year is intended to refund or recover the balance accumulated in the Forward Component Tracking Account (described above) during the previous PPFAC year. Also, any remaining balance from the True-Up Component Tracking Account as of March 31 would roll over into the True-Up Component for the coming PPFAC year starting April 1. The sum of projected Forward Component Tracking Account and True-Up Component Tracking Account balances on March 31 is divided by the forecasted PPFAC year kWh sales to determine the True-Up Component for the coming PPFAC year.

TEP shall maintain and report monthly the balances in a True-Up Component Tracking Account, which will reflect monthly collections or refunds under the True-Up Component and the amounts approved for use in calculating the True-Up Component.

Each annual TEP filing on October 31 will include an accumulation of Forward Component Tracking Account balances and True-Up Component Tracking Account balances for the preceding April through September and an estimate of the balances for October through March (the remaining six months of the current PPFAC Year). The TEP filing shall use these balances to calculate a preliminary True-Up Component for the coming PPFAC Year. On or before February 1, TEP will submit a supplemental filing that recalculates the True-Up Component update the October filing. This update recalculation shall replace estimated monthly balances with those actual monthly balances that have become available since the October 31 filing.

The October 31 filing's use of estimated balances for October through March (with supporting workpapers) is required to allow the PPFAC review process to begin in a way that will support its completion and a Commission decision before April 1. The February 1 updating will allow for the use of the most current balance information available before the PPFAC rate would go into effect. In addition to the February 1 update filing, TEP monthly filings (for the months of September through December) of Forward Component Tracking Account balance information and True-Up Component Tracking Account balance information will include a recalculation (replacing estimated balances with actual balances as they become known) of the projected True-Up Component unit rate required for the next PPFAC Year.

The True-Up Component Tracking Account will measure the changes each month in the True-Up Component balance used to establish the current True-Up Component as a result of collections under the True-Up Component in effect. It will subtract each month's True-Up Component collections from the True-Up Component balance. The True-Up Component Account will also include Applicable Interest on any balances. TEP shall file the amounts and supporting calculations and workpapers for this account each month.

### **4. CALCULATION OF THE PPFAC RATE**

The PPFAC rate is the sum of the two components; ~~i.e., the~~ Forward Component and the True-Up Component. The PPFAC rate shall be applied to customer bills. Upon Commission approval, ~~the~~ proposed PPFAC rate (as amended by the updated February 1 filing) shall go into effect on April 1. The PPFAC rate shall be applicable to TEP's retail electric rate schedules (except those specifically exempted) and is adjusted annually. The PPFAC Rate shall be applied to the customer's bill as a monthly kilowatt-hour ("kWh") charge that is the same for all customer classes.

The PPFAC rate shall be reset on April 1 of each year, and shall be effective with the first April billing cycle only after approved by the Commission. It is not prorated. ~~The first True-Up Component will include costs and revenues from January 1, 2009 through March 31, 2009.~~

#### 5. ~~CALCULATION OF THE FIXED CTC TRUE-UP REVENUE CREDIT~~

~~In addition to the True-Up Component as described in the preceding paragraph, Commission No. 70628 requires that all Fixed CTC True-Up Revenues be credited in their entirety to the ratepayers by means of a credit to the PPFAC.~~

~~The Fixed CTC Revenues shall be credited against PPFAC eligible costs in a manner that keeps the PPFAC rate at zero until the Fixed CTC True-Up Revenues are fully credited. Once the annual PPFAC Rate has been calculated in accordance with Section 4 of this Plan of Administration, the Fixed CTC Revenue Credit shall be equal and opposite of the PPFAC Rate until the Fixed CTC Revenues have been fully credited back to the ratepayers.~~

~~A Tracking Account shall be used to track the Fixed CTC Revenue Credit until the account balance reaches zero.~~

#### 56. ~~FILING AND PROCEDURAL DEADLINES~~

##### A. ~~October 31 Filing~~

TEP shall file the PPFAC rate with all Component calculations for the PPFAC year beginning on the next April 1, including all supporting data, with the Commission on or before October 31 of each year. That calculation shall use a forecast of kWh sales and of fuel and purchased power costs for the coming PPFAC year, with all inputs and assumptions being the most current available for the Forward Component. The filing will also include the True-Up Component calculation for the year beginning on the next April 1, with all supporting data. That calculation will use the same forecast of sales used for the Forward Component calculation.

##### B. ~~February 1 Filing~~

TEP will update the October 31 filing by February 1. This update will replace estimated Forward Component Tracking Account balances, and the True-Up Component Tracking

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Account balances, with actual balances and with more current estimates for those months (January, February and March) for which actual data are not available. The new PPFAC rate will go into effect on April 1 upon Commission approval.

### **C. Additional Filings**

TEP will also file with the Commission any additional information that the Staff determines it requires to verify the component calculations, account balances, and any other matter pertinent to the PPFAC.

### **D. Review Process**

The Commission Staff and interested parties will have an opportunity to review the October 31 and February 1 forecast, balances, and supporting data on which the calculations of the two PPFAC components have been based. Any objections to the October 31 calculations must be filed within 45 days of the TEP filing. Any objections to the February 1 calculations must be filed within 15 days of the TEP filing.

## **67. VERIFICATION AND AUDIT**

The amounts charged through the PPFAC will be subject to periodic audit to assure their completeness and accuracy and to assure that all fuel and purchased power costs were incurred reasonably and prudently. The Commission may, after notice and opportunity for hearing, make such adjustments to existing balances or to already recovered amounts as it finds necessary to correct any accounting or calculation errors or to address any costs found to be unreasonable or imprudent. Such adjustments, with appropriate interest, shall be recovered or refunded in the True-Up Component for the following year (i.e. starting the next April 1).

TEP agrees to pay the cost of biennial audits of its PPFAC by an outside auditor retained by the Commission.

## **78. SCHEDULES**

Samples of the following schedules are attached to this Plan of Administration:

- Schedule 1 PPFAC Rate Calculation
- Schedule 2 PPFAC Forward Component Rate Calculation
- Schedule 3 PPFAC Forward Component Tracking Account
- Schedule 4 PPFAC True-Up Component Rate Calculation
- Schedule 5 PPFAC True-Up Component Tracking Account

## **89. COMPLIANCE REPORTS**

TEP shall provide monthly reports to Staff's Compliance Section and to the Residential Utility Consumer Office detailing all calculations related to the PPFAC. A TEP Officer shall certify under oath that all information provided in the reports itemized below is true and accurate to the best of his or her information and belief and that there have been no changes to the Allowable Costs recovered through the PPFAC without Commission approval. These monthly reports shall be due within ~~4530~~ days of the end of the reporting period.

The publicly available reports will include at a minimum:

1. The PPFAC Rate Calculation (Schedule 1); Forward Component and True-Up Component Calculations (Schedules 2 and 4); Annual Forward Component and True-Up Component Tracking Account Balances (Schedules 3 and 5). Additional information will provide other relative inputs and outputs such as:
  - a. Total power and fuel costs.
  - b. Customer sales in both MWh and thousands of dollars by customer class.
  - c. Number of customers by customer class.
  - d. A detailed listing of all items excluded from the PPFAC calculations.
  - e. A detailed listing of any adjustments to the adjustor reports.
  - f. Total short term sales revenues.
  - g. System losses in MWh.
  - h. Monthly maximum retail demand in MW.
  - i. SO<sub>2</sub> allowance sales.
2. Identification of a contact person and phone number from TEP for questions.

TEP shall also provide to Commission Staff monthly reports containing the information listed below. These reports shall be due within ~~4530~~ days of the end of the reporting period. All of these additional reports must be provided confidentially.

- A. Information for each generating unit will include the following items:
  1. Net generation, in MWh per month, and 12 months cumulatively.
  2. Average heat rate, both monthly and 12-month average.
  3. Equivalent forced-outage rate, both monthly and 12-month average.
  4. Outage information for each month including, but not limited to, event type, start date and time, end date and time, and a description.
  5. Total fuel costs per month.
  6. The fuel cost per kWh per month.
- B. Information on power purchases will include the following items per seller (information on economy interchange purchases may be aggregated):
  1. The quantity purchased in MWh.
  2. The demand purchased in MW to the extent specified in the contract.
  3. The total cost for demand to the extent specified in the contract.
  4. The total cost of energy.

- C. Fuel purchase information shall include the following items:
1. Natural gas interstate pipeline costs, itemized by pipeline and by individual cost components, such as reservation charge, usage, surcharges and fuel.
  2. Natural gas commodity costs, categorized by short-term purchases (one month or less) and longer term purchases, including price per therm, total cost, supply basin, and volume by contract.
- D. TEP will also provide:
1. Monthly projections for the next 12-month period showing estimated (Over)/undercollected amounts.
  2. A summary of unplanned outage costs by resource type.
  3. The data necessary to arrive at the Native Load Energy Sales MWh reflected in the non-confidential filing.
  4. The data necessary to arrive at the Total Fuel and Purchase Power cost reflected in the non-confidential filing (Section 8.1.a).

In addition, TEP will prepare certain schedules and documents that will provide the necessary transparency of TEP's fuel and purchased power procurement activities such that the prudence of these activities can be determined and compliance with company procurement protocols can be confirmed.

Workpapers and other documents that contain proprietary or confidential information will be provided to the Commission Staff under an appropriate protective agreement. TEP will keep fuel and purchased power invoices and contracts available for Commission review. The Commission has the right to review the prudence of fuel and power purchases and any calculations associated with the PPFAC at any time. Any costs flowed through the PPFAC are subject to refund, if those costs are found to be imprudently incurred.

## **910. ALLOWABLE COSTS**

### **A. Accounts**

The allowable PPFAC costs include fuel and purchased power costs incurred to provide service to retail customers. Additionally, the prudent direct costs of contracts used for hedging system fuel and purchased power will be recovered under the PPFAC. The allowable cost components include the following Federal Energy Regulatory Commission ("FERC") accounts:

- 501 Fuel (Steam)
- 547 Fuel (Other Production)
- 555 Purchased Power
- 565 Wheeling (Transmission of Electricity by Others)

These accounts are subject to change if the Federal Energy Regulatory Commission alters its accounting requirements or definitions.

**B. Other Allowable Costs/Credits**

- Brokerage Fees recorded in FERC Account 557
- Lime costs recorded in FERC Account 502
- Sulfur credits recorded in FERC Account 501 or 502 (whichever FERC requires)

These accounts are subject to change if the Federal Energy Regulatory Commission alters its accounting requirements or definitions.

No other costs or credits are allowed without ~~ne~~ ~~without~~ pre approval from the Commission in an Order.

**Tucson Electric Power Company  
Purchased Power and Fuel Adjustment Clause  
Monthly Information Filing  
Proposed 20xx & 20xx PPFAC Rate Filing**

<b>Schedule 1</b>	<b>Projected Rate Calculation effective April 1, 20xx</b>
<b>Schedule 2</b>	<b>Projected PPFAC Forward Component Rate Calculation Effective April 1, 20xx</b>
<b>Schedule 3</b>	<b>Projected Forward Component Tracking Account Balance</b>
<b>Schedule 4</b>	<b>Projected PPFAC True-Up Component Rate Calculation Effective April 1, 20xx</b>
<b>Schedule 5</b>	<b>Projected True-Up Component Tracking Account Balance</b>
	<b>Lime Cost Support</b>
	<b>Sulfur Credit Support</b>
	<b>Brokerage Cost Support</b>
	<b>Forecast</b>

**Tucson Electric Power Contact Information**

**Toby Voge (520) 745-3332  
Senior Director, Tucson Electric Power**

**TUCSON ELECTRIC POWER COMPANY**

**Schedule 1**

**Purchased Power and Fuel Adjustment Clause (PPFAC) Rate Calculation**  
**(\$/kWh)**

Line No.	PPFAC Rate Calculation	Current 4/1/20xx	Proposed 4/1/20xx	Increase / (Decrease) \$ .000000/kWh	%
1	Forward Component Rate (Sch. 2, L12) <sup>1</sup>				
2	True-Up Component Rate (Sch. 4, L5) <sup>2</sup>				
3	PPFAC Rate April 1, 20xx (L1+L2)				
4	Average Base Rate April 1, 20xx <sup>3</sup>				
5	Average Total Rate April 1, 20xx (L3+L4)				

**Notes:**

<sup>1</sup> TEP PPFAC effective April 1, 20xx, and proposed 20xx rate

<sup>2</sup> A Historical Component is a true-up related to respective prior period PPFAC activity.

<sup>3</sup> Average Base Rate as defined in Decision No. XXXXX

**TUCSON ELECTRIC POWER COMPANY**

**Schedule 2**

**PPFAC Forward Component Rate Calculation Effective April 1, 20xx**  
**(Forward Component Rate in \$/kWh)**

Line No.	PPFAC Forward Component Rate - Calculation	Current 4/1/20xx	Proposed 4/1/20xx	Increase / (Decrease) \$ Values	%
1	Projected PPFAC Fuel and Purchased Power Costs 1				
2	Projected Short Term Sales Revenue Credit 2				
3	Projected Wholesale Trading Activities Credit 3				
4	Projected SO2 Allowance Sales Credit 4				
5	Net Fuel and Purchased Power Cost (L1+ L2+L3 +L4)				
6	Projected Native Load Energy Sales (kWhs)				
7	Projected Average Net Fuel Costs \$/kWh (L5/L6)				
8	Base Cost of Fuel and Purchased Power \$/kWh				
9	Difference between Projected Cost & Base Cost (L7-L8)				
10	Forward Component Costs (L6*L9)				
11	Projected Energy Sales (kWh)				
12	Forward Component Rate \$/kWh (L10/L11)				

**Notes:**

- 1 Includes Sulfur Credits, Line Costs, and Brokerage Costs per Commission Decision No. xxxxx
- 2 Short Term Sales revenues are credited at 100% as approved by the Commission in Decision No. 70628.
- 3 10% of Wholesale Trading Activities credited against Fuel and Purchased Power Costs as approved by the Commission in Decision No. 70628.
- 4 100% of SO2 Allowance Sales credited against Fuel and Purchased Power Costs per Commission Decision No. xxxxx



**TUCSON ELECTRIC POWER COMPANY**

**Lime Costs**

**el Imbalance Tracking Account - PPFAC Rate in effect Month/Day/Year  
(\$ in thousands; Rates in \$/kWh)**

**Apr-13      May-13      Jun-13      Jul-13      Aug-13      Sep-13      Oct-13      Nov-13**

**Forecasted Tons  
Forecasted \$/Ton  
Forecasted Cost  
Forecasted Generation  
Expected \$/MWh  
  
Actual Tons  
Actual Costs  
Actual Generation  
Actual \$/MWh**

**TUCSON ELECTRIC POWER COMPANY**

**Sulfur Credit**

**Net Imbalance Tracking Account - PPFAC Rate in effect Month/Day/Year**

**(\$ in thousands; Rates in \$/kWh)**

**Apr-13      May-13      Jun-13      Jul-13      Aug-13      Sep-13      Oct-13      Nov-13      Dec-13**

Forecasted Tons/mmbtu

Forecasted \$/Ton

Forecasted Cost

Forecasted Generation

Expected \$/MWh

**TUCSON ELECTRIC POWER COMPANY**

**Brokerage Costs**

**Fuel Imbalance Tracking Account - PPFAC Rate in effect Month/Day/Year**

**(\$ in thousands; Rates in \$/kWh)**

Apr-13      May-13      Jun-13      Jul-13      Aug-13      Sep-13      Oct-13

Costs

TEP MONTHLY PPFAC REPORT

Ascend Analytics  
 PowerSinn Planner  
 TEP  
 Monthly

	2012.09	2012.10	2012.11	2012.12	2013.01	2013.02	2013.03	2013.04	2013.05	2013.06	2013.07	2013.08	2013.09	2013.10	2013.11	2013.12	2014.01	2014.02	2014.03
<b>PPFAC COSTS \$/KW</b>																			
Fuel Expense																			
Purchases Power Expense																			
Total Fuel & Purchase Power																			
Renewable Delta																			
Firm Purchase Power Demand Charges																			
Investment Winding Charges																			
Firm Position on Financial Gas Index																			
Total PPFAC Eligible Costs Excl Wholesale																			
<b>PPFAC LOAD (MW)</b>																			
Total Load with System Losses																			
Firm Wholesale Load																			
Total Firm Load Obligations																			
<b>SALES REVENUE</b>																			
Retail Sales																			
System Sales																			
Total Sales																			
<b>LOSSES AND GAINS</b>																			
Retail Losses																			
Firm Losses																			
Total Losses																			
<b>SALES WITH LOSSES AND GAINS</b>																			
Retail Sales																			
System Sales																			
Total Sales with Losses																			
<b>ENERGY RATIO</b>																			
Energy Ratio																			
<b>PPFAC ELIGIBLE COSTS TO BE ALLOCATED</b>																			
Internal Production - Energy - FERC 501 and FERC 547																			
Purchased Power - Energy - FERC 555																			
Renewable Power - Demand - FERC 565																			
Transmission of Electricity by Others - FERC 565																			
Total PPFAC Eligible Costs Allocated to Retail																			
1 - 3% Wholesale Sales Revenue																			

**ATTACHMENT  
"D"**

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**Tucson Electric Power Company  
Energy Efficiency Resource Plan  
Plan of Administration**

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**Exhibits**

- Exhibit 1 – Example Revenue Requirements
- Exhibit 2 – DSMS Backup for 2013
- Exhibit 3 – Self-Direction Option
- Exhibit 4 – Proposed DSMS Tariff
- Exhibit 5 – Example Schedule First Four Year Funding Cycle Revenue Requirement

## 1. General Description

This document describes the Plan of Administration (“POA”) for the Energy Efficiency Resource Plan (“EERP”) approved for Tucson Electric Power Co. (“TEP” or “Company”) by the Arizona Corporation Commission (“Commission”) on XXXX, 2013 in Decision No. XXXX (“Decision”). The EERP mechanism provides for the recovery of allowable costs related to Demand Side Management/Energy Efficiency Programs (“DSM/EE”) as a capital investment, setting recovery of the asset over a five-year term where TEP recovers the revenue requirements from carrying costs and regulatory asset amortization in cost-effective DSM/EE programs through the Demand Side Management Surcharge (“DSMS”), as described within this POA.

## 2. Definitions

Amortize – The process of ratably distributing a previously capitalized cost to expense over a designated period.

Avoided Cost – The avoided cost is the marginal cost to produce one more unit of energy. The avoided cost consist of two components: avoided cost of energy and avoided cost of capacity.

TEP’s avoided cost of energy or marginal energy cost is determined using the Resource Planning Hourly Economic Dispatch Model.

TEP’s avoided cost of capacity is determined through TEP’s long-term planning modeling of capacity. The plan for meeting capacity needs is determined on both economics and reliability. Future capacity costs include market purchase power capacity, transmission upgrades and capacity build options.

Carrying Costs – Costs recovered through the DSMS charge include a return on EERP Program Investment Base<sup>1</sup> based on TEP’s Weighted Average Cost of Capital (“WACC”) approved by the Commission in Decision No. XXXXX.

Combined Heat and Power (“CHP”) – Combined heat and power, which is using a primary energy source to simultaneously produce electrical energy and useful process heat.

Cost-Effective – The result of an action or series of actions where the total incremental benefits from a DSM/EE measure or DSM/EE program exceed total incremental costs over the life of the DSM/EE measure.

Demand Savings – The load reduction, measured in kW, occurring during a relevant peak period or periods as a direct result of energy efficiency and demand response programs.

Demand Response (“DR”) – Modification of customer’s electricity consumption patterns, affecting the timing or quantity of customer demand and usage, achieved through intentional actions taken by an affected utility or customer because of changes in prices, market conditions, or threats to system reliability.

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<sup>1</sup> Program Investment Base as delineated in Section 6.A.

Demand Side Management (“DSM”) – Reduction of electricity use through the implementation and maintenance of Company-sponsored measures, programs or plans.

DSM Measure – Any material, device, technology, educational program, pricing option, practice, or facility alteration designed to result in reduced peak demand, increased energy efficiency, or shifting of electricity consumption to off-peak periods and includes CHP used to displace space heating, water heating, or another load.

DSM Program – One or more DSM measures provided as part of a single offering to customers.

Demand Side Management Surcharge (“DSMS”) – A Commission-approved provision in TEP’s rate schedule allowing TEP to change certain rates through a surcharge, in an established manner, when changes in specific costs and charges are incurred by TEP.

Energy Efficiency (“EE”) – The production or delivery of an equivalent level and quality of end-use electric service using less energy, or the conservation of energy by end-use customers.

Energy Efficiency Programs – Any program that is specifically designed to reduce energy use and/or provide some non-coincident and coincident peak demand savings.

Energy Savings – The reduction in a customer’s energy consumption directly resulting from a DSM/EE program, expressed in kWh, at the generator.

Energy Efficiency Standard – The Arizona Electric Energy Efficiency Standards, Title 14, Chapter 2, Article 24 of the Arizona Administrative Code.

Incentives – Financial payments, goods, or services offered by a utility to promote energy and related cost savings including, but not limited to, cash rebates or financial payments, advanced financing of project costs, design and implementation of utility related projects, energy management services, facilities alterations, installation of technologies and energy savings devices, or water conservation devices.

Incremental Cost – Additional expenses of DSM/EE measures, relative to baseline.

Measurement, Evaluation, and Research (“MER”) – The performance of studies and activities aimed at determining the effects of an energy efficiency program, which may include data collection, monitoring, and analysis associated with the calculation of energy and demand savings from measures or projects, and including research necessary to inform the evaluation of existing EE programs and the design of new EE programs.

Non-Energy Benefits – Non-energy benefits (or non-market benefits) are the improvements in societal welfare that are not bought or sold. These benefits are any program implementation or participation effect that is other than the direct energy savings effects associated with an energy efficiency, resource acquisition, or resource procurement program. Some examples may include: reduced water consumption, reduced emission and environmental benefits in a building, secondary economic impacts from low income programs, health and safety, job creation, improved comfort, indoor air quality, longevity of equipment, improved worker productivity, and worker retention.

Program Costs – The expenses incurred as a result of developing, marketing, implementing, administering, and evaluating Commission-approved DSM/EE programs.

**Regulatory Asset** – A capitalized cost that would otherwise be accounted for as an expense, but for its inclusion in a Commission approved cost recovery mechanism providing for such costs to be deferred and then transferred to expense and recovered through basic service rates or a specific surcharge in effect for a designated period.

**Societal Test** – A cost-effectiveness test of the net benefits of DSM/EE programs that starts with the Total Resource Cost Test, but includes non-energy benefits and costs to society.

**Total Resource Cost Test** – A cost-effectiveness test that measures the net benefits of a DSM/EE program as a resource, including incremental measure costs, incremental affected utility costs, and carrying costs as a component of avoided capacity cost, but excluding incentives paid by affected utilities and non-market benefits to society.

### **3. Annual Energy Efficiency (EE) Investment**

Program investments will be the sum of actual costs for all DSM/EE programs, plus allowable costs outlined in section 7. Actual costs incurred, after program savings have been verified through the MER process, will be deemed to be allowable investments for recovery.

### **4. Cost-effectiveness**

TEP will invest in existing DSM/EE programs and measures that have been previously approved by the Commission and implemented by TEP. In addition, TEP will invest in and implement new EE measures and programs only once it is shown that they produce a benefit/cost ratio greater than one, resulting from using the Societal Test.

A new EE measure or program that passes the Societal Test as defined herein will be filed for Commission approval in an annual EE Implementation Plan.

### **5. Annual Implementation Plans**

TEP will file annual Implementation Plans by June 1 of each year. The Implementation Plan approved by the Commission shall remain in effect until further order of the Commission. The Company will propose (at a minimum) in their annual Implementation Plans:

- New programs and measures, if any
- Societal test results and models
- Proposed Budgets
- Annual savings
- Cost per kWh (based on lifetime savings)
- Targets for annual savings and costs per kWh

Based on the Implementation Plan filed by June 1<sup>st</sup>, Staff will file a Staff Report and proposed order by November 15<sup>th</sup> of same year.

## 6. Revenue Requirement

The following discussion provides inputs and methodologies for each of the terms in the capitalization model. The revenue requirement will be determined by applying a 5-year amortization schedule to actual DSM/EE Costs for the previous calendar year. Exhibit 1 provides an example of what the revenue requirement worksheets would look like over the next four years. Investment dollars are for illustration purposes only.

### A. Program Investment Base

Program Investment Base will be equivalent to the actual DSM/EE spending after providing documentation through the MER reports. For purposes of computing the amortization expense and the return components of the program revenue requirement that will underlie the DSMS, a program investment base will be comprised of a regulatory asset for which the actual program spending will be accumulated. Upon implementation of a specific program, all actual program costs will be charged to the regulatory asset. Deducted from the regulatory asset will be the accumulated amortizations based on recovery of all actual expenses at a rate of 20% for each of the five years. In addition, the net program investment base will be reduced by Accumulated Deferred Income Taxes reflecting the book-tax timing difference created by all program expenditures being currently deducted for tax, but deferred and amortized over five years for accounting purposes. Based on the previous year's actual DSM/EE spending, the revenue requirement will be calculated as the sum of the average of the beginning and end of year net investment balances, multiplied by the allowed rate of return, plus the regulatory asset amortization.

Should the EE Resource Plan be discontinued at a future date, TEP will be permitted to recover the balance remaining in the regulatory asset through continued use of the DSMS in existence at the time and until such time that the entire balance is collected. In connection with the discontinued EE Resource Plan, TEP would provide final documentation reconciling all differences between program budgets and actual costs incurred producing any unrecovered balance remaining in the regulatory assets at the end of the last funding cycle.

### B. Carrying Costs

TEP's return on the EE Resource Plan investments will be based on TEP's WACC as approved by the Commission in Decision No. XXXXX (DATE). TEP's investment in EE/DSM will accrue Carrying Costs from the date expenditures are incurred.

### C. Annual Recovery of Program Investment Base

TEP will recover the allowable costs associated with the EERP if actual results of the EE/DSM investments achieve a minimum annual portfolio level savings (kWh) and do not exceed the maximum portfolio level cost (\$ per kWh) (based on lifetime savings) set annually in implementation plans as approved by the Commission.

Beginning in 2013 the minimum annual portfolio level savings shall be set at 84,024,000 kWh and will not exceed a maximum portfolio level cost of \$0.02208 per kWh. These levels will remain in effect until further order of the Commission.

For the purposes of this calculation Demand Response or Direct Load Control Programs will be set at the level of saving credit specified in A.C.C. R-14-2-2404. C. (Peak reduction capability will be converted to an annual energy saving equivalent based on an assumed 50% annual load factor and not to exceed 10% of the energy efficiency standard).

## **7. Demand Side Management Surcharge**

### **A. Rate Schedule Applicability**

The DSMS shall be applied monthly to every rate schedule unless exempted by order of the Commission. A DSMS schedule is included in Exhibit 2 and shall be updated with Commission Order.

A self-direction option exists for qualifying customers of sufficient size in which the amount of money paid by each qualifying customer toward DSM costs is tracked for the customer and made available for use by the customer for approved DSM investments. Details on the self-direction option are included in Exhibit 3.

### **B. Allowable Costs**

Allowable Costs include: program implementation; rebates and incentives; training and technical assistance; consumer education; marketing; planning and administration; measurement, evaluation and research; new program development and analysis; any software development required for tracking and reporting of EE and DR programs; and any other expenses required to design and implement cost-effective EE and DR programs. All program costs will be charged to the appropriate regulatory asset after spending occurs and savings are verified through MER activities as previously described. As such amounts are amortized, they will be charged to FERC Account 908, Customer Assistance Expense or other appropriate accounts as required by the FERC Uniform System of Accounts. Amortization expense and revenues will be recorded monthly based on each month's retail sales volumes.

### **C. Determination of True-up**

As delineated in Exhibit 2, the DSMS that will take effect upon the effective date of Decision No. XXXXX (DATE) will be set to include all historical unrecovered DSM expenses incurred by TEP up to the time of the effective date of this Order, which is estimated to be \$4 million and will be recovered over a 12 month period. Any amount over or under collected by TEP's voluntary March 1, 2013 resumption of projects, shall be included as determined under this Plan in the March 1, 2014 DSMS reset.

On March 1 of each year following the effective date of this order, TEP will file a DSMS reset request that will include the revenue requirements based upon all allowable investments from the

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previous program year(s). The new DSMS will be effective June 1 of each year, upon Commission approval.

D. Determination of the Surcharge

The revenue requirements (under this Plan) determined by the sum of Carrying Costs and regulatory asset amortization for each program year will be divided by the forecasted energy sales for the recovery time period to determine the \$/kWh DSMS for residential customers and a percentage of bill for non-residential customers. Exhibit 5 shows an example schedule for determining the total annual revenue requirements used for calculating the DSMS for the first four years of funding.

On March 1, 2014, TEP will file a DSMS reset request for purposes of recovering investments under the EERP from March 1, 2013 through December 31, 2013. The DSMS will be calculated based upon the following formula:

$$\text{DSMS} = \frac{\text{RR1}}{\text{Sales}}$$

Where:

$$\text{RR1} = \text{First year of 2013 revenue requirement is equal to expenses from March 1, 2013 above historical spending levels through the effective date of this order in excess of the estimated \$4 million under recovery from prior periods, plus expenses after the effective date of Decision No. XXXXX through December 2013.}$$

$$\text{Sales} = \text{Forecasted energy (kWh) sales under applicable rate schedules during the period in which the DSMS will be effective.}$$

On March 1, 2015, TEP will file a DSMS reset request for purposes of recovering investments under the EERP for the 2014 program year (January 1, 2014- December 31, 2014). The DSMS will be calculated based upon the following formula:

$$\text{DSMS} = \frac{\text{RR2}}{\text{Sales}}$$

Where:

$$\text{RR2} = \text{First year of 2014 revenue requirement plus the second year of 2013 revenue requirement.}$$

$$\text{Sales} = \text{Forecasted energy (kWh) sales under applicable rate schedules (as defined above) during the period in which the DSMS will be effective.}$$

All subsequent March 1<sup>st</sup> filings for a DSMS reset will follow the procedure outlined above.

The proposed DSMS Tariff is provided in Exhibit 4.

### **8. DSM/EE Reports**

In accordance with A.A.C. R14-2-2409, the Company will provide a previous year progress report to the Commission by March 1<sup>st</sup> and a current mid-year status report by September 1<sup>st</sup> of each year. The compliance filings and dates contained in this POA and Decision No. XXXXX (DATE) supersede the requirements contained in previous Commission Orders.

**ERP POA - Exhibit 1 - Example Revenue Requirements**  
**2013 Revenue Requirement**

Year	Capitalization of EE Investments						
	2013 (Mar '13 - Dec '13)	2014	2015	2016	2017	2018	2019
	0	1	2	3	4	5	6
Original Cost							
Asset Life	5						
Income Tax Rate	39.6%						
Nominal Return	7.74%						
Pre-tax Return	10.98%						
After-tax Return	6.64%						
Capital Structure:							
Debt	54.00%						
Equity	46.00%						
Short-Term Debt							
Cost of Capital:							
Debt	5.18%						
Equity	10.75%						
Short-Term Debt							
Regulatory Asset Amortization	\$ 2,908,915	\$ 2,908,915	\$ 2,908,915	\$ 2,908,915	\$ 2,908,915	\$ 2,908,915	\$ 2,908,915
Tax depreciation	\$ 14,544,577	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net book basis (end of year)	\$ 11,635,662	\$ 8,726,746	\$ 5,817,831	\$ 2,908,915	\$ -	\$ -	\$ -
Tax basis (end of year)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ADIT (end of year) (book basis minus tax basis) times 1	\$ -	\$ 4,604,231	\$ 3,453,174	\$ 2,302,116	\$ 1,151,058	\$ -	\$ -
Long-term debt balance (end of year)	\$ -	\$ 3,796,972	\$ 2,847,729	\$ 1,888,486	\$ 949,243	\$ -	\$ -
LT Debt Interest	\$ -	\$ 237,367	\$ 172,098	\$ 122,927	\$ 73,756	\$ 24,585	\$ -
Rate Base, end of year	\$ -	\$ 14,544,577	\$ 14,544,577	\$ 14,544,577	\$ 14,544,577	\$ 14,544,577	\$ 14,544,577
Regulatory Asset	\$ (2,908,915)	\$ (5,817,831)	\$ (8,726,746)	\$ (11,635,662)	\$ (14,544,577)	\$ (17,453,492)	\$ (20,362,407)
Accumulated Amortization	\$ -	\$ (4,604,231)	\$ (3,453,174)	\$ (2,302,116)	\$ (1,151,058)	\$ -	\$ -
ADIT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unamortized ITC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Rate Base, end of year	\$ -	\$ 7,031,430	\$ 5,273,573	\$ 3,515,715	\$ 1,757,858	\$ -	\$ -
Revenue Requirement	\$ -	\$ 931,769	\$ 675,568	\$ 482,542	\$ 289,525	\$ 96,508	\$ -
Carrying Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Regulatory Asset Amortization	\$ -	\$ 2,908,915	\$ 2,908,915	\$ 2,908,915	\$ 2,908,915	\$ 2,908,915	\$ 2,908,915
Gross Revenue Requirement	\$ -	\$ 3,840,689	\$ 3,584,474	\$ 3,391,457	\$ 3,198,440	\$ 3,005,424	\$ -

EERP POA - Exhibit 1 - Example Revenue Requirements  
 2014 Revenue Requirement

Year	Capitalization of EE Investments					
	2014	2015	2016	2017	2018	2019
2014	5					
Original Cost						
Asset Life						
Income Tax Rate	39.6%					
Nominal Return	7.74%					
Pre-tax Return	10.98%					
After-tax Return	6.84%					
Capital Structure:						
Debt	54.00%					
Equity	46.00%					
Short-Term Debt						
Cost of Capital:						
Debt	5.18%					
Equity	10.75%					
Short-Term Debt						
	0	1	2	3	4	5
Regulatory Asset Amortization	\$ 4,947,838	\$ 4,947,838	\$ 4,947,838	\$ 4,947,838	\$ 4,947,838	\$ 4,947,838
Tax depreciation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net book basis (end of year)	\$ 19,791,354	\$ 14,843,515	\$ 9,895,677	\$ 4,947,838	\$ -	\$ -
Tax basis (end of year)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ADIT (end of year) (book basis minus tax basis) times 1	\$ 7,831,439	\$ 5,873,579	\$ 3,915,719	\$ 1,957,860	\$ -	\$ -
Long-term debt balance (end of year)	\$ 6,456,354	\$ 4,843,766	\$ 3,229,177	\$ 1,614,589	\$ -	\$ -
LT Debt Interest	\$ 403,743	\$ 292,725	\$ 209,089	\$ 125,454	\$ 41,818	\$ -
Rate Base, end of year	\$ 24,739,192	\$ 24,739,192	\$ 24,739,192	\$ 24,739,192	\$ 24,739,192	\$ 24,739,192
Regulatory Asset	\$ (4,947,838)	\$ (9,895,677)	\$ (14,843,515)	\$ (19,791,354)	\$ (24,739,192)	\$ (24,739,192)
Accumulated Amortization	\$ (7,831,439)	\$ (5,873,579)	\$ (3,915,719)	\$ (1,957,860)	\$ -	\$ -
ADIT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unamortized ITC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Rate Base, end of year	\$ 11,959,915	\$ 8,969,936	\$ 5,979,957	\$ 2,989,979	\$ -	\$ -
Revenue Requirement	\$ -	\$ 1,584,867	\$ 1,149,072	\$ 820,766	\$ 492,459	\$ 164,153
Carrying Costs	\$ -	\$ 4,947,838	\$ 4,947,838	\$ 4,947,838	\$ 4,947,838	\$ 4,947,838
Regulatory Asset Amortization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gross Revenue Requirement	\$ 6,532,705	\$ 6,096,910	\$ 5,788,604	\$ 5,440,288	\$ 5,111,992	\$ -

EERP POA - Exhibit 1 - Example Revenue Requirements  
2016 Revenue Requirement

Year	Capitalization of EE Investments					
	2016	2017	2018	2019	2020	2021
Original Cost	5,571,251	5,571,251	5,571,251	5,571,251	5,571,251	5,571,251
Asset Life	5					
Income Tax Rate	39.6%					
Nominal Return	7.74%					
Pre-tax Return	10.98%					
After-tax Return	6.64%					
Capital Structure:						
Debt	54.00%					
Equity	46.00%					
Short-Term Debt						
Cost of Capital:						
Debt	5.18%					
Equity	10.75%					
Short-Term Debt						
Regulatory Asset Amortization	\$ 5,571,251	\$ 5,571,251	\$ 5,571,251	\$ 5,571,251	\$ 5,571,251	\$ 5,571,251
Tax depreciation	\$ 27,856,255	\$ -	\$ -	\$ -	\$ -	\$ -
Net book basis (end of year)	\$ 22,285,004	\$ 16,713,753	\$ 11,142,502	\$ 5,571,251	\$ -	\$ -
Tax basis (end of year)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ADIT (end of year) (book basis minus tax basis) times 1	\$ 8,818,176	\$ 6,613,632	\$ 4,408,088	\$ 2,204,544	\$ -	\$ -
Long-term debt balance (end of year)	\$ 7,272,087	\$ 5,454,065	\$ 3,636,044	\$ 1,818,022	\$ -	\$ -
LT Debt Interest	\$ 454,614	\$ 329,607	\$ 235,434	\$ 141,260	\$ 47,087	\$ -
Rate Base, end of year	\$ 27,856,255	\$ 27,856,255	\$ 27,856,255	\$ 27,856,255	\$ 27,856,255	\$ 27,856,255
Regulatory Asset	\$ (5,571,251)	\$ (1,142,502)	\$ (16,713,753)	\$ (22,285,004)	\$ (27,856,255)	\$ (27,856,255)
Accumulated Amortization	\$ (8,818,176)	\$ (6,613,632)	\$ (4,408,088)	\$ (2,204,544)	\$ -	\$ -
ADIT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unamortized ITC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Rate Base, end of year	\$ 13,466,828	\$ 10,100,121	\$ 6,733,414	\$ 3,366,707	\$ -	\$ -
Revenue Requirement	\$ 1,784,555	\$ 1,293,852	\$ 924,180	\$ 554,508	\$ 184,936	\$ -
Carrying Costs	\$ 5,571,251	\$ 5,571,251	\$ 5,571,251	\$ 5,571,251	\$ 5,571,251	\$ 5,571,251
Regulatory Asset Amortization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
O & M	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gross Revenue Requirement	\$ 7,355,806	\$ 6,865,103	\$ 6,495,431	\$ 6,125,759	\$ 5,755,087	\$ -

## **Self-Direction Option**

Self-Direction is an option that will be made available to large qualifying industrial customers. Self-Direction allows participating customers to reserve their DSM/EE contributions, less administrative and other program costs, for their exclusive use to help fund qualifying DSM/EE projects at their facilities. Self-Direction will be offered to the largest customers since they have the ability and resources (technical knowledge, expertise, and funding) to implement effective DSM/EE and they may desire to have the flexibility to use their DSM/EE contributions to fund their own energy efficiency projects. The following parameters define the Self Direction option:

1. To be eligible for Self-Direction, a customer must use a minimum of 35 million kWh per calendar year, based on an aggregation of all of the customer's TEP accounts.
2. Qualifying Self-Direction customers who choose to self-direct their DSM/EE funds must elect Self-Direction by notifying the Company in each year that they wish to Self-Direct. Customers who elect to Self-Direct must continue to contribute their share of DSM/EE funds through the DSMS.
3. After a customer notifies the Company of their intent to Self-Direct, 90% of the customer's DSMS contribution will be reserved for tracking purposes for the customer's future energy efficiency project. The remaining 10% will be retained to cover the Self-Direction program administration, management, and MER costs.
4. Self-Direction funds will be reserved for tracking purposes for the calendar year the Self-Direction election is received by the Company. Such election must be received on or before December 1st. There will be no retroactive Self-Direction funds set aside from prior budget years, since the Company's books were closed prior to the customer's election.
5. Self-Direction funds will be paid to the qualifying customer once a year in December beginning in the year that the EE project is completed and verified. If project costs exceed the credited amount in one year, then funding will continue to be paid in December of each year until the project is 100% funded or in the fourth year of funding, or until the Commission terminates this program, whichever comes sooner.
6. If the EE project is not completed within two (2) years of the Self-Direction election date, then the Self-Direction funds from the first calendar year from the Self-Direction election will not be available to the customer and will revert to the DSMS general account.
7. Qualifying customers will be required to commit all of their facilities to the Self-Direction option for the duration of the specific Self-Direction project's funding period. Customers would not be able to designate some of their accounts for Self-Direction, while allowing some of their other accounts to remain eligible for other TEP commercial EE programs. Customers choosing to Self-Direct will not be permitted to participate in any other TEP commercial EE program offerings for any of their accounts.
8. Aggregation would be allowed only within a given customer set of accounts, not across groups of customers. This means that groups of customers would not be able to form buying associations for the purpose of meeting the Self-Direction size criteria.



Tucson Electric Power Company

Original Sheet No.: 702  
Superseding: \_\_\_\_\_

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**Rider R-2  
Demand Side Management Surcharge (DSMS)**

**APPLICABILITY**

The Demand Side Management Surcharge (DSMS) applies to all Customers in the entire territory served by the Company as mandated by the Arizona Corporation Commission (ACC), unless otherwise specified.

**RATE**

The DSMS shall be applied to all monthly bills. The Rate is shown in the TEP Statement of Charges.

**REQUIREMENTS**

The 2013 TEP DSMS is effective XXXX, XX, 2013, and will remain in effect until further order by the ACC.

**TEP STATEMENT OF CHARGES**

For all additional charges and assessments approved by the ACC see the TEP Statement of Charges which is available on TEP's website at [www.tep.com](http://www.tep.com).

**TAX CLAUSE**

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

**RULES AND REGULATIONS**

The standard Rules and Regulations of the Company as on file with the ACC shall apply where not inconsistent with this Rider

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Filed By: Kentton C. Grant  
Title: Vice President of Finance and Rates  
District: Entire Electric Service Area

Rate: R-2  
Effective: PENDING  
Decision No.:

**ATTACHMENT  
"E"**

**INCREMENTAL FIXED OPTION LFCR CHARGES FOR RESIDENTIAL CUSTOMERS**

**Standard Service or Time of Use Service**

Addition to Customer Charge with usage less than 2,000 kWh	\$2.50 per month
Addition to Customer Charge with usage of 2,000 kWh or more	\$6.50 per month

**ATTACHMENT**  
**"F"**

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**TUCSON ELECTRIC POWER COMPANY  
LOST FIXED COST RECOVERY MECHANISM (“LFCR”)  
PLAN OF ADMINISTRATION**

**Table of Contents**

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4. Filing and Procedural Deadlines .....	3
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**1. General Description**

This document describes the plan of administration for the LFCR mechanism approved for Tucson Electric Power (“TEP” or “Company”) by the Arizona Corporation Commission (“ACC”) in Decision No. xxxxx (date). The LFCR mechanism provides for the recovery of lost fixed costs, as measured by a reduction in non-fuel revenue, associated with the amount of energy efficiency (“EE”) savings and distributed generation (“DG”) that is authorized by the Commission and determined to have occurred. Costs to be recovered through the LFCR include the portion of transmission and distribution costs included in base rates exclusive of the Customer Charge and 50% of the demand rates in effect.

**2. Definitions**

**Applicable Company Revenues** – The amount of revenue generated by sales to retail customers, for all applicable rate schedules, less the amount attributable to sales to those residential customers who chose the Fixed Cost Option.

**Current Period** – The most recent adjustment year.

**Demand Stability Factor** – Fifty percent of Demand-based revenue (excluding any purchased power and fuel costs) produced by base rates.

**Distribution and Transmission Revenue** – The amount of revenue determined at the conclusion of a rate case by multiplying each participating rate class’ adjusted test year billing determinants (kWh) by their approved distribution and transmission related charges. This will be determined by reducing each class’ total retail revenue by the customer charge revenue, generation related revenue, purchased power and fuel costs and the Demand Stability Factor.

**DG Savings** – The amount of kWh sales or kW of capacity reduced by DG. TEP will use meter data for determining the kWh or kW lost through the implementation of DG systems unless a rare circumstance occurs where the meter data is not available at which time the lost sales will be quantified using statistical verification or output profile or other Commission authorized methods. Each year, TEP will use actual data through December to calculate the savings. The calculation of DG savings will consist of the following by class:

1. **Cumulative Verified:** The total kWh or kW reduction as metered each year less the total kWh or kW reduction metered in TEP’s most recent general rate case test year (2011). The initial Cumulative Verified term of the LFCR will begin on January 1, 2013.

- 
2. Current Period: The annual kWh or kW produced by the cumulative total of DG installations since the end of the test year used in TEP's most recent general rate case.
  3. The only DG Savings that will be excluded from the calculated Lost Fixed Cost Revenue calculation are those kWh or kW that were lost as the result of actions by customers in excluded rate classes.
  4. The annual kW capacity of the cumulative total of DG installations since the end of the test year used in TEP's most recent general rate case. For solar systems only, the actual kW capacity used to calculate lost revenues for applicable demand metered customers will be the actual solar generation measured by the Solar production meter coincident with the customer's maximum fifteen minute demand for the billing period.

Fixed Cost Option – The rate schedule choice for residential customers who prefer contributing to the recovery of Lost Fixed Cost Revenue in the form of an optional fixed rate added as an incremental charge to the Customer Charge in the applicable residential tariff rate. The total dollars paid as an incremental amount added to the otherwise effective Customer Charge will be accumulated over the Current Period and used to reduce the total Lost Fixed Cost Revenue recovered as part of the LFCR adjustment. The variable LFCR adjustment shall not be applied to residential customers who choose the Fixed Cost option. This rate will be reflected as an incremental addition to the customer charge on the otherwise effective tariff and made available to customers at the time of the first LFCR adjustment. Customers choosing this fixed option within the first twelve months subsequent to the initial effective date of the LFCR will be allowed to change back to the volumetric option one time without any penalties. After the initial twelve month period, customers will be required to stay on which ever option they choose for twelve full months before a change can be made.

EE Programs – Any program approved in TEP's Energy Efficiency/Demand Side Management ("EE/DSM") implementation plan.

EE Savings – The amount of sales, expressed in kWh or kW, reduced by Energy Efficiency activities as demonstrated by the Measurement, Evaluation, and Research ("MER") conducted for TEP's EE Programs. The Company's EE activities are being reviewed as part of the MER evaluation and will determine the total kWh or kW lost as a result of those activities. As part of this filing the Commission Staff will have the option of reviewing any portion of the filing they deem necessary to verify the filings accuracy. EE Savings shall be quantified based on the cumulative lost kWh or kW occurring starting January 1, 2013 and shall be reset as of the end of the test year in each subsequent rate case. The calculation of EE Savings will consist of the following by class:

1. Cumulative Verified: The cumulative total kWh or kW reduction as determined by the MER recognizing that the cumulative total is reset (to zero) at the end of each of TEP's most recent general rate case. The first such reset will be January 1, 2012, (the end of the Test Year in Decision xxxxx, dated xx.). The initial Cumulative Verified term of the LFCR will begin on January 1, 2013.
2. Current Period: The annual EE related sales reductions (kWh or kW). Each year, TEP will use actual MER data through December to calculate savings.

3. **Excluded kWh reduction:** The reduction of recoverable EE Savings calculated by subtracting the amount of EE Savings actually achieved by customers on Excluded Rate Schedules if included in the total reported in the annual EE/DSM filing.

**Effective Period** – The twelve month period beginning with July 1 of each year, when the LFCR will be charged.

**Excluded Rate Schedules** – The LFCR mechanism shall not apply to Traffic Signal and Street Lighting Service (PS-41), the Lighting Service (GS-50), Water Pumping Service (GS-43), or the Large Light and Power Service (LLP-14 and LLP-90) rate schedules.

**LFCR Adjustment** – An amount calculated by dividing Lost Fixed Cost Revenue (As reduced by the total incremental fixed cost option dollars paid by the residential customers who have chosen the Fixed Cost Option and will be based on the incremental increase in the customer charge they have paid over the twelve-months during the Current Period.) by the Current period's retail revenue (less the estimated sales to the residential customers who chose the Fixed Cost Option) during the Effective Period for the participating rate classes. This percentage adjustment rate will be applied to all customer bills, excluding those on Excluded Rate Schedules.

**Lost Fixed Cost Rate** – A rate determined at the conclusion of a rate case by taking the sum of allowed Distribution and Transmission Revenue (which excludes the customer charge, the generation component and purchased power and fuel) for each rate class and dividing each by their respective class adjusted test year kWh and/or kW billing determinants.

**Lost Fixed Cost Revenue** – The amount of fixed costs not recovered by the utility because of EE and DG Savings during the measurement period. This amount is calculated by multiplying the Lost Fixed Cost Rate by Recoverable kWh Savings, by rate class.

**Recoverable kWh Savings** - The sum of EE and DG Savings by applicable rate class.

### **3. LFCR Annual Incremental Cap**

The LFCR Adjustment will be subject to an annual 1% year over year cap based on Applicable Company Revenues. If the annual incremental LFCR Adjustment results in a surcharge in excess of 1% of Applicable Company Revenues, any amount in excess of the 1% cap will be deferred for collection until the next year. Any deferred amounts will be collected in a subsequent year or rolled into the next rate case, whichever occurs first. Where the 1% cap limits the recovery of deferrals in any program year, and thus moves their recovery to the following year, a first-in, first-out (“FIFO”) approach will be applied. In connection therewith, the new surcharge billed in the following year will first recover any such carried-over deferrals, and then recover new deferrals arising in that following year. The one-year Nominal Treasury Constant Maturities rate contained in the Federal Reserve Statistical Release H-15 or its successor publication will be applied annually to any deferred balance. The interest rate shall be adjusted annually and shall be that annual rate applicable to the first business day of the calendar year.

The initial LFCR filing will reconcile unrecovered lost revenues from January 1, 2013 through December 31, 2013.

### **4. Filing and Procedural Deadlines**

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TEP will file the calculated Annual LFCR Adjustment, including all Compliance Reports, with the Commission for the previous year by May 15<sup>th</sup> of each year. Staff will use its best efforts to process the matter based on the results of the Company's annual EE/DSM and Renewable Energy Standard Tariff ("REST") filings such that a new LFCR adjustment may go into effect by July 1<sup>st</sup> of each year. However, the new LFCR Adjustment will not go into effect until approved by the Commission.

5. Compliance Reports

TEP will provide comprehensive compliance reports to Staff and the Residential Utility Consumer Office by May 15<sup>th</sup> of each year. The information contained in the Compliance Reports will consist of the following schedules:

- Schedule 1 : LFCR Annual Percentage Adjustment Rate
- Schedule 2: LFCR Annual Incremental Cap Calculation
- Schedule 3: LFCR Calculation
- Schedule 4: LFCR Test Year Rate Calculation
- Schedule 5: Distribution and Transmission Revenue Calculation

# SCHEDULES

Tucson Electric Power  
 Lost Fixed Cost Recovery Mechanism  
 Schedule 1: LFCR Annual Adjustment Rate (Percentage)  
 (\$000)

Line No.	(A) Annual Per kWh Adjustment	(B) Reference	(C) Total
1.	Total Lost Fixed Cost Revenue for Current Period	Schedule 2, Line 13	\$ -
2.	Forecast of Applicable Company's Revenues	Schedule 2, Line 1	-
3.	Percentage Adjustment Applied to Customer's Bills	(Line 1 / Line 2)	0.0000%

Tucson Electric Power  
 Lost Fixed Cost Recovery Mechanism  
 Schedule 2: LFCR Annual Incremental Cap Calculation  
 (\$000)

Line No.	(A) LFCR Annual Incremental Cap Calculation	(B) Reference	(C) Totals
1	Applicable Company Revenues		\$
2	Allowed Cap %		1.00%
3	Maximum Allowed Incremental Recovery	(Line 1 * Line 2)	\$ -
4	Total Lost Fixed Cost Revenue	Schedule 3, Line 55, Column C	\$ -
5	Total Deferred Balance from Previous Period	Previous Filing, Schedule 2, Line 11, Column C	-
6	Annual Interest Rate		0.00%
7	Interest Accrued on Deferred Balance	(Line 5 * Line 6)	-
8	Total Lost Fixed Cost Revenue Current Period	(Line 4 + Line 5 + Line 7)	\$ -
9	Lost Fixed Cost Revenue from Prior Period	Previous Filing, Schedule 2, Line 13, Column C	\$ -
10	Total Incremental Lost Fixed Cost Revenue for Current Year	(Line 8 - Line 9)	\$ -
11	Amount in Excess of Cap to Defer	(Line 10 - Line 3)	\$ -
12	Incremental Period Adjustment	[(Line 10 - Line 11)/ Line 1]	-
13	Total Lost Fixed Cost Revenue for Current Period	(Line 8 - Line 11)	\$ -

Tucson Electric Power  
Lost Fixed Cost Recovery Mechanism  
Schedule 3: LFCR Calculation  
(\$000)

Line No.	(A) LFCR Fixed Cost Revenue Calculation	(B) Reference	(C) Totals	(D) Units
<b>Residential</b>				
<u>Energy Efficiency Savings</u>				
1	Current Period			kWh
2	% of Residential Customers choosing fixed-option		0.0%	
3	Excluded kWh reduction	(Line 1 * Line 2)	-	kWh
4	Net - Current Period	(Line 1 - Line 3)	-	kWh
5	Prior Period kWh EE losses	Previous Filing, Schedule 3, Line 6, Column C	-	kWh
6	Cumulative Recoverable kWh savings	(Previous Filing, Schedule 3, Line 6, Column C + Line 4)	-	kWh
7	Total Recoverable EE Savings	Line 6	-	kWh
8	Residential - Lost Fixed Cost Rate	Schedule 4, Line 3, Column C	\$ 0.0308	\$/kWh
9	Residential - Lost Fixed Cost Revenue Relating to EE	(Line 7 * Line 8)	\$ -	
<u>Distributed Generation</u>				
10	Current Period			kWh
11	% of Residential Customers choosing fixed-option		0.0%	
12	Excluded kWh reduction	(Line 10 * Line 11)	-	kWh
13	Net - Current Period	(Line 10 - Line 12)	-	kWh
14	Prior Period kWh EE losses	Previous Filing, Schedule 3, Line 15, Column C	-	kWh
15	Cumulative Recoverable kWh savings	(Previous Filing, Schedule 3, Line 15, Column C + Line 13)	-	kWh
16	Total Recoverable DG Savings	Line 15	-	kWh
17	Residential - Lost Fixed Cost Rate	Schedule 4, Line 3, Column C	\$ 0.0308	\$/kWh
18	Residential - Lost Fixed Cost Revenue Relating to EE	(Line 16 * Line 17)	\$ -	
<b>Small General Service</b>				
<u>Energy Efficiency Savings</u>				
19	Current Period		-	kWh
20	Prior Period kWh EE losses	Previous Filing, Schedule 3, Line 21, Column C	-	kWh
21	Cumulative Recoverable kWh savings	(Previous Filing, Schedule 3, Line 21, Column C + Line 19)	-	kWh
22	Total Recoverable EE Savings	Line 21	-	kWh
23	Small General Service - Lost Fixed Cost Rate	Schedule 4, Line 6, Column C	\$ 0.0314	\$/kWh
24	Small General Service - Lost Fixed Cost Revenue Relating to EE	(Line 22 * Line 23)	\$ -	
<u>Distributed Generation</u>				
25	Current Period		-	kWh
26	Prior Period kWh DG losses	Previous Filing, Schedule 3, Line 27, Column C	-	kWh
27	Cumulative Recoverable kWh savings	(Previous Filing, Schedule 3, Line 27, Column C + Line 25)	-	kWh
28	Total Recoverable DG Savings	Line 27	-	kWh
29	Small General Service - Lost Fixed Cost Rate	Schedule 4, Line 6, Column C	\$ 0.0314	\$/kWh
30	Small General Service - Lost Fixed Cost Revenue Relating to DG	(Line 28 * Line 29)	\$ -	

Tucson Electric Power  
Lost Fixed Cost Recovery Mechanism  
Schedule 3: LFCR Calculation  
(\$000)

Line No.	(A) LFCR Fixed Cost Revenue Calculation	(B) Reference	(C) Totals	(D) Units
<b>Large General Service - Delivery Revenue - Demand</b>				
<u>Energy Efficiency Savings</u>				
31	Current Period		-	kW
32	Prior Period kW EE losses	Previous Filing, Schedule 3, Line 33, Column C	-	kW
33	Cumulative Recoverable kW savings	(Previous Filing, Schedule 3, Line 33, Column C + Line 31)	-	kW
34	Total Recoverable EE Savings	Line 33	-	kW
35	Large General Service - Lost Fixed Cost Rate	Schedule 4, Line 9, Column C	\$ 2.3901	\$/kW
36	Large General Service - Lost Fixed Cost Revenue Relating to EE	(Line 34 * Line 35)	\$ -	
<u>Distributed Generation</u>				
37	Current Period		-	kW
38	Prior Period kW DG losses	Previous Filing, Schedule 3, Line 39, Column C	-	kW
39	Cumulative Recoverable kW savings	(Previous Filing, Schedule 3, Line 39, Column C + Line 37)	-	kW
40	Total Recoverable DG Savings	Line 39	-	kW
41	Large General Service - Lost Fixed Cost Rate	Schedule 4, Line 9, Column C	\$ 2.3901	\$/kW
42	Large General Service - Lost Fixed Cost Revenue Relating to DG	(Line 40 * Line 41)	\$ -	
<b>Large General Service - Delivery Revenue</b>				
<u>Energy Efficiency Savings</u>				
43	Current Period		-	kWh
44	Prior Period kWh EE losses	Previous Filing, Schedule 3, Line 45, Column C	-	kWh
45	Cumulative Recoverable kWh savings	(Previous Filing, Schedule 3, Line 45, Column C + Line 43)	-	kWh
46	Total Recoverable EE Savings	Line 45	-	kWh
47	Large General Service - Lost Fixed Cost Rate	Schedule 4, Line 12, Column C	\$ 0.0042	\$/kWh
48	Large General Service - Lost Fixed Cost Revenue Relating to EE	(Line 46 * Line 47)	\$ -	
<u>Distributed Generation</u>				
49	Current Period		-	kWh
50	Prior Period kWh DG losses	Previous Filing, Schedule 3, Line 51, Column C	-	kWh
51	Cumulative Recoverable kWh savings	(Previous Filing, Schedule 3, Line 51, Column C + Line 49)	-	kWh
52	Total Recoverable DG Savings	Line 51	-	kWh
53	Large General Service - Lost Fixed Cost Rate	Schedule 4, Line 12, Column C	\$ 0.0042	\$/kWh
54	Large General Service - Lost Fixed Cost Revenue Relating to DG	(Line 52 * Line 53)	\$ -	
55	Total Lost Fixed Cost Revenue	Sum Line 9 + 18 + 24 + 30 + 36 + 42 + 48 + 54	\$ -	

Tucson Electric Power  
 Lost Fixed Cost Recovery Mechanism  
 Schedule 4: LFCR Test Year Rate Calculation  
 (\$000)

Line No.	(A) LFCR Fixed Cost Calculation	(B) Reference	(C) Total
<b>Residential Customers</b>			
1	Delivery Revenue	Schedule 5, Line 5, Column F	\$ 111,739,643
2	kWh Billed	Forecasted	
3	Lost Fixed Cost Rate	Line 1/Line 2	\$ 3,627,093,708 0.0308
<b>Small General Service</b>			
4	Delivery Revenue	Schedule 5, Line 8, Column F	\$ 63,186,286
5	kWh Billed	Forecasted	
6	Lost Fixed Cost Rate	Line 4/Line 5	\$ 2,012,114,954 0.0314
<b>Large General Service</b>			
7	Delivery Revenue - Demand	Schedule 5, Line 13, Column F	\$ 8,172,790
8	kWh Billed	Forecasted	
9	Lost Fixed Cost Rate	Line 7/Line 8	\$ 3,419,489 2.3901
<b>Large General Service</b>			
10	Delivery Revenue	Schedule 5, Line 16, Column F	\$ 5,319,772
11	kWh Billed	Forecasted	
12	Lost Fixed Cost Rate	Line 10/Line 11	\$ 1,261,678,481 0.0042

Tucson Electric Power  
 Lost Fixed Cost Recovery Mechanism  
 Schedule 5: Delivery Revenue Calculation  
 (\$000)

(A)	(B)	(C)	(D)	(E)	(F)	
Line No.	Rate Schedule	Adjusted Test Year Billing Determinants	Units	Delivery Charge	Demand Stability Factor	Total Delivery Revenue
						B x D x E
1	Residential Service (R-01)	3,368,532,306	kWh	\$ 0.0314	100%	\$ 105,811,858
2	Residential Service (R-80)	116,359,255	kWh	\$ 0.0229	100%	\$ 2,664,627
3	Residential Service (R-201AN)	131,427,481	kWh	\$ 0.0230	100%	\$ 3,016,454
4	Residential Service (R-201BN)	10,774,668	kWh	\$ 0.0229	100%	\$ 246,705
5	Subtotal - kWh	3,627,093,708	kWh	\$	\$	\$ 111,739,643
6	Small General Service (GS-10)	1,888,524,435	kWh	\$ 0.0314	100%	\$ 59,326,481
7	Small General Service (SGS-76)	123,590,518	kWh	\$ 0.0312	100%	\$ 3,859,805
8	Subtotal - kWh	2,012,114,954	kWh	\$	\$	\$ 63,186,286
9	Large General Service (LGS-13) - kW	2,719,841	kW	\$ 5.13	50%	\$ 6,976,392
10	Large General Service (LGS-85) - kW	699,648	kW	\$ 3.42	50%	\$ 1,196,398
11	Subtotal - kW - Demand	3,419,489	kW	\$	\$	\$ 8,172,790
12	Large General Service (LGS-13)	1,045,063,814	kWh	\$ 0.0049	100%	\$ 5,071,019
13	Large General Service (LGS-85)	216,614,667	kWh	\$ 0.0011	100%	\$ 248,753
14	Subtotal - kWh - Delivery	1,261,678,481	kWh	\$	\$	\$ 5,319,772

**ATTACHMENT  
"G"**

**TUCSON ELECTRIC POWER COMPANY  
ENVIRONMENTAL COMPLIANCE ADJUSTOR (“ECA”)  
PLAN OF ADMINISTRATION**

**Table of Contents**

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**Attachments**

Schedule 1 - Qualified Investments for ECA

Schedule 2 – Capital Carrying Costs and Adjustor Calculation

**1. GENERAL DESCRIPTION**

This document describes the plan for administering the ECA as approved by the Arizona Corporation Commission (“Commission” or “ACC”) for Tucson Electric Power Company (“TEP”) in Decision No. XXXXX [DATE]. The ECA provides for the recovery of and return on capital investments and associated costs related to environmental investments made by TEP and not already recovered in base rates approved in Decision No. XXXXX or recovered through another Commission-approved mechanism. The ECA will be calculated annually based on the ECA Qualified Investments closed to plant-in-service during the preceding calendar year.

**2. DEFINITIONS**

**ECA Qualified Investments** – Investments in Qualified Environmental Compliance Projects. Each ECA Qualified Investment shall: 1) be classified in one or more of the FERC Plant In-Service accounts listed in Section 3 of this document, or any other successor FERC account, upon going into service; and 2) be tracked by a specific project number.

**Qualified Environmental Compliance Projects** - Those projects designed to comply with established environmental standards required by federal, state, tribal, or local laws and regulations. In general, these environmental standards include, but are not limited to the following: sulfur dioxide, nitrogen oxide, carbon dioxide, ozone, particulate matter, volatile organic compounds, mercury and other toxics, coal ash and other combustion residuals and water intake.

**Capital Carrying Costs** – Costs recovered through the ECA charge include return on ECA Qualified Investments based on TEP’s Weighted Average Cost of Capital (“WACC”) approved by the Commission in Decision No. XXXXX; depreciation expense; income taxes; property taxes; deferred income taxes and tax credits where appropriate; and associated operations and management (“O&M”) costs.

Total Retail kWh Sales – Total retail kWh sales served under applicable ACC jurisdictional rate schedules as reported in TEP's FERC Form No. 1 for the prior calendar year.

### **3. ECA QUALIFIED INVESTMENTS - FERC ACCOUNTS**

Each ECA Qualified investment may be classified in one or more of the FERC Plant In Service accounts listed below, any successor FERC account, or any other FERC Account approved by the Commission upon going into service. The Plant In-Service FERC Accounts shall include the following:

#### **Steam Production:**

- FERC Account 310 – Land and Land Rights
- FERC Account 311 – Structures and Improvements
- FERC Account 312 – Boiler Plant Equipment
- FERC Account 313 – Engines and Engine-Driven Generators
- FERC Account 314 – Turbogenerator Units
- FERC Account 315 – Accessory Electric Equipment
- FERC Account 316 – Miscellaneous Power Plant Equipment

#### **Other Production:**

- FERC Account 340 – Land and Land Rights
- FERC Account 341 – Structures and Improvements
- FERC Account 342 – Fuel Holders, Products and Accessories
- FERC Account 343 – Prime Movers
- FERC Account 344 – Generators
- FERC Account 345 – Accessory Electric Equipment
- FERC Account 346 – Miscellaneous Power Plant Equipment

Please note that this list may expand to include other accounts approved by the ACC in the future.

### **4. CALCULATION OF ECA CAPITAL CARRYING COSTS**

The recoverable ECA Capital Carrying Costs used in calculating the ECA \$ per kWh rate will include: 1) Return on ECA Qualified Investments based on TEP's WACC approved by the Commission in Decision No. XXXXX; 2) depreciation expense; 3) income taxes; 4) property taxes; 5) deferred income taxes and tax credits where appropriate; and 6) associated O&M costs. The annual amount of Capital Carrying Costs to be recovered is subject to a cap equal to 0.25 percent of the total retail revenue requirement approved by the Commission in Decision No. xxxxx. The ECA Qualified Projects and the ECA recoverable costs calculation will be submitted by the Company to the Commission in the form of Schedule 1 and Schedule 2, as attached to this document.

### **5. CALCULATION OF ECA \$ PER KWH RATE**

The ECA rate to be applied to customers' bills will be calculated by dividing the total ECA Capital Carrying Costs by Total Retail kWh Sales. The ECA will not exceed \$0.00025 per kWh. The initial ECA rate will be set to zero.

## **6. ACCOUNTING**

From the effective date of the ECA, all ECA Capital Carrying Costs, including operating and maintenance expenses, depreciation, taxes, and the debt component of the WACC will be recorded in Other Regulatory Assets in Account 182.3, as they are incurred. Each month as the ECA surcharge revenues are billed, corresponding amortizations will be made from Account 182.3 and recorded in the proper income statement expense accounts. ECA Qualified Investments will continue to be accounted for as Plant In-Service.

## **7. RECOVERY PERIOD**

The initial ECA measurement period will become effective August 1, 2013. The ECA per kWh rate is designed to recover the annual ECA Capital Carrying Costs over a 12-month period. Should the ECA be modified or discontinued, any unrecovered balance in the ECA regulatory asset shall continue to be recovered through the ECA surcharge until all such costs have been collected.

## **8. FILING AND PROCEDURAL DEADLINES**

TEP will file the calculated ECA rate including all supporting data with the Commission for the previous calendar year on or before March 1<sup>st</sup>. See Schedules 1 and 2, attached.

The Commission Staff and interested parties shall have the opportunity to review the ECA filing and supporting data in the adjustor calculation. Unless the Commission has otherwise acted to suspend the filing or Staff has filed an objection by May 1<sup>st</sup>, the new ECA rate proposed by TEP will go into effect with the first billing cycle in May (without proration) and will remain effective for the following 12-month period.

Schedule 1: Qualified Investments for ECA  
Electric Plant In Service for Calendar Year 20XX

**Electric Plant in Service**

Line No.	(A) Project Tracking Number	(B) Project Name	(C) Purpose	(D) In-Service Date	(E) Total Cost	(F) ACC Jurisdictional Total Cost
<b>Qualified Environmental Compliance Projects</b>						
1.	XXXX	Project A	Project A Purpose Description	MM/YY	\$ -	\$ -
2.	XXXX	Project B	Project B Purpose Description	MM/YY	\$ -	\$ -
3.	XXXX	Project C	Project C Purpose Description	MM/YY	\$ -	\$ -
4.		Total			\$ -	\$ -

Schedule 2: Capital Carrying Costs and Adjustor Calculation  
 Plant in Service for Calendar Year 20XX  
 Billing Period 1/1/20XX-12/31/XX

Line No.	ECA Rate Calculation		
	<b>Qualified Net Plant</b>		
1.	Qualified Environmental Compliance Projects (Schedule 1 - Total Line Colur	\$	-
2.	Accumulated Depreciation	\$	-
3.	Cumulative Deferred Tax/Tax Credits	\$	-
4.	Qualified Net Plant (Line 1 - Line 2 - Line 3)	\$	-
5.	Pre-Tax Weighted Average Cost of Capital		0.00%
	<b>ECA Revenue Requirement</b>		
6.	Composite Return on ECA Net Plant (Line 4 * Line 5)	\$	-
7.	Annual Depreciation of Plant in Service	\$	-
8.	Applicable Property Tax	\$	-
9.	Associated O&M Expense	\$	-
10.	Total ECA Capital Carrying Costs (Line 6 + Line 7 + Line 8 + Line 9)	\$	-
11.	Total Company Retail Sales (kWh)		
12.	Calculated ECA Rate (\$/kWh) (Line 10 / Line 11)		
13.	ECA Rate Cap (\$/kWh)	\$	0.00025
14.	ECA Rate (\$/kWh) Lesser of Line 13 or Line 14	\$	-

**ATTACHMENT  
"H"**

## **ATTACHMENT H**

### **PROCUREMENT RECOMMENDATIONS**

1. TEP should prepare a complete natural gas hedging plan consistent with the requirements outlined in the TEP Hedging Manual.
2. TEP should revise its hedging strategy for natural gas and power to reflect the fundamental changes in the energy markets.
3. TEP should reduce the unit cost of coal in determining cost of coal in inventory by non-recurring costs and ash handling costs.
4. TEP should add resources to the solid fuel group to develop additional support for current solid fuel activities.
5. TEP should develop a plan to minimize solid fuel cost consequences of any decisions to retire plants in response to regional haze requirements.

**ATTACHMENT**  
**"I"**

ATTACHMENT 1 - COMPARISON OF LOW INCOME BILL IMPACT WITH AUGUST 2013 PPFAC

Line No.	Class Description	Customer Counts	Average Annual Bill	Average Annual Bill Change (from Current)	Revised Percent Change to Total Bill	\$ change in monthly bill	Lifeline bill below R-01 monthly bill
1	Residential R-01	330,848	\$966.06	\$34.92	3.8%	\$2.91 (1)	
2	Residential Lifeline R-04-01	819	\$647.15	\$31.64	5.1%	\$2.64	\$26.58
3	Residential Lifeline R-05-01	1,722	\$736.03	\$36.01	5.1%	\$3.00	\$19.17
4	Residential Lifeline R-08-01	1,046	\$577.75	\$28.45	5.2%	\$2.37	\$32.36
5	Residential Lifeline R-06-01	13,376	\$780.85	\$31.77	4.2%	\$2.65	\$15.43
6	Residential Lifeline R-04-21F	4	\$562.14	\$36.91	7.0%	\$3.08	\$33.66
7	Residential Lifeline R-05-21F	4	\$639.29	\$42.01	7.0%	\$3.50	\$27.23
8	Residential Lifeline R-08-21F	9	\$501.49	\$33.13	7.1%	\$2.76	\$38.71
9	Residential Lifeline R-06-21F	25	\$663.52	\$38.96	6.2%	\$3.25	\$25.21
10	Residential Lifeline R-04-70F	6	\$600.59	\$34.73	6.1%	\$2.89	\$30.46
11	Residential Lifeline R-05-70F	16	\$682.93	\$39.50	6.1%	\$3.29	\$23.59
12	Residential Lifeline R-08-70F	24	\$535.20	\$31.04	6.2%	\$2.59	\$35.91
13	Residential Lifeline R-06-70F	109	\$715.39	\$35.76	5.3%	\$2.98	\$20.89
14	Residential Lifeline 05- 201AF	3	\$688.32	\$37.13	5.7%	\$3.09	\$23.15
15	Residential Lifeline 08- 201AF	12	\$538.99	\$29.36	5.8%	\$2.45	\$35.59
16	Residential Lifeline 06- 201AF	336	\$721.21	\$33.16	4.8%	\$2.76	\$20.40
17	Residential Lifeline 06- 201BF	12	\$656.83	\$31.70	5.1%	\$2.64	\$25.77

Note (1) This reflects the inclusion of the PPFAC rate as proposed in the Settlement, which includes \$3 million of sulfur credits, deferral of \$9.7 million of San Juan "thermal event" costs. Impacts do not include the anticipated changes in DSM or REST rates.

ATTACHMENT  
"J"

**TUCSON ELECTRIC POWER COMPANY  
SUMMARY OF CURRENT, PROPOSED AND SETTLEMENT RATE DESIGN**

Rate Schedule	Current Design	Settlement
Lifeline	<ul style="list-style-type: none"> <li>• Includes 19 rate schedules with different designs</li> <li>• 12 different discounts – one flat and 11 percentage discounts</li> <li>• Excluded from PPFAC charges</li> <li>• Excluded from DSM charges</li> <li>• TOU schedules includes shoulder peak period in delivery</li> <li>• Fuel in base rates with shoulder peak period in TOU schedules</li> </ul>	<ul style="list-style-type: none"> <li>• Include PPFAC charges</li> <li>• Include DSM charges</li> <li>• Increased fixed rate discount from \$8 to \$9</li> <li>• Remainder of rates adjusted upward to reflect the same overall dollar change as the R-01 class</li> <li>• No other changes in rate design</li> </ul>
Residential R-01	<ul style="list-style-type: none"> <li>• Three block structure</li> <li>• 6 summer months/6 winter months</li> <li>• Fuel in base rates</li> </ul>	<ul style="list-style-type: none"> <li>• Four block structure</li> <li>• Consolidated R-02 into R-01</li> <li>• Increase customer and energy charges</li> <li>• 5 summer months/7 winter months</li> <li>• Added AMI opt-out charge</li> <li>• LFCR fixed charge option added</li> <li>• Base Power as in current structure</li> </ul>
Residential R-201	<ul style="list-style-type: none"> <li>• Two different rate structures with and without blocks</li> <li>• Rate structure includes three seasons</li> <li>• 6 summer months/6 winter months</li> <li>• Discounted from R-01</li> <li>• Fuel in base rates</li> </ul>	<ul style="list-style-type: none"> <li>• Consolidated two rate schedules into one with four blocks</li> <li>• Changed to only a winter and summer season</li> <li>• 5 summer months/7 winter months</li> <li>• Includes 10% discount on non-fuel components to R-01</li> <li>• Increase customer and energy charges</li> <li>• Base Power as in current structure</li> </ul>

**TUCSON ELECTRIC POWER COMPANY  
SUMMARY OF CURRENT, PROPOSED AND SETTLEMENT RATE DESIGN**

Rate Schedule	Current Design	Settlement
<p><b>Residential R-80 TOU</b></p>	<ul style="list-style-type: none"> <li>• Includes 5 rate structure with and without blocks</li> <li>• Includes three different on peak periods</li> <li>• Includes shoulder peak period in delivery</li> <li>• 6 summer months/6 winter months</li> <li>• Fuel in base rates with shoulder peak period</li> </ul>	<ul style="list-style-type: none"> <li>• Consolidated 5 TOU rate schedules into one without blocks</li> <li>• Consolidated on peak periods into a single period for the summer from 2:00 pm to 8:00 pm and two winter periods from 6:00 am to 10:00 am and 5:00 pm to 9:00 pm</li> <li>• Changed to only a winter and summer season</li> <li>• Removed shoulder peak period in delivery</li> <li>• Increase customer and energy charges</li> <li>• 5 summer months/7 winter months</li> <li>• Base Power as in current structure without shoulder peak period</li> </ul>
<p><b>Residential R-201 TOU</b></p>	<ul style="list-style-type: none"> <li>• Four different rate structures with and without blocks</li> <li>• Rate structure includes three seasons</li> <li>• Includes shoulder peak period in delivery</li> <li>• 6 summer months/6 winter months</li> <li>• Discounted from R-01</li> <li>• Fuel in base rates with shoulder peak period</li> </ul>	<ul style="list-style-type: none"> <li>• Consolidated four rate schedules into one without blocks</li> <li>• Consolidated on peak periods into a single period for the summer from 2:00 pm to 8:00 pm and two winter periods from 6:00 am to 10:00 am and 5:00 pm to 9:00 pm</li> <li>• Changed to only a winter and summer season</li> <li>• Removed shoulder peak period in delivery</li> <li>• Increase customer and energy charges</li> <li>• 5 summer months/7 winter months</li> <li>• Includes 15% discount on non-fuel components to R-80</li> <li>• Base Power as in current structure without shoulder peak period</li> </ul>

**TUCSON ELECTRIC POWER COMPANY  
SUMMARY OF CURRENT, PROPOSED AND SETTLEMENT RATE DESIGN**

Rate Schedule	Current Design	Settlement
<b>Small General Service GS-10</b>	<ul style="list-style-type: none"> <li>• One schedule with two blocks</li> <li>• 6 summer months/6 winter months</li> <li>• Fuel in base rates</li> </ul>	<ul style="list-style-type: none"> <li>• One schedule with two blocks</li> <li>• Increase customer and energy charges</li> <li>• 5 summer months/7 winter months</li> <li>• Municipal Rate 40 included in small general service with a 16.5% discount</li> <li>• Base Power as in current structure</li> </ul>
<b>Small General Service GS-76 TOU</b>	<ul style="list-style-type: none"> <li>• Two schedules with and without blocks</li> <li>• 6 summer months/6 winter months</li> <li>• Includes shoulder peak period in delivery</li> <li>• Fuel in base rates with shoulder peak period</li> </ul>	<ul style="list-style-type: none"> <li>• Consolidated on peak periods into a single period for the summer from 2:00 pm to 8:00 pm and two winter periods from 6:00 am to 10:00 am and 5:00 pm to 9:00 pm</li> <li>• Remove shoulder peak period</li> <li>• Increase customer and energy charges</li> <li>• 5 summer months/7 winter months</li> <li>• Base Power as in current structure without shoulder peak</li> </ul>
<b>Large General Service I-13</b>	<ul style="list-style-type: none"> <li>• Demand ratchet at 50%</li> <li>• 6 summer months/6 winter months</li> <li>• Fuel in base rates</li> </ul>	<ul style="list-style-type: none"> <li>• Increase customer charge</li> <li>• Standard demand and energy increases</li> <li>• Increased demand ratchet from 50% to 75%</li> <li>• 5 summer months/7 winter months</li> <li>• Base Power as in current structure</li> </ul>
<b>Large General Service I-85 TOU</b>	<ul style="list-style-type: none"> <li>• Three rate schedules with two different demand structures</li> <li>• Two different sets of on-peak periods</li> <li>• Includes shoulder peak period in delivery</li> <li>• 6 summer months/6 winter months</li> <li>• Demand ratchet at 50%</li> <li>• Fuel in base rates include shoulder peak period</li> </ul>	<ul style="list-style-type: none"> <li>• Consolidated three rate schedules into one</li> <li>• Consolidated on peak periods into a single period for the summer from 2:00 pm to 8:00 pm and two winter periods from 6:00 am to 10:00 am and 5:00 pm to 9:00 pm</li> <li>• Removed shoulder peak period</li> <li>• 5 summer months/7 winter months</li> <li>• Increase customer charge</li> <li>• Standard demand and energy increases</li> <li>• Increased demand ratchet from 50% to 75%</li> </ul>

**TUCSON ELECTRIC POWER COMPANY  
SUMMARY OF CURRENT, PROPOSED AND SETTLEMENT RATE DESIGN**

Rate Schedule	Current Design	Settlement
		<p>(ratchet will be new for 85N)</p> <ul style="list-style-type: none"> <li>• Base Power as in current structure without shoulder peak period</li> </ul>
<p><b>Large Light &amp; Power I-14</b></p>	<ul style="list-style-type: none"> <li>• Demand ratchet at 66.7%</li> <li>• 6 summer months/6 winter months</li> <li>• Fuel in base rates</li> <li>• Power factor a discount or a charge of 1.3¢ per kW of billing demand for each 1% the average monthly power factor is above or below 90% lagging to a maximum discount of 13.0¢ per kW</li> </ul>	<ul style="list-style-type: none"> <li>• Increase customer charge</li> <li>• Standard demand and energy increases</li> <li>• Increased demand ratchet from 66.7% to 75%</li> <li>• 5 summer months/7 winter months</li> <li>• Base Power as in current structure</li> <li>• Power factor charges applied to all power factors under 100%</li> </ul>
<p><b>LL&amp;P I-90 TOU</b></p>	<ul style="list-style-type: none"> <li>• Three rate schedules</li> <li>• Demand is On-peak &amp; Excess</li> <li>• Two sets of on-peak periods</li> <li>• Includes shoulder peak periods in delivery</li> <li>• Demand ratchet at 50%</li> <li>• 6 summer months/6 winter months</li> <li>• Fuel in base rates with shoulder peak period</li> <li>• Power factor a discount or a charge of 1.3¢ per kW of billing demand for each 1% the average monthly power factor is above or below 90% lagging to a maximum discount of 13.0¢ per kW</li> </ul>	<ul style="list-style-type: none"> <li>• Consolidated three rate schedules into one for the summer from 2:00 pm to 8:00 pm and two winter periods from 6:00 am to 10:00 am and 5:00 pm to 9:00 pm</li> <li>• Removed shoulder peak period</li> <li>• Increase customer charge</li> <li>• Standard demand and energy increases</li> <li>• Increased demand ratchet from 50% to 75%</li> <li>• 5 summer months/7 winter months</li> <li>• Base Power as in current structure without shoulder peak period</li> <li>• Power factor charges applied to all power factors under 100%</li> </ul>

PROOF  
OF  
REVENUE

TUCSON ELECTRIC POWER COMPANY  
SUMMARY PROPOSED REVENUES  
TEST PERIOD ENDING DECEMBER 31, 2011  
Line No.

Line No.	Rate Class	Adjusted Customers	Adjusted Sales (kWh)	Margin Revenue	Base Power&PPFAC	Test Year Adjusted Revenue	Margin Revenue	Base Power	Total Revenue
1	Proposed Increased								
2									
3	Residential Service	360,521	3,695,107,059	\$241,095,410	\$111,635,462	\$352,730,872	\$276,525,140	\$123,201,293	\$399,726,432
4	Residential Time Of Use	8,873	129,923,963	7,043,984	3,797,665	10,841,649	7,897,878	4,200,221	12,098,099
5	Small General Service	35,978	1,947,489,380	156,798,459	55,398,880	212,197,338	172,523,430	64,822,405	237,345,835
6	Small General Service Time of Use	924	123,590,519	8,103,358	3,849,976	11,488,333	10,026,004	3,922,266	13,948,270
7	Irrigation & Water Pumping	484	107,584,687	4,446,839	2,908,651	7,355,490	5,001,226	3,390,580	8,391,806
8	Large General Service	536	1,046,539,305	55,085,198	30,598,384	85,683,582	63,396,775	34,774,183	98,170,957
9	Large General Service Time of Use	87	216,614,667	8,424,561	6,579,663	15,004,224	9,974,701	6,773,309	16,748,010
10	Large Light & Power Service	4	351,454,280	12,469,651	10,271,504	22,741,155	15,465,873	10,507,517	25,973,390
11	Large Light & Power Service Time of Use	4	542,786,937	17,883,872	13,900,001	31,783,872	19,487,175	15,800,087	35,287,262
12	Mining Service	2	1,083,071,404	30,374,675	29,264,219	59,638,894	37,382,924	31,630,841	69,013,765
13	Traffic Signals & Lighting Service	19,566	37,430,789	3,022,183	913,817	3,936,000	3,261,519	1,230,412	4,491,931
14	TOTAL	426,985	9,285,592,991	\$544,748,189	\$268,653,221	\$813,401,411	\$620,942,644	\$300,253,113	\$921,195,757
15									
16									
17	Rate Schedule								
18	R-01 - Lifeline	19,858	190,498,193	\$11,801,193	\$5,712,319	\$17,513,513	\$12,887,266	\$5,598,340	\$18,485,606
19	R-02	327,921	3,364,805,199	223,461,936	102,007,849	325,469,785	256,693,383	112,600,057	369,293,439
20	R-201AF	1,985	3,727,106	185,953	109,756	295,709	215,028	122,270	337,297
21	R-201AF - Lifeline	4,943	69,035,331	3,588,889	2,061,241	5,650,130	4,608,883	2,295,181	6,904,064
22	R-201AN	352	4,797,453	235,965	143,480	379,445	256,971	144,258	401,229
23	TOTAL RESIDENTIAL SERVICE	5,452	62,392,149	3,306,229	1,927,235	5,233,464	4,287,838	2,078,430	6,366,268
24		360,521	3,695,255,432	\$242,580,166	\$111,961,880	\$354,542,046	\$278,949,369	\$122,838,536	\$401,787,904
25									
26	R-21F - Lifeline	51	601,680	\$27,889	\$17,837	\$45,726	\$31,576	\$17,578	\$49,154
27	R-70F - Lifeline	198	2,036,942	114,504	59,014	173,519	124,671	58,266	182,937
28	R-201BF - Lifeline	13	151,418	6,684	4,342	11,025	7,388	4,284	11,621
29	R-70F	2,411	40,511,249	1,929,952	1,222,077	3,152,029	2,464,973	1,311,430	3,776,403
30	R-70F	4,110	59,486,521	3,441,136	1,722,450	5,163,586	3,708,397	1,931,874	5,640,271
31	R-70N-B	202	2,721,591	179,745	80,748	260,493	171,705	88,446	260,151
32	R-70N-C	651	7,853,166	519,667	232,140	751,807	504,697	255,111	759,808
33	R-70N-D	452	5,786,727	382,164	171,439	553,603	368,190	188,058	556,248
34	R-201BF	494	7,561,541	333,854	214,871	548,725	403,137	242,450	645,587
35	R-201CF	205	2,211,821	103,121	66,786	169,907	125,889	70,604	196,493
36	R-201BN	58	847,816	39,443	25,350	64,793	45,614	27,222	72,835
37	R-201CN	27	153,489	7,999	4,773	12,772	10,553	4,899	15,452
38	RESIDENTIAL TOU SERVICE	8,873	129,923,963	\$7,086,159	\$3,821,825	\$10,907,984	\$7,966,739	\$4,200,221	\$12,166,960
39									
40	Total Lifeline Discount Non-TOU			-1,484,756	-689,175	-2,173,931	-2,424,229		-2,424,229
41	Total Lifeline Discount TOU			-42,175	-24,160	-66,335	-68,861		-68,861
42	R-01 Community Solar		3,851,627	0	362,757	362,757	362,757	362,757	362,757
43	TOTAL RESIDENTIAL SERVICE	369,394	3,829,031,022	\$248,139,394	\$115,433,127	\$363,572,522	\$284,423,018	\$127,401,513	\$411,824,531

Line No.	Proposed Increased	Rate Class	Adjusted Customers	Adjusted Sales (kWh)	Margin Revenue	Base Power&PPFAC	Test Year Adjusted Revenue	Margin Revenue	Base Power	Total Revenue
44	34,902	C-10	1,770,219,715	\$146,658,776	\$50,263,037	\$196,921,813	\$159,673,752	\$58,913,527	\$218,587,279	
45	339	C-11	58,614,700	3,567,768	1,684,000	5,251,768	4,229,714	1,944,430	6,174,144	
46	737	P-40	118,304,720	6,571,915	3,412,958	9,984,873	10,240,806	3,925,564	14,166,371	
48	35,978	SMALL GENERAL SERVICE	1,947,139,135	\$156,798,459	\$55,359,996	212,158,454	\$174,144,272	\$64,783,521	\$238,927,793	
50	828	C76F	109,764,966	\$6,970,469	\$2,995,352	\$9,965,821	\$8,900,021	\$3,481,756	\$12,381,777	
51	96	C-76-N	13,825,553	1,132,888	389,624	1,522,512	1,125,983	440,510	1,566,493	
52	924	TOTAL SGS TIME OF USE	123,590,519	\$8,103,358	\$3,384,976	\$11,488,333	\$10,026,004	\$3,922,266	\$13,948,270	
54	30	C-31	14,173,519	\$360,113	\$407,205	\$767,318	\$532,645	\$430,614	\$963,259	
55	339	P-43	50,179,432	2,931,269	1,341,303	\$4,272,572	2,958,010	1,669,303	4,627,312	
56	115	P-45	43,231,736	1,155,457	1,160,143	2,315,600	1,510,571	1,290,664	2,801,235	
57	484	WATER PUMPING SERVICE	107,584,687	\$4,446,839	\$2,908,651	\$7,355,490	\$5,001,226	\$3,390,580	\$8,391,806	
59	535	I-13	1,045,063,814	\$54,952,648	\$30,548,289	\$85,500,936	\$63,264,224	\$34,724,088	\$97,988,311	
60	61	Contract PRS	1,475,491	132,551	50,095	182,646	132,551	50,095	182,646	
62	536	LARGE GENERAL SERVICE	1,046,539,305	\$55,085,198	\$30,598,384	\$85,683,582	\$63,396,775	\$34,774,183	\$98,170,957	
63	17	I-85AF	31,671,453	\$1,644,562	\$864,899	\$2,508,460	\$1,153,849	\$1,043,983	\$2,197,832	
64	7	I-85F	14,642,750	802,338	403,379	1,205,716	609,482	449,816	1,059,298	
65	66	I-85N	170,300,463	5,977,661	5,311,387	11,289,048	8,211,370	5,279,510	13,490,880	
66	87	LARGE GENERAL SERVICE TOU	216,634,667	\$8,424,561	\$6,579,663	\$15,004,224	\$9,974,701	\$6,773,309	\$16,748,010	
68		P-40 Discount					-1,620,842		-1,620,842	
69	38,010	C-10 - Community Solar	350,244		38,884	38,884		38,884	38,884	
70		TOTAL GENERAL SERVICE	3,441,818,558	\$232,858,415	\$98,870,553	\$331,728,968	\$260,922,135	\$113,682,744	\$374,604,879	
71	4	LL&POWER SERVICE I-14	351,454,280	\$12,469,651	\$10,271,504	\$22,741,155	\$15,465,873	\$10,507,517	\$25,973,390	
73	1	I-90F - Contract	29,899,899	\$973,212	\$706,823	\$1,680,035	\$873,457	\$806,578	\$1,680,035	
74	3	I-90F	170,484,054	5,971,902	3,996,602	\$9,968,504	5,714,483	4,980,736	10,695,219	
75	1	I-90AF	29,796,851	1,236,204	698,332	\$1,934,536	1,012,873	873,371	1,886,244	
76	4	I-90N	312,606,133	9,702,553	8,498,744	\$18,200,797	11,886,363	9,139,401	21,025,764	
77	9	TOTAL LL&POWER TOU SERVICE	542,786,937	\$17,883,872	\$13,900,001	\$31,783,872	\$19,487,175	\$15,800,087	\$35,287,262	
79	2	MINING SERVICE	1,083,071,404	30,374,675	\$29,264,219	\$59,638,894	37,382,924	\$31,630,841	69,013,765	
80	15	TOTAL LL&P & MINING SERVICE	1,977,312,622	\$60,728,198	\$53,435,723	\$114,163,922	\$72,335,972	\$57,938,445	\$130,274,417	
82	1,251	P-41	29,734,586	\$1,355,302	\$767,658	\$2,122,960	\$1,415,366	\$977,598	\$2,392,965	
83	18,316	Lighting	7,696,203	1,666,880	146,159	\$1,813,039	1,846,152	252,814	2,098,966	
84	19,566	LIGHTING SERVICE	37,430,789	\$3,022,183	\$913,817	\$3,936,000	\$3,261,519	\$1,230,412	\$4,491,931	
85	426,985	TOTAL RETAIL SERVICE	9,285,592,991	\$544,748,189	\$268,653,221	\$813,401,411	\$620,942,644	\$300,253,113	\$921,195,757	

LINE NO.		Test Year		Test Year Adjusted Revenue	Proposed Adjusted		Proposed Revenues
		Adjusted Billing Determinants	Current Rates		Billing Determinants	Proposed Rates	
<b>Residential Service R-01</b>							
1	Customer Charge (Single Phase)	3,931,401	\$7.00	\$27,519,807.00	3,931,401	\$10.00	\$39,314,010.00
2	Customer Charge (Three Phase)	3,651	\$13.00	47,463.00	3,651	\$15.00	54,765.00
3	Sum First 500 kWh	865,521,763	\$0.046925	40,614,608.75	736,730,680	\$0.056200	41,404,264.20
4	Sum 501-1,000 kWh				496,017,382	\$0.067200	33,332,368.09
5	Sum 1,001-3,500 kWh	1,180,855,048	\$0.068960	81,431,764.12	559,338,750	\$0.079800	44,635,232.26
6	Sum>3,500 kWh	25,501,217	\$0.088960	2,268,588.23	24,347,732	\$0.088200	2,147,469.92
7	Win First 500 kWh				905,934,678	\$0.056200	50,913,528.89
8	Win 501-1,000 kWh	777,143,594	\$0.047309	36,765,886.29	413,683,007	\$0.065200	26,972,132.06
9	Win 1,001-3,500 kWh	510,936,480	\$0.067309	34,390,623.50	222,752,388	\$0.078100	17,396,961.53
10	Win>3,500 kWh	4,847,097	\$0.087309	423,195.23	6,000,583	\$0.087100	522,650.74
11	<b>Subtotal Delivery (Margin) Revenue</b>			<b>\$223,461,936.13</b>			<b>\$256,693,382.69</b>
12	Base Power Summer	2,071,878,028	\$0.033198	68,782,206.78	1,816,434,544	\$0.035111	63,776,833.26
13	Base Power Winter	1,292,927,171	\$0.025698	33,225,642.44	1,548,370,656	\$0.031532	48,823,223.51
14	<b>TOTAL RESIDENTIAL R-01</b>			<b>\$325,469,785.35</b>			<b>\$369,293,439.46</b>
15	TOTAL SALES	3,364,805,199			3,364,805,199		
<b>Residential Service R-02 Consolidated with Residential Service R-01</b>							
16	Customer Charge (Single Phase)	23,820	\$5.10	\$121,482.00	23,820	\$0.00	\$0.00
17	Sum First 500 kWh				1,196,221	\$0.056200	67,227.62
18	Sum 501-1,000 kWh	3,727,106	\$0.017298	64,471.48	66,774	\$0.067200	4,487.18
19	Sum 1,001-3,500 kWh			-	59,214	\$0.079800	4,725.30
20	Sum>3,500 kWh			-	3,979	\$0.088200	350.91
21	Win First 500 kWh				2,165,629	\$0.056200	121,708.34
22	Win 501-1,000 kWh			-	148,257	\$0.065200	9,666.34
23	Win 1,001-3,500 kWh			-	79,831	\$0.078100	6,234.77
24	Win>3,500 kWh			-	7,203	\$0.087100	627.36
25	<b>Subtotal Delivery (Margin) Revenue</b>			<b>\$185,953.48</b>			<b>\$215,027.81</b>
26	Base Power Summer	3,727,106	\$0.029448	109,755.82	1,326,187	\$0.035111	46,563.76
27	Base Power Winter			-	2,400,919	\$0.031532	75,705.78
28	<b>TOTAL RESIDENTIAL R-02</b>			<b>\$295,709.31</b>			<b>\$337,297.35</b>
29	TOTAL SALES	3,727,106			3,727,106		
<b>Residential Lifeline Service R-01 - Is Now Frozen</b>							
30	Customer Charge (Single Phase)	238,230	\$4.90	\$1,167,326.66	238,230	\$6.90	\$1,643,786.52
31	Customer Charge (Three Phase)	69	\$12.26	845.94	69	\$11.90	821.10
32	Summer (all kWh)	108,919,567	\$0.057723	6,287,164.14	93,722,286	\$0.061100	5,726,431.67
33	Winter (all kWh)	81,578,627	\$0.053272	4,345,856.60	96,775,907	\$0.057000	5,516,226.72
34	<b>Subtotal Delivery (Margin) Revenue</b>			<b>\$11,801,193.35</b>			<b>\$12,887,266.01</b>
35	Base Power Summer	108,919,567	\$0.033198	3,615,911.77	93,722,286	\$0.033198	3,111,392.45
36	Base Power Winter	81,578,627	\$0.025698	2,096,407.55	96,775,907	\$0.025698	2,486,947.27
37	<b>TOTAL RESIDENTIAL LIFELINE R-XX-01</b>			<b>\$17,513,512.67</b>			<b>\$18,485,605.73</b>
38	TOTAL SALES	190,498,193			190,498,193		

LINE NO.		Test Year Adjusted Billing Determinants	Current Rates	Test Year Adjusted Revenue	Proposed Adjusted Billing Determinants	Proposed Rates	Proposed Revenues
<b>Residential Lifeline Service R-201A - Is Now Frozen</b>							
1	Customer Charge (Single Phase)	4,218	\$4.90	\$20,668.46	4,218	\$6.90	\$29,104.57
2	Mid-Summer (all kWh)	1,397,135	\$0.057722	80,645.44	1,397,135	\$0.061100	85,364.96
3	Remaining-Summer (all kWh)	1,295,488	\$0.040993	53,105.95	899,080	\$0.043600	39,199.91
4	Winter (all kWh)	2,104,829	\$0.038742	81,545.28	2,501,237	\$0.041300	103,301.08
5	<b>Subtotal Delivery (Margin) Revenue</b>			<b>\$235,965.14</b>			<b>\$256,970.52</b>
6	Base Power Mid Summer	1,397,135	\$0.033198	46,382.09	1,397,135	\$0.033198	46,382.09
7	Base Power Remain-Summer	1,295,488	\$0.033198	43,007.62	899,080	\$0.033198	29,847.67
8	Base Power Winter	2,104,829	\$0.025698	54,089.89	2,501,237	\$0.027198	68,028.64
9	<b>TOTAL LIFELINE R-201</b>			<b>\$379,444.75</b>			<b>\$401,228.92</b>
10	TOTAL SALES	4,797,453			4,797,453		
<b>Residential Service R-201AF Consolidated with Residential Service R-201A</b>							
11	Customer Charge (Single Phase)	59,313	\$7.00	\$415,193.57	59,313	\$10.00	\$593,133.67
12	Sum First 500 kWh	20,197,805	\$0.066139	1,335,862.65	13,531,796	\$0.050600	684,708.87
13	Sum 501-1,000 kWh			-	9,105,476	\$0.060500	550,881.29
14	Sum 1,001-3,500 kWh	18,091,714	\$0.044138	798,532.07	10,267,877	\$0.071800	737,233.57
15	Sum>3,500 kWh			-	165,189	\$0.079400	13,115.97
16	Win First 500 kWh	30,745,812	\$0.033803	1,039,300.67	18,812,952	\$0.050600	951,935.36
17	Win 501-1,000 kWh			-	11,090,120	\$0.058700	650,990.04
18	Win 1,001-3,500 kWh			-	5,971,603	\$0.070300	419,803.70
19	Win>3,500 kWh			-	90,319	\$0.078400	7,081.01
20	<b>Subtotal Delivery (Margin) Revenue</b>			<b>\$3,588,888.97</b>			<b>\$4,608,883.48</b>
21	Base Power Mid-Summer	20,197,805	\$0.033198	670,526.74	33,070,337	\$0.035111	1,161,132.61
22	Base Power Remain-Summer	18,091,714	\$0.033198	600,608.72			
23	Base Power Winter	30,745,812	\$0.025698	790,105.87	35,964,994	\$0.031532	1,134,048.19
24	<b>TOTAL R-201A</b>			<b>\$5,650,130.30</b>			<b>\$6,904,064.28</b>
25	TOTAL SALES	69,035,331			69,035,331		
<b>Residential Service R-201AN Consolidated with Residential Service R-201A</b>							
26	Customer Charge (Single Phase)	65,544	\$7.00	\$458,808.00	65,544	\$10.00	\$655,440.00
27	Sum First 500 kWh				12,747,252	\$0.050600	645,010.96
28	Sum 501-1,000 kWh	7,410,492	\$0.065598	486,113.44	8,523,994	\$0.060500	515,701.66
29	Sum 1,001-3,500 kWh	11,446,450	\$0.085598	979,793.20	9,612,164	\$0.071800	690,153.37
30	Sum>3,500 kWh	107,509	\$0.105598	11,352.70	153,507	\$0.079400	12,188.42
<b>Remaining Summer</b>							
31	First 500, or all kWh	7,646,758	\$0.022737	173,864.33	-		-
32	501 -3,500, kWh	9,203,000	\$0.042737	393,308.63	-		-
33	>3,500 kWh	53,626	\$0.062737	3,364.35	-		-
34	Win First 500 kWh	14,115,148	\$0.020737	292,705.82	16,425,145	\$0.050600	831,112.35
35	Win 501-1,000 kWh	12,338,852	\$0.040737	502,647.80	9,653,893	\$0.058700	566,683.53
36	Win 1,001-3,500 kWh				5,198,250	\$0.070300	365,436.99
37	Win>3,500 kWh	70,315	\$0.060737	4,270.75	77,944	\$0.078400	6,110.79
38	<b>Subtotal Delivery (Margin) Revenue</b>			<b>\$3,306,229.01</b>			<b>\$4,287,838.07</b>
39	Base Power Mid-Summer	18,964,450	\$0.043166	818,619.45	31,036,917	\$0.035111	1,089,737.20
40	Base Power Remain-Summer	16,903,384	\$0.023166	391,583.80			
41	Base Power Winter	26,524,315	\$0.027033	717,031.81	31,355,232	\$0.031532	988,693.19
42	<b>TOTAL R-201AN</b>			<b>\$5,233,464.08</b>			<b>\$6,366,268.46</b>
43	TOTAL SALES	62,392,149			62,392,149		

LINE NO.		Test Year		Test Year Adjusted Revenue	Proposed Adjusted		Proposed Revenues
		Adjusted Billing Determinants	Current Rates		Billing Determinants	Proposed Rates	
<b>Residential Lifeline Service TOU R-21 - Is Now Frozen</b>							
1	Customer Charge	613	\$6.86	\$4,208.12	613	\$8.86	\$5,434.98
2	Summer On-peak kWh	109,148	\$0.072215	7,882.12	94,070	\$0.078800	7,412.68
3	Summer Off-peak kWh	223,428	\$0.026967	6,025.17	195,143	\$0.030100	5,873.81
4	Winter On-peak kWh	63,890	\$0.058320	3,726.08	78,969	\$0.065200	5,148.76
5	Winter Off-peak kWh	205,215	\$0.029467	<u>6,047.06</u>	233,499	\$0.033000	<u>7,705.46</u>
6	Subtotal Delivery (Margin) Revenue			\$27,888.55			\$31,575.70
<b>Base Power</b>							
7	Summer On-peak kWh	109,148	\$0.053198	5,806.45	94,070	\$0.053198	5,004.31
8	Summer Off-peak kWh	223,428	\$0.023198	5,183.07	195,143	\$0.023198	4,526.93
9	Winter On-peak kWh	63,890	\$0.040698	2,600.21	78,969	\$0.040698	3,213.87
10	Winter Off-peak kWh	205,215	\$0.020698	<u>4,247.53</u>	233,499	\$0.020698	<u>4,832.96</u>
11	<b>TOTAL LIFELINE TOU R-21F REVENUE</b>			<b>\$45,725.82</b>			<b>\$49,153.77</b>
12	TOTAL SALES	601,680			601,680		
<b>Residential Lifeline Service TOU R-70 - Is Now Frozen</b>							
13	Customer Charge	2,375	\$6.78	\$16,103.20	2,375	\$8.78	\$20,853.40
14	Summer On-peak	245,865	\$0.128473	31,587.01	214,446	\$0.139300	29,872.30
15	Summer Shoulder-peak	87,900	\$0.068120	5,987.76	87,900	\$0.074000	6,504.61
16	Summer Off-peak	847,975	\$0.034962	29,646.90	737,025	\$0.037900	27,933.24
17	Winter On-peak kWh	185,561	\$0.085313	15,830.80	216,981	\$0.092500	20,070.70
18	Winter Off-peak kWh	669,640	\$0.022921	<u>15,348.83</u>	780,591	\$0.024900	<u>19,436.70</u>
19	Subtotal Delivery (Margin) Revenue			\$114,504.49			\$124,670.96
<b>Base Power</b>							
20	Summer On-peak kWh	245,865	\$0.055698	13,694.19	214,446	\$0.055698	\$11,944.20
21	Summer Shoulder-peak	87,900	\$0.048198	4,236.61	87,900	\$0.048198	4,236.61
22	Summer Off-peak kWh	847,975	\$0.023198	19,671.32	737,025	\$0.023198	17,097.50
23	Winter On-peak kWh	185,561	\$0.040698	7,551.98	216,981	\$0.040698	8,830.67
24	Winter Off-peak kWh	669,640	\$0.020698	<u>13,860.22</u>	780,591	\$0.020698	<u>16,156.66</u>
25	<b>TOTAL LIFELINE TOU R-70F REVENUE</b>			<b>\$173,518.81</b>			<b>\$182,936.62</b>
26	TOTAL SALES	2,036,942			2,036,942		
<b>Residential Service TOU R-21 Frozen Consolidated with Residential TOU R-80</b>							
27	Customer Charge	28,932	\$7.00	\$202,524.00	28,932	\$11.50	\$332,718.00
28	Summer On-peak kWh	8,237,292	\$0.101271	834,198.77	7,468,625	\$0.066800	498,904.12
29	Summer Off-peak kWh	15,589,611	\$0.021508	335,301.34	13,949,953	\$0.051800	722,607.54
30	Winter On-peak kWh	3,844,450	\$0.073292	281,767.45	7,511,294	\$0.056800	426,641.52
31	Winter Off-peak kWh	12,839,897	\$0.021508	<u>276,160.50</u>	11,581,378	\$0.041800	<u>484,101.59</u>
32	Subtotal Delivery (Margin) Revenue			\$1,929,952.06			\$2,464,972.77
<b>Base Power</b>							
33	Summer On-peak kWh	8,237,292	\$0.053198	438,207.45	7,468,625	\$0.050669	378,427.74
34	Summer Off-peak kWh	15,589,611	\$0.023198	361,647.79	13,949,953	\$0.026679	372,170.78
35	Winter On-peak kWh	3,844,450	\$0.040698	156,461.44	7,511,294	\$0.032893	247,069.01
36	Winter Off-peak kWh	12,839,897	\$0.020698	<u>265,760.18</u>	11,581,378	\$0.027092	<u>313,762.68</u>
37	<b>TOTAL TOU R-21F REVENUE</b>			<b>\$3,152,028.91</b>			<b>\$3,776,402.99</b>
38	TOTAL SALES	40,511,249			40,511,249		

LINE NO.		Test Year		Test Year Adjusted Revenue	Proposed Adjusted		Proposed Revenues
		Adjusted Billing Determinants	Current Rates		Billing Determinants	Proposed Rates	
<b>Residential Service TOU R-70 Consolidated with Residential TOU R-80</b>							
1	Customer Charge	49,320	\$7.00	\$345,240.00	49,320	\$11.50	\$567,180.00
2	Summer On-peak	6,662,407	\$0.174747	1,164,235.63	11,348,439	\$0.066800	758,075.71
3	Summer Shoulder-peak	2,577,159	\$0.102823	264,991.23	-	\$0.000000	-
4	Summer Off-peak	27,114,005	\$0.041176	1,116,446.26	21,204,659	\$0.051800	1,098,401.36
5	Winter On-peak kWh	5,967,824	\$0.025762	153,743.09	10,594,826	\$0.056800	601,786.13
6	Winter Off-peak kWh	17,165,126	\$0.023098	396,480.07	16,338,596	\$0.041800	682,953.33
7	<b>Subtotal Delivery (Margin) Revenue</b>			<b>\$3,441,136.29</b>			<b>\$3,708,396.53</b>
<b>Base Power</b>							
8	Summer On-peak kWh	6,662,407	\$0.055698	\$371,082.74	11,348,439	\$0.050669	575,014.05
9	Summer Shoulder-peak	2,577,159	\$0.048198	124,213.92	-	\$0.000000	-
10	Summer Off-peak kWh	27,114,005	\$0.023198	628,990.68	21,204,659	\$0.026679	565,719.11
11	Winter On-peak kWh	5,967,824	\$0.040698	242,878.52	10,594,826	\$0.032893	348,495.62
12	Winter Off-peak kWh	17,165,126	\$0.020698	355,283.77	16,338,596	\$0.027092	442,645.26
13	<b>TOTAL TOU R-70F REVENUE</b>			<b>\$5,163,585.92</b>			<b>\$5,640,270.56</b>
14	<b>TOTAL SALES</b>	59,486,521			59,486,521		
<b>Residential Time-of-Use R-70N-B Consolidated with Residential TOU R-80</b>							
15	Customer Charge	2,424	\$8.00	\$19,392.00	2,424	\$11.50	\$27,876.00
<b>Summer On-peak</b>							
16	First 500, kWh	93,863	\$0.079947	7,504.08	523,087	\$0.066800	34,942.22
17	501 -3,500, kWh	176,848	\$0.096571	17,078.41	-	-	-
18	>3,500 kWh	2,267	\$0.116571	264.23	-	-	-
<b>Summer Shoulder-peak</b>							
19	First 500, kWh	143,827	\$0.050121	7,208.74	-	-	-
20	501 -3,500, kWh	281,334	\$0.070121	19,727.44	-	-	-
21	>3,500 kWh	3,679	\$0.090121	331.54	-	-	-
<b>Summer Off-peak</b>							
22	First 500, kWh	349,097	\$0.041217	14,388.72	979,031	\$0.051800	50,713.81
23	501 -3,500, kWh	675,543	\$0.057841	39,074.11	-	-	-
24	>3,500 kWh	8,856	\$0.077841	689.33	-	-	-
<b>Winter On-peak</b>							
25	First 500, kWh	162,731	\$0.067066	10,913.71	479,959	\$0.056800	27,261.67
26	501 -3,500, kWh	139,508	\$0.085478	11,924.83	-	-	-
27	>3,500 kWh	507	\$0.105478	53.52	-	-	-
<b>Winter Off-peak</b>							
28	First 500, kWh	366,538	\$0.037066	13,586.10	739,514	\$0.041800	30,911.70
29	501 -3,500, kWh	315,870	\$0.055478	17,523.86	-	-	-
30	>3,500 kWh	1,123	\$0.075478	84.78	-	-	-
31	<b>Subtotal Delivery (Margin) Revenue</b>			<b>\$179,745.40</b>			<b>\$171,705.40</b>
<b>Base Power</b>							
32	Summer On-peak	272,978	\$0.055440	15,133.91	523,087	\$0.050669	26,504.30
33	Summer Shoulder-peak	428,840	\$0.034876	14,956.22	-	\$0.00	-
34	Summer Off-peak	1,033,496	\$0.019865	20,530.40	979,031	\$0.026679	26,119.57
35	Winter On-peak kWh	302,746	\$0.042874	12,979.93	479,959	\$0.032893	15,787.29
36	Winter Off-peak kWh	683,532	\$0.025086	17,147.08	739,514	\$0.027092	20,034.92
37	<b>TOTAL TOU R-70N-B REVENUE</b>			<b>\$260,492.93</b>			<b>\$260,151.48</b>
38	<b>TOTAL SALES</b>	2,721,591			2,721,591		

LINE NO.		Test Year		Test Year Adjusted Revenue	Proposed Adjusted		Proposed Revenues
		Adjusted Billing Determinants	Current Rates		Billing Determinants	Proposed Rates	
<b>Residential Time-of-Use R-70N-C Consolidated with Residential TOU R-80</b>							
1	Customer Charge	7,812	\$8.00	\$62,496.00	7,812	\$11.50	\$89,838.00
	<u>Summer On-peak</u>						
2	First 500, kWh	413,264	\$0.077356	31,968.49	1,503,228	\$0.066800	100,415.60
3	501 -3,500, kWh	684,298	\$0.096354	65,934.87			-
4	>3,500 kWh	16,766	\$0.116354	1,950.81			-
	<u>Summer Shoulder-peak</u>						
5	First 500, kWh	255,582	\$0.049507	12,653.09			-
6	501 -3,500, kWh	429,716	\$0.069507	29,868.29			-
7	>3,500 kWh	10,408	\$0.089507	931.58			-
	<u>Summer Off-peak</u>						
8	First 500, kWh	1,170,661	\$0.038229	44,753.18	2,814,086	\$0.051800	145,769.65
9	501 -3,500, kWh	1,931,943	\$0.057227	110,559.31			-
10	>3,500 kWh	46,780	\$0.077227	3,612.69			-
	<u>Winter On-peak</u>						
11	First 500, kWh	503,061	\$0.066452	33,429.40	1,391,693	\$0.056800	79,048.19
12	501 -3,500, kWh	376,700	\$0.084864	31,968.29			-
13	>3,500 kWh	2,023	\$0.104864	212.18			-
	<u>Winter Off-peak</u>						
14	First 500, kWh	1,148,576	\$0.036452	41,867.90	2,144,159	\$0.041800	89,625.85
15	501 -3,500, kWh	858,787	\$0.054864	47,116.49			-
16	>3,500 kWh	4,599	\$0.074864	344.33			-
	<b>Subtotal Delivery (Margin) Revenue</b>			<b>\$519,666.90</b>			<b>\$504,697.28</b>
17	<b>Base Power</b>						
18	Summer On-peak	1,114,329	\$0.054330	60,541.49	1,503,228	\$0.050669	76,167.04
19	Summer Shoulder-peak	695,706	\$0.034177	23,777.15	-	\$0.000000	-
20	Summer Off-peak	3,149,384	\$0.019467	61,309.06	2,814,086	\$0.026679	75,077.00
21	Winter On-peak kWh	881,784	\$0.042015	37,048.17	1,391,693	\$0.032893	45,776.97
22	Winter Off-peak kWh	2,011,963	\$0.024585	49,464.10	2,144,159	\$0.027092	58,089.56
23	<b>TOTAL TOU R-70N-C REVENUE</b>			<b>\$751,806.87</b>			<b>\$759,807.85</b>
24	<b>TOTAL SALES</b>	7,853,166			7,853,166		

LINE NO.	Test Year			Test Year Adjusted Revenue	Proposed Adjusted		Proposed Revenues
	Adjusted Billing Determinants	Current Rates			Billing Determinants	Proposed Rates	
<b>Residential Time-of-Use R-70N-D Consolidated with Residential TOU R-80</b>							
1	Customer Charge	5,424	\$8.00	\$43,392.00	5,424	\$11.50	\$62,376.00
<u>Summer On-peak</u>							
2	First 500, kWh	200,869	\$0.091873	18,454.43	1,112,090	\$0.066800	74,287.60
3	501 -3,500, kWh	354,929	\$0.107334	38,095.99			-
4	>3,500 kWh	6,150	\$0.127334	783.16			-
<u>Summer Shoulder-peak</u>							
5	First 500, kWh	180,379	\$0.049814	8,985.40			-
6	501 -3,500, kWh	325,516	\$0.069814	22,725.59			-
7	>3,500 kWh	5,713	\$0.089814	513.07			-
<u>Summer Off-peak</u>							
8	First 500, kWh	919,875	\$0.042073	38,701.91	2,081,044	\$0.051800	107,798.09
9	501 -3,500, kWh	1,637,031	\$0.057534	94,184.94			-
10	>3,500 kWh	28,367	\$0.077534	2,199.37			-
<u>Winter On-peak</u>							
11	First 500, kWh	289,183	\$0.068737	19,877.56	1,021,079	\$0.056800	57,997.31
12	501 -3,500, kWh	236,708	\$0.085171	20,160.66			-
13	>3,500 kWh	1,062	\$0.105171	111.73			-
<u>Winter Off-peak</u>							
14	First 500, kWh	877,051	\$0.038737	33,974.32	1,572,514	\$0.041800	65,731.07
15	501 -3,500, kWh	720,607	\$0.055171	39,756.60			-
16	>3,500 kWh	3,287	\$0.075171	247.08			-
<b>Subtotal Delivery (Margin) Revenue</b>				<b>\$382,163.81</b>			<b>\$368,190.08</b>
<b>Base Power</b>							
18	Summer On-peak	561,949	\$0.058271	32,745.31	1,112,090	\$0.050669	56,348.48
19	Summer Shoulder-peak	511,608	\$0.036656	18,753.50	-	\$0.000000	-
20	Summer Off-peak	2,585,273	\$0.020880	53,980.50	2,081,044	\$0.026679	55,520.18
21	Winter On-peak kWh	526,953	\$0.045063	23,746.09	1,021,079	\$0.032893	33,586.37
22	Winter Off-peak kWh	1,600,945	\$0.026368	42,213.71	1,572,514	\$0.027092	42,602.54
<b>TOTAL TIME OF USE R-70N-D REVENUE</b>				<b>\$553,602.92</b>			<b>\$556,247.64</b>
24	TOTAL SALES	5,786,727			5,786,727		
<b>Residential Lifeline Service TOU R-201B - Is Now Frozen</b>							
25	Customer Charge (Single Phase)	159	\$6.78	\$1,081.31	159	\$8.78	\$1,400.28
<u>Summer</u>							
26	Mid-Summer On-peak	8,244	\$0.128473	1,059.11	8,244	\$0.136900	1,128.58
27	Mid-Summer Shoulder-peak	3,900	\$0.068120	265.69	3,900	\$0.074700	291.35
28	Mid-Summer Off-peak	32,255	\$0.034962	1,127.70	32,255	\$0.038300	1,235.37
29	Remaining-Summer On-peak	7,834	\$0.090717	710.66	5,483	\$0.099500	545.59
30	Remaining-Summer Shoulder-peak	2,703	\$0.044275	119.66	2,703	\$0.048600	131.35
31	Remaining-Summer Off-peak	29,775	\$0.023038	685.96	20,657	\$0.025300	522.61
32	Winter On-peak	15,413	\$0.059481	916.76	17,763	\$0.065200	1,158.16
33	Winter Off-peak	51,295	\$0.013975	716.84	60,413	\$0.015300	924.32
<b>Subtotal Delivery (Margin) Revenue</b>				<b>\$6,683.68</b>			<b>\$7,337.60</b>
<b>Base Power</b>							
35	Mid-Summer On-peak	8,244	\$0.055698	459.16	8,244	\$0.055698	459.16
36	Mid-Summer Shoulder-peak	3,900	\$0.048198	187.99	3,900	\$0.048198	187.99
37	Mid-Summer Off-peak	32,255	\$0.023198	748.25	32,255	\$0.023198	748.25
38	Remaining-Summer On-peak	7,834	\$0.055698	436.33	5,483	\$0.055698	305.41
39	Remaining-Summer Shoulder-peak	2,703	\$0.048198	130.27	2,703	\$0.048198	130.27
40	Remaining-Summer Off-peak	29,775	\$0.023198	690.72	20,657	\$0.023198	479.19
41	Winter On-peak	15,413	\$0.040698	627.26	17,763	\$0.040698	722.92
42	Winter Off-peak	51,295	\$0.020698	1,061.70	60,413	\$0.020698	1,250.43
<b>TOTAL LIFELINE R-XX-201B</b>				<b>\$11,025.36</b>			<b>\$11,621.23</b>
44	TOTAL SALES	151,418			151,418		

LINE NO.	Test Year		Test Year Adjusted Revenue	Proposed Adjusted		Proposed Revenues	
	Adjusted Billing Determinants	Current Rates		Billing Determinants	Proposed Rates		
<b>Residential Service TOU R-2018F Consolidated with Residential TOU Service R-2018</b>							
1	Customer Charge (Single Phase)	5,927	\$7.00	\$41,486.05	5,927	\$11.50	\$68,155.66
<b>Summer</b>							
2	Mid-Summer On-peak	412,357	\$0.166303	68,576.29	1,250,513	\$0.056800	71,029.15
3	Mid-Summer Shoulder-peak	172,389	\$0.093043	16,039.62			-
4	Mid-Summer Off-peak	1,624,561	\$0.031395	51,003.10	2,339,501	\$0.044000	102,938.06
5	Remaining-Summer On-peak	364,035	\$0.124945	45,484.39			-
6	Remaining-Summer Shoulder-peak	119,418	\$0.067767	8,092.58			-
7	Remaining-Summer Off-peak	1,456,605	\$0.018756	27,320.08			-
8	Winter On-peak	773,032	\$0.075935	58,700.22	1,564,449	\$0.048300	75,562.88
9	Winter Off-peak	2,639,143	\$0.006499	17,151.79	2,407,078	\$0.035500	85,451.27
10	<b>Subtotal Delivery (Margin) Revenue</b>			<b>\$333,854.12</b>			<b>\$403,137.02</b>
11	Mid-Summer On-peak	412,357	\$0.055698	22,967.49	1,250,513	\$0.050669	63,362.25
12	Mid-Summer Shoulder-peak	172,389	\$0.048198	8,308.82			-
13	Mid-Summer Off-peak	1,624,561	\$0.023198	37,686.57	2,339,501	\$0.026679	62,415.55
14	Remaining-Summer On-peak	364,035	\$0.055698	20,276.04			-
15	Remaining-Summer Shoulder-peak	119,418	\$0.048198	5,755.69			-
16	Remaining-Summer Off-peak	1,456,605	\$0.023198	33,790.31			-
17	Winter On-peak	773,032	\$0.040698	31,460.87	1,564,449	\$0.032893	51,459.42
18	Winter Off-peak	2,639,143	\$0.020698	54,624.99	2,407,078	\$0.027092	65,212.56
19	<b>TOTAL TOU R-2018F</b>			<b>\$548,724.91</b>			<b>\$645,586.80</b>
20	TOTAL SALES	7,561,541			7,561,541		
<b>Residential Service TOU R-2018CF Consolidated with Residential TOU Service R-2018</b>							
21	Customer Charge (Single Phase)	2,464	\$7.00	\$17,248.38	2,464	\$11.50	\$28,336.62
<b>Summer</b>							
22	Mid-Summer On-peak	154,320	\$0.161981	24,996.89	346,597	\$0.056800	19,686.73
23	Mid-Summer Shoulder-peak	43,356	\$0.090057	3,904.52			-
24	Mid-Summer Off-peak	407,895	\$0.028409	11,587.89	649,452	\$0.044000	28,575.88
25	Remaining-Summer On-peak	148,960	\$0.112200	16,713.28			-
26	Remaining-Summer Shoulder-peak	32,007	\$0.058618	1,876.18			-
27	Remaining-Summer Off-peak	398,805	\$0.012688	5,060.04			-
28	Winter On-peak	315,061	\$0.066272	20,879.75	478,871	\$0.048300	23,129.49
29	Winter Off-peak	711,416	\$0.001201	854.41	736,900	\$0.035500	26,159.96
30	<b>Subtotal Delivery (Margin) Revenue</b>			<b>\$103,121.34</b>			<b>\$125,888.68</b>
31	Mid-Summer On-peak	154,320	\$0.055698	8,595.31	346,597	\$0.050669	17,561.74
32	Mid-Summer Shoulder-peak	43,356	\$0.048198	2,089.68			-
33	Mid-Summer Off-peak	407,895	\$0.023198	9,462.35	649,452	\$0.026679	17,326.72
34	Remaining-Summer On-peak	148,960	\$0.055698	8,296.76			-
35	Remaining-Summer Shoulder-peak	32,007	\$0.048198	1,542.67			-
36	Remaining-Summer Off-peak	398,805	\$0.023198	9,251.49			-
37	Winter On-peak	315,061	\$0.040698	12,822.37	478,871	\$0.032893	15,751.52
38	Winter Off-peak	711,416	\$0.020698	14,724.89	736,900	\$0.027092	19,964.10
39	<b>TOTAL TOU R-2018CF</b>			<b>\$169,906.85</b>			<b>\$196,492.76</b>
40	TOTAL SALES	2,211,821			2,211,821		

LINE NO.		Test Year		Test Year Adjusted Revenue	Proposed Adjusted Billing Determinants Proposed Rates		Proposed Revenues
		Adjusted Billing Determinants	Current Rates		Billing Determinants	Proposed Rates	
<b>Residential Service TOU R-2018N Consolidated with Residential TOU Service R-2018</b>							
1	Customer Charge	696	\$8.00	\$5,568.00	696	\$11.50	\$8,004.00
	<u>MID-Summer On-peak</u>						
2	First 500, kWh	11,829	\$0.110962	1,312.59	142,511	\$0.056800	8,094.60
3	501 -3,500, kWh	24,718	\$0.130962	3,237.18			-
4	>3,500 kWh	277	\$0.150962	41.81			-
	<u>MID-Summer Shoulder-peak</u>						
5	First 500, kWh	10,819	\$0.043962	475.64			-
6	501 -3,500, kWh	22,549	\$0.063962	1,442.27			-
7	>3,500 kWh	249	\$0.083962	20.92			-
	<u>MID-Summer Off-peak</u>						
8	First 500, kWh	57,234	\$0.020362	1,165.40	266,449	\$0.044000	11,723.77
9	501 -3,500, kWh	118,631	\$0.040362	4,788.20			-
10	>3,500 kWh	1,294	\$0.060362	78.09			-
	<u>REMAIN-Summer On-peak</u>						
11	First 500, kWh	14,825	\$0.047962	711.02			-
12	501 -3,500, kWh	22,011	\$0.067962	1,495.90			-
13	>3,500 kWh	41	\$0.087962	3.59			-
	<u>REMAIN-Summer Shoulder-peak</u>						
14	First 500, kWh	11,461	\$0.024162	276.93			-
15	501 -3,500, kWh	18,526	\$0.044162	818.14			-
16	>3,500 kWh	37	\$0.064162	2.37			-
	<u>REMAIN-Summer Off-peak</u>						
17	First 500, kWh	62,102	\$0.016462	1,022.32			-
18	501 -3,500, kWh	100,213	\$0.036462	3,653.98			-
19	>3,500 kWh	198	\$0.056462	11.16			-
	<u>Winter On-peak</u>						
20	First 500, kWh	41,562	\$0.047962	1,993.40	172,825	\$0.048300	8,347.44
21	501 -3,500, kWh	53,991	\$0.067962	3,669.35			-
22	>3,500 kWh	93	\$0.087962	8.17			-
	<u>Winter Off-peak</u>						
23	First 500, kWh	119,596	\$0.016462	1,968.79	266,031	\$0.035500	9,444.11
24	501 -3,500, kWh	155,274	\$0.036462	5,661.59			-
25	>3,500 kWh	286	\$0.056462	16.17			-
26	<b>Subtotal Delivery (Margin) Revenue</b>			<b>\$39,442.95</b>			<b>\$45,613.92</b>
	<b>Base Power</b>						
27	Mid-Summer On-peak	36,825	\$0.077356	2,848.60	142,511	\$0.050669	7,220.87
28	Mid-Summer Shoulder-peak	33,617	\$0.038166	1,283.04			-
29	Mid-Summer Off-peak	177,159	\$0.033166	5,875.66	266,449	\$0.026679	7,108.60
30	Remaining-Summer On-peak	36,876	\$0.057356	2,115.08			-
31	Remaining-Summer Shoulder-peak	30,024	\$0.018166	545.42			-
32	Remaining-Summer Off-peak	162,513	\$0.013166	2,139.65			-
33	Winter On-peak	95,646	\$0.061223	5,855.74	172,825	\$0.032893	5,684.72
34	Winter Off-peak	275,156	\$0.017033	4,686.73	266,031	\$0.027092	7,207.32
35	<b>TOTAL TOU R-2018N REVENUE</b>			<b>\$64,792.86</b>			<b>\$72,835.44</b>
36	TOTAL SALES	847,816			847,816		

LINE NO.	Test Year		Test Year Adjusted Revenue	Proposed Adjusted		Proposed Revenues	
	Adjusted Billing Determinants	Current Rates		Billing Determinants	Proposed Rates		
<b>Residential Service TOU R-201CN Consolidated with Residential TOU Service R-201B</b>							
1	Customer Charge	329	\$8.00	\$2,632.00	329	\$11.50	\$3,783.50
<u>MID-Summer On-peak</u>							
2	First 500, kWh	3,953	\$0.099462	393.15	24,024	\$0.056800	1,364.56
3	501 -3,500, kWh	3,816	\$0.117162	447.04			-
4	>3,500 kWh	-	\$0.134862	-			-
<u>MID-Summer Shoulder-peak</u>							
5	First 500, kWh	2,040	\$0.040512	82.65			-
6	501 -3,500, kWh	2,430	\$0.058212	141.44			-
7	>3,500 kWh	-	\$0.075912	-			-
<u>MID-Summer Off-peak</u>							
8	First 500, kWh	14,980	\$0.019626	293.99	45,026	\$0.044000	1,981.17
9	501 -3,500, kWh	15,497	\$0.037326	578.45			-
10	>3,500 kWh	-	\$0.055026	-			-
<u>REMAIN-Summer On-peak</u>							
11	First 500, kWh	3,445	\$0.044052	151.77			-
12	501 -3,500, kWh	3,485	\$0.061752	215.18			-
13	>3,500 kWh	-	\$0.079452	-			-
<u>REMAIN-Summer Shoulder-peak</u>							
14	First 500, kWh	2,616	\$0.022989	60.14			-
15	501 -3,500, kWh	2,711	\$0.040689	110.31			-
16	>3,500 kWh	-	\$0.058389	-			-
<u>REMAIN-Summer Off-peak</u>							
17	First 500, kWh	14,880	\$0.016175	240.68			-
18	501 -3,500, kWh	14,818	\$0.033875	501.97			-
19	>3,500 kWh	-	\$0.051575	-			-
<u>Winter On-peak</u>							
20	First 500, kWh	11,128	\$0.044052	490.19	33,302	\$0.048300	1,608.49
21	501 -3,500, kWh	7,870	\$0.061752	486.00			-
22	>3,500 kWh	-	\$0.079452	-			-
<u>Winter Off-peak</u>							
23	First 500, kWh	29,014	\$0.016175	469.30	51,137	\$0.035500	1,815.37
24	501 -3,500, kWh	20,808	\$0.033875	704.86			-
25	>3,500 kWh	-	\$0.051575	-			-
26	<b>Subtotal Delivery (Margin) Revenue</b>			<b>\$7,999.13</b>			<b>\$10,553.08</b>
<b>Base Power</b>							
27	Mid-Summer On-peak	7,768	\$0.078903	612.95	24,024	\$0.050669	1,217.26
28	Mid-Summer Shoulder-peak	4,470	\$0.038929	174.01	-		-
29	Mid-Summer Off-peak	30,477	\$0.033829	1,031.00	45,026	\$0.026679	1,201.26
30	Remaining-Summer On-peak	6,930	\$0.058503	405.41	-		-
31	Remaining-Summer Shoulder-peak	5,327	\$0.018529	98.71	-		-
32	Remaining-Summer Off-peak	29,698	\$0.013429	398.81	-		-
33	Winter On-peak	18,998	\$0.062447	1,186.36	33,302	\$0.032893	1,095.40
34	Winter Off-peak	49,822	\$0.017374	865.60	51,137	\$0.027092	1,385.40
35	<b>TOTAL TOU R-201CN REVENUE</b>			<b>\$12,771.99</b>			<b>\$15,452.41</b>
36	TOTAL SALES	153,489			153,489		
37	RESIDENTIAL STANDARD SUBTOTAL						\$401,787,904.20
38	RESIDENTIAL TIME OF USE SUBTOTAL						\$12,166,959.53
39	RESIDENTIAL COMMUNITY SOLAR						\$362,756.94
40	RESIDENTIAL LIFELINE DISCOUNT						(\$2,493,089.80)
41	RESIDENTIAL TOTAL REVENUE						\$411,824,530.88

LINE NO.	Test Year Adjusted Billing Determinants	Current Rates	Test Year Adjusted Revenue	Proposed Adjusted Billing Determinants	Proposed Rates	Proposed Revenues	
<b>Small General Service SGS-10</b>							
1	Customer Charge (Single Phase)	206,171	\$8.00	\$1,649,368.00	206,171	\$15.50	\$3,195,650.50
2	Customer Charge (Three Phase)	212,653	\$14.00	2,977,142.00	212,653	\$20.50	4,359,386.50
<b>Summer</b>							
3	First 500, kWh	83,218,214	\$0.056236	4,679,859.46	70,402,123	\$0.076800	5,406,883.03
4	≥ 501 kWh	924,529,471	\$0.085145	78,719,061.80	794,353,073	\$0.097600	77,528,859.89
<b>Winter</b>							
5	First 500, kWh	85,492,289	\$0.051252	4,381,650.82	98,308,380	\$0.056800	5,583,916.00
6	≥ 501 kWh	676,979,742	\$0.080145	54,256,541.39	807,156,140	\$0.078800	63,603,903.82
7	Primary Metering Discount			(4,847.65)			(4,847.65)
8	<b>Subtotal Delivery (Margin) Revenue</b>			<b>\$146,658,775.81</b>			<b>\$159,673,752.08</b>
9	Base Power Summer	1,007,747,684	\$0.031550	31,794,439.45	864,755,195	\$0.035111	30,362,419.67
10	Base Power Winter	762,472,031	\$0.024222	18,468,597.53	905,464,520	\$0.031532	28,551,107.25
11	<b>TOTAL General Service SGS-10</b>			<b>\$196,921,812.79</b>			<b>\$218,587,279.00</b>
12	TOTAL SALES	1,770,219,715			1,770,219,715		
<b>Municipal Service PS-40 Consolidated with Small General Service SGS-10</b>							
13	Customer Charge (Single Phase)	8,849	\$0.00	\$0.00	8,849	\$15.50	\$137,159.50
<b>Summer</b>							
14	First 500, kWh	64,734,411	\$0.057530	3,724,170.65	4,420,553	\$0.076800	339,498.47
15	≥ 501 kWh			-	50,114,177	\$0.097600	4,891,143.64
<b>Winter</b>							
16	First 500, kWh	53,570,309	\$0.053159	2,847,744.07	6,912,295	\$0.056800	392,618.38
17	≥ 501 kWh			-	56,857,695	\$0.078800	4,480,386.36
18	<b>Subtotal Delivery (Margin) Revenue</b>			<b>\$6,571,914.72</b>			<b>\$10,240,806.35</b>
19	Base Power Summer	64,734,411	0.032245	2,087,361.07	54,534,730	\$0.035111	1,914,768.89
20	Base Power Winter	53,570,309	\$0.024745	1,325,597.30	63,769,990	\$0.031532	2,010,795.33
21	<b>TOTAL PS-40 REVENUE</b>			<b>\$9,984,873.09</b>			<b>\$14,166,370.58</b>
22	TOTAL SALES	118,304,720			118,304,720		
<b>SGS Time of Use SGS-76F Consolidated with SGS TOU 76</b>							
14	Customer Charge	9,936	\$8.00	\$79,488.00	9,936	\$17.50	\$173,880.00
15	Summer On-peak	9,825,216	\$0.207220	2,035,981.36	16,433,218	\$0.098700	1,621,958.60
16	Summer Shoulder-peak	3,497,021	\$0.119884	419,236.89		-	-
17	Summer Off-peak	46,772,467	\$0.042825	2,003,030.91	35,012,373	\$0.084500	2,958,545.54
18	Winter On-peak kWh	10,425,706	\$0.130159	1,356,999.48	23,274,964	\$0.081000	1,885,272.08
19	Winter Off-peak kWh	39,244,555	\$0.027411	1,075,732.50	35,044,410	\$0.064500	2,260,364.44
20	<b>Subtotal Delivery (Margin) Revenue</b>			<b>\$6,970,469.14</b>			<b>\$8,900,020.66</b>
<b>Base Power</b>							
22	Summer On-peak kWh	9,825,216	\$0.056123	551,420.62	16,433,218	\$0.050669	832,654.71
23	Summer Shoulder-peak	3,497,021	\$0.056123	196,263.32		-	-
24	Summer Off-peak kWh	46,772,467	\$0.023623	1,104,905.99	35,012,373	\$0.026679	934,095.11
25	Winter On-peak kWh	10,425,706	\$0.038809	404,611.23	23,274,964	\$0.032893	765,583.39
26	Winter Off-peak kWh	39,244,555	\$0.018809	738,150.84	35,044,410	\$0.027092	949,423.15
27	<b>TOTAL TOU SGS-76F REVENUE</b>			<b>\$9,965,821.15</b>			<b>\$12,381,777.02</b>
28	TOTAL SALES	109,764,966			109,764,965		

LINE NO.	Test Year Adjusted Billing Determinants	Current Rates	Test Year Adjusted Revenue	Proposed Adjusted Billing Determinants	Proposed Rates	Proposed Revenues	
<b>SGS Time of Use SGS-76N Consolidated with SGS TOU 76</b>							
1	Customer Charge	1,152	\$9.00	\$10,368.00	1,152	\$17.50	\$20,160.00
<b>Summer On-peak</b>							
2	First 500, kWh	53,632	\$0.153751	8,245.99	2,195,464	\$0.098700	216,692.26
3	501 -3,500, kWh	1,659,304	\$0.182660	303,088.41			-
<b>Summer Shoulder-peak</b>							
4	First 500, kWh	44,206	\$0.041416	1,830.82			-
5	501 -3,500, kWh	1,358,337	\$0.070325	95,525.07			-
<b>Summer Off-peak</b>							
6	First 500, kWh	150,763	\$0.027416	4,133.31	4,658,430	\$0.084500	393,637.30
7	501 -3,500, kWh	4,722,873	\$0.056325	266,015.85			-
<b>Winter On-peak</b>							
8	First 500, kWh	86,798	\$0.088434	7,675.93	2,777,047	\$0.081000	224,940.85
9	501 -3,500, kWh	1,918,001	\$0.117327	225,033.25			-
<b>Winter Off-peak</b>							
10	First 500, kWh	165,442	\$0.027415	4,535.58	4,194,613	\$0.064500	270,552.51
11	501 -3,500, kWh	3,666,198	\$0.056308	206,436.27			-
<b>Subtotal Delivery (Margin) Revenue</b>				<b>\$1,132,888.48</b>			<b>\$1,125,982.91</b>
12	<b>Base Power</b>						
13	Summer On-peak	1,712,936	\$0.052000	89,072.66	2,195,464	\$0.050669	111,241.95
14	Summer Shoulder-peak	1,402,543	\$0.032000	44,881.37			-
15	Summer Off-peak	4,873,636	\$0.022000	107,220.00	4,658,430	\$0.026679	124,282.24
16	Winter On-peak kWh	2,004,799	\$0.032000	64,153.57	2,777,047	\$0.032893	91,345.42
17	Winter Off-peak kWh	3,831,639	\$0.022000	84,296.07	4,194,613	\$0.027092	113,640.44
18	<b>TOTAL TOU SGS 76N REVENUE</b>			<b>\$1,522,512.15</b>			<b>\$1,566,492.97</b>
19	TOTAL SALES	13,825,553			13,825,553		
<b>GS Mobile Home Parks GS-11 Frozen</b>							
20	Customer Charge Single Pha	3,722	\$8.00	\$29,772.94	3,722	\$15.50	\$57,685.08
21	Customer Charge Three Pha	346	\$14.00	4,849.35	346	\$20.50	7,100.83
22	Summer kWh	30,805,210	\$0.067290	2,072,882.60	26,876,589	\$0.082000	2,203,880.28
23	Winter kWh	27,809,489	\$0.052751	1,466,978.38	31,738,111	\$0.062000	1,967,762.88
24	Primary Metering Discount			(3,284.98)			(3,284.98)
25	Transformer Owned Discount			(3,430.22)			(3,430.22)
26	<b>Subtotal Delivery (Margin) Revenue</b>			<b>\$3,567,768.07</b>			<b>\$4,229,713.87</b>
27	Base Power Summer	30,805,210	\$0.028730	885,033.69	26,876,589	\$0.035111	943,663.91
28	Base Power Winter	27,809,489	\$0.028730	798,966.63	31,738,111	\$0.031532	1,000,766.12
29	<b>TOTAL GS-11 REVENUE</b>			<b>\$5,251,768.40</b>			<b>\$6,174,143.90</b>
30	TOTAL SALES	58,614,700			58,614,700		

LINE NO.	Test Year Adjusted Billing Determinants	Current Rates	Test Year Adjusted Revenue	Proposed Adjusted Billing Determinants	Proposed Rates	Proposed Revenues
<b>Water Pumping GS-43</b>						
1	Customer Charge	4,063 \$	\$0.00	4,063	\$15.50	\$62,976.50
2	Summer kWh	29,185,229	\$0.060347	24,321,024	\$0.0680	1,653,829.62
3	Winter kWh	20,994,203	\$0.055731	25,858,408	\$0.0480	1,241,203.58
4	<b>Subtotal Delivery (Margin) Revenue</b>		<b>\$2,931,268.92</b>			<b>\$2,958,009.70</b>
6	Base Power Summer	29,185,229	\$0.029868	24,321,024	\$0.035111	853,935.47
7	Base Power Winter	20,994,203	\$0.022368	25,858,408	\$0.031532	815,367.32
8	<b>TOTAL GS-43 REVENUE</b>		<b>\$4,272,571.66</b>			<b>\$4,627,312.48</b>
9	TOTAL SALES	50,179,432		50,179,432		
<b>Water Pumping GS-31 Consolidated with Water Pumping GS-43</b>						
10	Customer Charge	365 \$	\$0.00	365	\$15.50	\$5,657.50
11	Summer kWh	11,400,116	\$0.025700	9,620,168	\$0.042000	404,047.07
12	Winter kWh	2,773,403	\$0.024205	4,553,351	\$0.027000	122,940.47
13	<b>Subtotal Delivery (Margin) Revenue</b>		<b>\$360,113.20</b>			<b>\$532,645.03</b>
14	Base Power Summer	11,400,116	\$0.028730	9,620,168	\$0.031310	301,207.47
15	Base Power Winter	2,773,403	\$0.028730	4,553,351	\$0.028420	129,406.22
16	<b>TOTAL GS-31 REVENUE</b>		<b>\$767,318.39</b>			<b>\$963,258.72</b>
17	TOTAL SALES	14,173,519		14,173,519		
<b>Water Pumping GS-45 Consolidated with Water Pumping GS-43</b>						
18	Customer Charge	1,382 \$	\$0.00	1,382	\$15.50	\$21,421.00
19	Summer kWh	25,751,439	\$0.027281	21,459,532	\$0.042000	901,300.35
20	Winter kWh	17,480,298	\$0.025911	21,772,204	\$0.027000	587,849.51
21	<b>Subtotal Delivery (Margin) Revenue</b>		<b>\$1,155,456.99</b>			<b>\$1,510,570.87</b>
22	Base Power Summer	25,751,439	\$0.029868	21,459,532	\$0.031310	671,897.95
23	Base Power Winter	17,480,298	\$0.022368	21,772,204	\$0.028420	618,766.04
24	<b>TOTAL GS-45 REVENUE</b>		<b>\$2,315,600.26</b>			<b>\$2,801,234.86</b>
25	TOTAL SALES	43,231,736		43,231,736		
<b>LARGE GENERAL SERVICE LGS-13</b>						
26	Customer Charge	6,420	\$371.88	6,420	\$775.00	\$4,975,500.00
27	ALL kW	2,571,910	\$10.35	2,719,841	\$15.25	41,477,573.96
28	Summer kWh	582,034,661	\$0.025656	494,868,791	\$0.0192	9,501,480.79
29	Winter kWh	463,029,153	\$0.023910	550,195,023	\$0.0134	7,372,613.31
30	Primary Metering Discount		(35,627.70)			(35,627.70)
31	Transformer Owned Discount		(27,316.74)			(27,316.74)
32	<b>Subtotal Delivery (Margin) Revenue</b>		<b>\$54,952,647.51</b>			<b>\$63,264,223.62</b>
33	<b>Base Power</b>					
34	Summer kWh	582,034,661	\$0.032554	494,868,791	\$0.035111	17,375,338.13
35	Winter kWh	463,029,153	\$0.025054	550,195,023	\$0.031532	17,348,749.46
36	<b>TOTAL LGS-13 REVENUE</b>		<b>\$85,500,936.28</b>			<b>\$97,988,311.22</b>
37	TOTAL SALES	1,045,063,814		1,045,063,814		

LINE NO.	Test Year Adjusted Billing Determinants	Current Rates	Test Year Adjusted Revenue	Proposed		Proposed Revenues	
				Adjusted Billing Determinants	Proposed Rates		
<b>LGS Time of Use LGS-85F Consolidated with LGS TOU 85</b>							
1	Customer Charge	87	\$371.88	\$32,262.41	87	\$950.00	\$82,417.16
2	Summer On-Peak kW	19,345	\$17.32	335,057.12	16,153	\$14.55	235,025.85
3	Summer Shoulder-Peak kW	0	\$8.66	-	-	-	-
4	Summer Off-peak kW		\$11.46	-	-	\$10.92	-
5	Winter On-Peak kW	17,037	\$9.65	164,338.97	20,403	\$11.59	236,467.90
6	Winter Off-peak kW		\$4.82	-	-	\$9.10	-
7	Summer On-peak	1,276,087	\$0.083765	106,891.46	1,698,736	\$0.008600	14,609.13
8	Summer Shoulder-peak	437,006	\$0.053910	23,558.99	-	\$0.00	-
9	Summer Off-peak	6,281,523	\$0.005693	35,760.71	5,082,830	\$0.006000	30,496.98
10	Winter On-peak kWh	1,381,684	\$0.053910	74,486.59	2,613,835	\$0.003000	7,841.50
11	Winter Off-peak kWh	5,266,449	\$0.005693	29,981.90	5,247,350	\$0.000500	2,623.67
12	<b>Subtotal Delivery (Margin) Revenue</b>			<b>\$802,338.15</b>			<b>\$609,482.19</b>
<b>Base Power</b>							
13	Summer On-peak kWh	1,276,087	\$0.056452	72,037.68	1,698,736	\$0.050669	86,073.27
14	Summer Shoulder-peak	437,006	\$0.056452	24,669.86	-	\$0.00	-
15	Summer Off-peak kWh	6,281,523	\$0.023952	150,455.05	5,082,830	\$0.026679	135,604.81
16	Winter On-peak kWh	1,381,684	\$0.039341	54,356.84	2,613,835	\$0.032893	85,976.86
17	Winter Off-peak kWh	5,266,449	\$0.019341	101,858.40	5,247,350	\$0.027092	142,161.20
18	<b>TOTAL TOU LGS-85F REVENUE</b>			<b>\$1,205,715.98</b>			<b>\$1,059,298.33</b>
19	<b>TOTAL SALES</b>	14,642,750			14,642,750		
<b>LGS Time of Use LGS-85AF Consolidated with LGS TOU 85</b>							
20	Customer Charge	201	\$371.88	\$74,839.03	201	\$950.00	\$191,182.84
21	Summer On-Peak kW	33,507	\$7.95	266,377.21	28,787	\$14.55	418,848.43
22	Summer Shoulder-Peak kW	-	\$5.26	-	-	-	-
23	Summer Off-peak kW		\$3.98	-	-	\$10.92	-
24	Winter On-Peak kW	30,755	\$5.26	161,697.91	35,746	\$11.59	414,296.16
25	Winter Off-peak kW	-	\$2.63	-	-	\$9.10	-
26	Summer On-peak	2,599,727	\$0.053290	138,539.47	6,641,029	\$0.008600	57,112.85
27	Summer Shoulder-peak	922,051	\$0.044980	41,473.87	-	\$0.00	-
28	Summer Off-peak	13,913,940	\$0.036667	510,182.42	8,319,627	\$0.006000	49,917.76
29	Winter On-peak kWh	2,874,352	\$0.044980	129,288.35	5,654,275	\$0.003000	16,962.83
30	Winter Off-peak kWh	11,361,383	\$0.028356	322,163.38	11,056,522	\$0.000500	5,528.26
31	<b>Subtotal Delivery (Margin) Revenue</b>			<b>\$1,644,561.64</b>			<b>\$1,153,849.13</b>
<b>Base Power</b>							
32	Summer On-peak kWh	2,599,727	\$0.056452	146,759.81	6,641,029	\$0.050669	336,494.32
33	Summer Shoulder-peak	922,051	\$0.056452	52,051.64	-	\$0.00	-
34	Summer Off-peak kWh	13,913,940	\$0.023952	333,266.68	8,319,627	\$0.026679	221,959.33
35	Winter On-peak kWh	2,874,352	\$0.039341	113,079.88	5,654,275	\$0.032893	185,986.08
36	Winter Off-peak kWh	11,361,383	\$0.019341	219,740.51	11,056,522	\$0.027092	299,543.28
37	<b>TOTAL TOU LGS-85AF REVENUE</b>			<b>\$2,509,460.16</b>			<b>\$2,197,832.14</b>
38	<b>TOTAL SALES</b>	31,671,453			31,671,453		

TUCSON ELECTRIC POWER COMPANY  
 TEST YEAR RATES VS. PROPOSED RATES AND REVENUES  
 TEST PERIOD ENDING DECEMBER 31, 2011

GENERAL SERVICE CLASS  
 PAGE 16 OF 19

LINE NO.	Test Year Adjusted Billing Determinants	Current Rates	Test Year Adjusted Revenue	Proposed Adjusted Billing Determinants	Proposed Rates	Proposed Revenues
<b>LGS Time of Use LGS-85N Consolidated with LGS TOU 85</b>						
1	Customer Charge	756	\$371.88	756	\$950.00	\$718,200.00
2	Summer On-Peak kW	159,325	\$11.87	136,794	\$14.55	1,990,350.48
3	Summer Off-peak kW	152,908	\$8.24	131,265	\$10.92	1,433,412.12
4	Winter On-Peak kW	141,095	\$8.91	168,568	\$11.59	1,953,701.06
5	Winter Off-peak kW	140,289	\$6.42	161,933	\$9.10	1,473,590.00
6	Summer On-peak	14,680,576	\$0.007500	21,189,064	\$0.008600	182,225.95
7	Summer Shoulder-peak	13,087,176	\$0.005000		\$0.00	-
8	Summer Off-peak	61,745,731	\$0.002500	55,253,420	\$0.006000	331,520.52
9	Winter On-peak kWh	23,409,799	\$0.002500	32,576,235	\$0.003000	97,728.70
10	Winter Off-peak kWh	57,377,182	\$0.000000	61,281,744	\$0.000500	30,640.87
11	<b>Subtotal Delivery (Margin) Revenue</b>		<b>\$5,977,661.07</b>			<b>\$8,211,369.71</b>
<b>Base Power</b>						
12	Summer On-peak kWh	14,680,576	\$0.059253	21,189,064	\$0.050669	1,073,628.70
13	Summer Shoulder-peak	13,087,176	\$0.033588		\$0.00	-
14	Summer Off-peak kWh	61,745,731	\$0.025299	55,253,420	\$0.026679	1,474,105.99
15	Winter On-peak kWh	23,409,799	\$0.036088	32,576,235	\$0.032893	1,071,530.09
16	Winter Off-peak kWh	57,377,182	\$0.027799	61,281,744	\$0.027092	1,660,245.02
17	<b>TOTAL TOU LGS-85AN REVENUE</b>		<b>\$11,289,047.63</b>			<b>\$13,490,879.50</b>
18	TOTAL SALES	170,300,463		170,300,463		
19	SMALL GENERAL SERVICE STANDARD					\$232,753,649.57
20	SMALL GENERAL SERVICE TIME OF USE					\$13,948,269.99
21	GENERAL SERVICE MOBILE HOME PARKS					\$6,174,143.90
22	WATER PUMPING SERVICE					\$8,391,806.07
23	LARGE GENERAL SERVICE					\$97,988,311.22
24	LARGE GENERAL SERVICE CONTRACT					\$182,646.07
25	LARGE GENERAL SERVICE TIME OF USE					\$16,748,009.97
26	GENERAL SERVICE COMMUNITY SOLAR					\$38,883.97
27	GENERAL SERVICE (PS-40) TRANSITION ADJUSTMENT					(\$1,620,842.00)
28	GENERAL SERVICE TOTAL REVENUE					\$374,604,878.75

LINE NO.	Test Year Adjusted Billing			Test Year Adjusted Revenue	Proposed Adjusted Billing		Proposed Revenues
	Determinants	Current Rates			Determinants	Rates	
1	<b>LARGE LIGHT &amp; POWER STANDARD SERVICE I-14</b>						
2	Customer Charge	48	\$500.00	\$24,000.00	48	\$1,800.00	\$86,400.00
3	Demand per kW	648,222	\$19.02	12,331,770.68	657,888	\$21.98	14,460,383.86
4	Summer kWh	194,411,279	\$0.000433	84,180.08	164,577,383	\$0.0032	526,647.63
5	Winter kWh	157,043,001	\$0.000433	67,999.62	186,876,897	\$0.0021	392,441.48
6	Power Factor Adjustment			(38,298.99)			-
7	<b>Subtotal Delivery (Margin) Revenue</b>			<b>\$12,469,651.40</b>			<b>\$15,465,872.97</b>
8	Base Power Summer	194,411,279	\$0.032577	6,333,336.24	164,577,383	\$0.031611	5,202,455.67
9	Base Power Winter	157,043,001	\$0.025077	3,938,167.34	186,876,897	\$0.028388	5,305,061.35
10	<b>TOTAL LL&amp;P I-14 REVENUE</b>			<b>\$22,741,154.98</b>			<b>\$25,973,389.99</b>
11	TOTAL SALES	351,454,280			351,454,280		
12	<b>LLP Time of Use LLP-90F Consolidated with Rate LLP TOU I-90</b>						
13	Customer Charge	36	\$500.00	\$18,000.00	36	\$2,000.00	\$72,000.00
14	Summer On-Peak kW	129,214	\$25.70	3,321,056.05	108,502	\$20.49	2,223,204.65
15	Summer Shoulder-Peak kW	-	\$19.45			\$0.00	
16	Summer Off-peak kW	381	\$13.20	5,026.79	0	\$12.49	-
17	Winter On-Peak kW	118,244	\$21.70	2,566,127.73	143,938	\$15.49	2,229,604.52
18	Winter Off-peak kW	306	\$9.20	2,817.33	0	\$9.99	-
19	Summer On-peak	12,789,577	\$0.000433	5,537.89	32,267,296	\$0.006900	222,644.34
20	Summer Shoulder-peak	5,101,626	\$0.000433	2,209.00		\$0.00	-
21	Summer Off-peak	73,829,358	\$0.000433	31,968.11	44,351,515	\$0.006500	288,284.85
22	Winter On-peak kWh	15,295,174	\$0.000433	6,622.81	30,752,002	\$0.007500	230,640.02
23	Winter Off-peak kWh	63,468,318	\$0.000433	27,481.78	63,113,261	\$0.007100	448,104.16
24	Power Factor Adjustment Charge			(14,945.30)			-
25	<b>Subtotal Delivery (Margin) Revenue</b>			<b>\$5,971,902.20</b>			<b>\$5,714,482.53</b>
	<b>Base Power</b>						
26	Summer On-peak kWh	12,789,577	\$0.052983	677,630.17	32,267,296	\$0.045568	1,470,356.15
27	Summer Shoulder-peak	5,101,626	\$0.052983	270,299.45	-	\$0.00	-
28	Summer Off-peak kWh	73,829,358	\$0.020483	1,512,246.74	44,351,515	\$0.023985	1,063,771.09
29	Winter On-peak kWh	15,295,174	\$0.035623	544,860.00	30,752,002	\$0.029581	909,674.98
30	Winter Off-peak kWh	63,468,318	\$0.015623	991,565.54	63,113,261	\$0.024352	1,536,934.14
31	<b>TOTAL LLP-90F REVENUE</b>			<b>\$9,968,504.09</b>			<b>\$10,695,218.89</b>
32	TOTAL SALES	170,484,054			170,484,075		

LINE NO.	Test Year Adjusted			Test Year Adjusted Revenue	Proposed		Proposed Revenues
	Billing Determinants	Current Rates	Proposed Adjusted Billing Determinants		Proposed Rates		
<b>LLP Time of Use LLP-90AF Consolidated with Rate LLP TOU I-90</b>							
1	Customer Charge	12	\$500.00	\$6,000.00	12	\$2,000.00	\$24,000.00
2	Summer On-Peak kW	23,108	\$25.58	591,115.52	19,420	\$20.49	397,915.80
3	Summer Shoulder-Peak kW	0	\$18.08	-	-	\$0.00	-
4	Summer Off-peak kW	0	\$10.58	-	-	\$12.49	-
5	Winter On-Peak kW	21,095	\$21.58	455,259.83	24,783	\$15.49	383,888.67
6	Winter Off-peak kW	0	\$10.58	-	-	\$0.00	-
7	Summer On-peak	2,487,981	\$0.006203	15,432.16	5,900,062	\$0.006900	40,710.42
8	Summer Shoulder-peak	691,357	\$0.006203	4,288.27	-	-	-
9	Summer Off-peak	12,031,280	\$0.006203	74,626.22	8,805,988	\$0.006500	57,238.92
10	Winter On-peak kWh	2,778,185	\$0.006203	17,232.20	4,936,738	\$0.007500	37,025.54
11	Winter Off-peak kWh	11,808,048	\$0.006203	73,241.58	10,154,063	\$0.007100	72,093.85
12	Power Factor Adjustment Charge			(991.62)			-
13	<b>Subtotal Delivery (Margin) Revenue</b>			<b>\$1,236,204.14</b>			<b>\$1,012,873.20</b>
<b>Base Power</b>							
14	Summer On-peak kWh	2,487,981	\$0.052983	131,820.68	5,900,062	\$0.045568	268,854.00
15	Summer Shoulder-peak	691,357	\$0.052983	36,630.18	-	\$0.00	-
16	Summer Off-peak kWh	12,031,280	\$0.020483	246,436.71	8,805,988	\$0.023985	211,211.63
17	Winter On-peak kWh	2,778,185	\$0.035623	98,967.27	4,936,738	\$0.029581	146,033.65
18	Winter Off-peak kWh	11,808,048	\$0.015623	184,477.14	10,154,063	\$0.024352	247,271.74
19	<b>TOTAL LLP-90AF REVENUE</b>			<b>\$1,934,536.13</b>			<b>\$1,886,244.24</b>
20	TOTAL SALES	29,796,851			29,796,851		
<b>LLP Time of Use LLP-90AN Consolidated with Rate LLP TOU I-90</b>							
22	Customer Charge	72	\$500.00	\$24,000.00	72	\$2,000.00	\$144,000.00
23	Summer On-Peak kW	1,126,518	\$20.03	5,631,073.96	942,458	\$20.49	19,310,956.22
24	Summer Off-peak kW	0	\$10.03	-	-	\$12.49	-
25	Winter On-Peak kW	1,101,530	\$15.03	3,830,620.95	1,293,879	\$15.49	20,042,187.50
26	Winter Off-peak kW	0	\$7.53	-	-	\$9.99	-
27	Summer On-peak	119,764,712	\$0.001113	31,295.27	259,407,650	\$0.006900	1,789,912.78
28	Summer Shoulder-peak	117,575,158	\$0.001113	29,824.13	-	\$0.00	-
29	Summer Off-peak	482,023,611	\$0.000716	80,888.09	320,205,034	\$0.006500	2,081,332.72
30	Winter On-peak kWh	220,927,188	\$0.000723	32,384.33	267,092,274	\$0.007500	2,003,192.06
31	Winter Off-peak kWh	455,386,868	\$0.000521	52,062.61	548,972,579	\$0.007100	3,897,705.31
32	Power Factor Adjustment Charge			(9,596.13)			-
33	<b>Subtotal Delivery (Margin) Revenue</b>			<b>\$9,702,553.21</b>			<b>\$49,269,286.60</b>
<b>Base Power</b>							
34	Summer On-peak kWh	119,764,712	\$0.041786	1,174,936.52	259,407,650	\$0.045568	11,820,687.78
35	Summer Shoulder-peak	117,575,158	\$0.041786	1,119,704.50	0	\$0.00	-
36	Summer Off-peak kWh	482,023,611	\$0.026872	3,035,788.59	320,205,034	\$0.023985	7,680,117.73
37	Winter On-peak kWh	220,927,188	\$0.027126	1,215,016.88	267,092,274	\$0.029581	7,900,856.57
38	Winter Off-peak kWh	455,386,868	\$0.019542	1,952,797.64	548,972,579	\$0.024352	13,368,580.25
39	<b>TOTAL LLP-90AN REVENUE</b>			<b>\$18,200,797.34</b>			<b>\$90,039,528.93</b>
40	TOTAL SALES	1,395,677,537			1,395,677,537		
41	<b>LARGE LIGHT &amp; POWER STANDARD</b>						<b>\$25,973,390</b>
42	<b>LARGE LIGHT &amp; POWER TIME OF USE</b>						<b>102,620,992</b>
43	<b>LARGE LIGHT &amp; POWER CONTRACT</b>						<b>1,680,035</b>
44	<b>LARGE LIGHT &amp; POWER SERVICE TOTAL REVENUE</b>						<b>\$130,274,417</b>

LINE NO.	Test Year			Proposed				
	Adjusted Billing Determinants	Current Rates	Test Year Adjusted Revenue	Adjusted Billing Determinants	Proposed Rates	Proposed Revenues		
<b>Traffic Signal and Street Light Service PS-41</b>								
1	Customer Charge	15,006	\$0.00	\$0.00	15,006	\$0.00	\$0.00	
2	Summer kWh	11,178,373	\$0.045580	509,510.24	11,178,373	\$0.047600	532,090.55	
3	Winter kWh	18,556,213	\$0.045580	845,792.19	18,556,213	\$0.047600	883,275.74	
4	<b>Subtotal Delivery (Margin) Revenue</b>			<b>\$1,355,302.43</b>			<b>\$1,415,366.29</b>	
5								
6	PPFAC SUMMER	11,178,373	\$0.025817	288,592.06	11,178,373	\$0.035111	392,483.85	
7	PPFAC WINTER	18,556,213	\$0.025817	479,065.75	18,556,213	\$0.031532	585,114.51	
8	<b>TOTAL PS-41 REVENUE</b>			<b>\$2,122,960.24</b>			<b>\$2,392,964.66</b>	
9	P-41 Total Sales	29,734,586			29,734,586			
<b>Lighting Service P-50</b>								
10	55Watt	1,428	\$7.39	\$10,552.92		\$8.19	\$11,695.32	
11	70Watt	2,472	\$7.39	18,268.08		\$8.19	20,245.68	
12	100 Watt	121,283	\$7.39	896,281.37		\$8.19	993,307.77	
13	250 Watt	19,574	\$11.09	217,114.81		\$12.29	240,564.46	
14	400 Watt	3,904	\$17.11	66,797.44		\$18.70	73,004.80	
15	Underground Service	23,986	\$14.01	336,139.80		\$15.53	372,502.58	
16	Pole	47,144	\$2.58	121,725.81		\$2.86	134,831.84	
17	<b>Subtotal Delivery (Margin) Revenue</b>			<b>\$1,666,880.23</b>			<b>\$1,846,152.45</b>	
18	Base Powr							
19	55Watt	1,428	\$0.43	\$609.76				
20	70Watt	2,472	\$0.54	1,342.30				
21	100 Watt	121,283	\$0.78	94,115.61	Base Power			
22	250 Watt	19,574	\$1.94	37,973.56	Sum kWh	2,832,315	\$0.035111	99,445.42
23	400 Watt	3,904	\$3.10	12,118.02	Win kWh	4,863,888	\$0.031532	153,368.11
24	<b>TOTAL LIGHTING SERVICE REVENUE</b>			<b>\$1,813,039.47</b>			<b>\$2,098,965.99</b>	
25	<b>LIGHTING SERVICE TOTAL REVENUE</b>						<b>\$4,491,930.64</b>	
26	<b>TOTAL REVENUE REQUIREMENT ALL CLASSES</b>						<b>\$921,195,757</b>	

**UNBUNDLED  
TARIFFS**



Residential Electric Service (R-01)

AVAILABILITY

Available throughout the Company's entire electric service area where the facilities of the Company are of adequate capacity and are adjacent to the premises.

APPLICABILITY

To all single-phase or three-phase (subject to availability at point of delivery) residential electric service in individual private dwellings and individually metered apartments when all service is supplied at one point of delivery and energy is metered through one meter.

For those dwellings and apartments where electric service has historically been measured through two meters, when one of the meters was installed pursuant to the Residential Electric Water Heating Service Rate (R-02F) which is no longer in effect, the electric service measured by such meters shall be combined for billing purposes.

Not applicable to resale, breakdown, temporary, standby, auxiliary service, or service to individual motors exceeding 40 amperes at a rating of 230 volts or which will cause excessive voltage fluctuations.

CHARACTER OF SERVICE

The service shall be single- or three-phase, 60 Hertz, and at one standard nominal voltage as mutually agreed and subject to availability at point of delivery.

RATE

A monthly bill at the following rate plus any adjustments incorporated herein:

BUNDLED STANDARD OFFER SERVICE-SUMMARY OF CUSTOMER AND ENERGY CHARGES

Customer Charge of Delivery Services:

Standard

Customer Charge, Single Phase service and minimum bill \$10.00 per month
Customer Charge, Three Phase service and minimum bill \$15.00 per month

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option

Customer Charge, Single Phase with usage less than 2,000 kWh \$12.50 per month
Customer Charge, Three Phase with usage less than 2,000 kWh \$17.50 per month

Customer Charge, Single Phase with usage of 2,000 kWh or more \$16.50 per month
Customer Charge, Three Phase with usage of 2,000 kWh or more \$21.50 per month

Energy Charges (\$/kWh)

Table with 5 columns: Summer (May - September), Delivery Services-Energy1, Power Supply Charges2 (Base Power, PPFAC2), Total3. Rows show energy usage ranges from 0-500 kWh to over 3,500 kWh with corresponding rates.

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-01
Effective: Pending
Decision No.:



# Tucson Electric Power

## Tucson Electric Power Company

Original Sheet No.: 101-1

Superseding: \_\_\_\_\_

Winter (October - April)	Delivery Services-Energy <sup>1</sup>	Power Supply Charges <sup>2</sup>		Total <sup>3</sup>
		Base Power	PPFAC <sup>2</sup>	
0 – 500 kWh	\$0.056200	\$0.031532	<i>varies</i>	\$0.087732
501 – 1,000 kWh	\$0.065200	\$0.031532	<i>varies</i>	\$0.096732
1,001 – 3,500 kWh	\$0.078100	\$0.031532	<i>varies</i>	\$0.109632
Over 3,000 kWh	\$0.087100	\$0.031532	<i>varies</i>	\$0.118632

1. Delivery Services-Energy is a bundled charge that includes: Local Delivery-Energy (Local Delivery and/or Distribution exclusive of Transmission/Ancillaries), Generation Capacity, Fixed Must-Run, Transmission and Ancillary Services.
2. The Power Supply Charge is the sum of the Base Power Charge and the Purchased Power and Fuel Adjustment Clause (PPFAC), a per kWh adjustment in accordance with Rider-1-PPFAC. PPFAC reflects increases or decreases in the cost to the Company for energy either generated or purchased above or below the base cost per kWh sold.
3. Total is calculated above for illustrative purposes (PPFAC varies over time pursuant to Rider-1 PPFAC).

### MONTHLY LIFELINE DISCOUNT:

This discount is only available to new and eligible Lifeline Customers whose monthly bill shall be in accordance to the rate above except that a discount of \$9.00 per month shall be applied. No Lifeline discount will be applied that will reduce the volumetric charges to less than zero.

### LIFELINE ELIGIBILITY

1. The TEP account must be in the customer's name applying for a lifeline discount.
2. Applicant must be a TEP residential customer residing at the premise.
3. Applicant must have a combined household income at or below 150% of the federal poverty level. See Income Guidelines Chart on TEP's website at [www.tep.com](http://www.tep.com) or contact a TEP customer care representative.

### LOST FIXED COST RECOVERY (LFCR) – RIDER 8

For those Customers who choose not to participate in the percentage based recovery of lost revenues associated with energy efficiency and distributed generation, a higher monthly Customer Charge will apply and the percentage based LFCR will not be included on the bill. All other Customers will pay the Standard monthly Customer Charge and the percentage based LFCR. Customers can choose the fixed charge option one (1) time per calendar year. Once the Customer chooses to contribute to the LFCR through a fixed charge they must pay the higher monthly Customer Charge for a complete twelve (12) month period. During the first twelve (12) months subsequent to the effective date of the LFCR, the Customer may choose to change back to the percentage based option without being on the fixed option for a full twelve (12) months. After one full year of the LFCR in effect, a Customer must remain on an option for a full twelve (12) months.

### DIRECT ACCESS

A Customer's Direct Access bill will include all unbundled components except those services provided by a qualified third party. Those services may include Metering (Installation, Maintenance and/or Equipment), Meter Reading, Billing and Collection, Transmission and Generation. If any of these services are not available from a third party supplier and must be obtained from the Company, the rates for Unbundled Components set forth in this tariff will be applied to the customer's bill.

### FOR DIRECT ACCESS: ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AZISA) CHARGE

A charge per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AZISA in Arizona.

Filed By: Kenton C. Grant  
Title: Vice President of Finance and Rates  
District: Entire Electric Service Area

Rate: R-01  
Effective: Pending  
Decision No.:



# Tucson Electric Power

## Tucson Electric Power Company

Original Sheet No.: 101-2  
Superseding: \_\_\_\_\_

### TEP STATEMENT OF CHARGES

For all additional charges and assessments approved by the Arizona Corporation Commission see the TEP Statement of Charges which is available on TEP's website at [www.tep.com](http://www.tep.com).

### AUTOMATED METER OPT-OUT

Residential rate class Customers may request, and have installed, meters that do not transmit data wirelessly. A one-time automated meter opt-out change-out fee, as specified in TEP's Statement of Charges, will apply for the installation of each analog meter that replaces a meter currently in service at the customer's premises that transmits data wirelessly. For a Customer choosing the Automated Meter Opt-out, an additional monthly customer charge as specified in the TEP Statement of Charges will be added to the applicable Customer Charge for as long as the analog meter is left in service.

The Customer may choose to self-read the analog meter. The terms and conditions for self reading of the meter shall be in accordance with Section 10 of the TEP Rules and Regulations.

### TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

### RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the Arizona Corporation Commission shall apply where not inconsistent with this rate.

### ADDITIONAL NOTES

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

### BUNDLED STANDARD OFFER SERVICE CONSISTS OF THE FOLLOWING UNBUNDLED COMPONENTS:

#### **Customer Charge Components (Unbundled):**

Standard		
Description	Single Phase	Three Phase
Meter Services	\$1.74 per month	\$2.60 per month
Meter Reading	\$1.17 per month	\$1.77 per month
Billing & Collection	\$5.04 per month	\$7.56 per month
Customer Delivery	\$2.05 per month	\$3.07 per month
<b>Total</b>	<b>\$10.00 per month</b>	<b>\$15.00 per month</b>

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option - usage less than 2,000 kWh		
Description	Single Phase	Three Phase
Meter Services	\$1.74 per month	\$2.60 per month
Meter Reading	\$1.17 per month	\$1.77 per month
Billing & Collection	\$5.04 per month	\$7.56 per month
Customer Delivery	\$2.05 per month	\$3.07 per month
LFCR	\$2.50 per month	\$2.50 per month
<b>Total</b>	<b>\$12.50 per month</b>	<b>\$17.50 per month</b>

Filed By: Kentton C. Grant  
Title: Vice President of Finance and Rates  
District: Entire Electric Service Area

Rate: R-01  
Effective: Pending  
Decision No.:



**Tucson Electric Power**

**Tucson Electric Power Company**

Original Sheet No.: 101-3

Superseding: \_\_\_\_\_

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option - usage of 2,000 kWh or more		
Description	Single Phase	Three Phase
Meter Services	\$1.74 per month	\$2.60 per month
Meter Reading	\$1.17 per month	\$1.77 per month
Billing & Collection	\$5.04 per month	\$7.56 per month
Customer Delivery	\$2.05 per month	\$3.07 per month
LFCR	\$6.50 per month	\$6.50 per month
<b>Total</b>	<b>\$16.50 per month</b>	<b>\$21.50 per month</b>

**Energy Charge Components (Unbundled):**

Component	Summer (May – September)	Winter (October - April)
0 – 500 kWh	\$0.001800	\$0.004200
501 – 1,000 kWh	\$0.012800	\$0.013200
1,001 – 3,500 kWh	\$0.025400	\$0.026100
Over 3,500 kWh	\$0.033800	\$0.035100
Generation Capacity	\$0.039800	\$0.037400
Fixed Must Run	\$0.003000	\$0.003000
Transmission	\$0.009000	\$0.009000
Transmission Ancillary Services consists of the following charges:		
System Control & Dispatch	\$0.000100	\$0.000100
Reactive Supply and Voltage Control	\$0.000500	\$0.000500
Regulation and Frequency Response	\$0.000500	\$0.000500
Spinning Reserve Service	\$0.001300	\$0.001300
Supplemental Reserve Service	\$0.000200	\$0.000200
Energy Imbalance Service: Currently charged pursuant to the Company's OATT		

**Power Supply Charges:**

	Summer (May – September)	Winter (October - April)
Base Power Component	\$0.03511100	\$0.03153200
PPFAC	In accordance with Rider 1 - PPFAC	

Filed By: Kentton C. Grant  
 Title: Vice President of Finance and Rates  
 District: Entire Electric Service Area

Rate: R-01  
 Effective: Pending  
 Decision No.:



Residential Time-of-Use (R-80)

AVAILABILITY

Available throughout the Company's entire electric service area where the facilities of the Company are of adequate capacity and are adjacent to the premises.

APPLICABILITY

To all single phase (subject to availability at point of delivery) residential electric service in individual private dwellings and individually metered apartments when all service is supplied at one point of delivery and energy is metered through one meter.

Not applicable to resale, breakdown, temporary, standby, auxiliary service, or service to individual motors exceeding 40 amperes at a rating of 230 volts or which will cause excessive voltage fluctuations.

Customers must stay on this rate for a minimum period of one (1) year.

CHARACTER OF SERVICE

The service shall be single-phase, 60 Hertz, and at one standard nominal voltage as mutually agreed and subject to availability at point of delivery.

RATE

A monthly bill at the following rate plus any adjustments incorporated herein:

BUNDLED STANDARD OFFER SERVICE - SUMMARY OF CUSTOMER AND ENERGY CHARGES

Customer Charges:

Standard

Customer Charge, Single Phase service and minimum bill \$11.50 per month

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option

Customer Charge, Single Phase with usage less than 2,000 kWh \$14.00 per month

Customer Charge, Single Phase with usage of 2,000 kWh or more \$18.00 per month

Energy Charges (\$/kWh):

Table with 5 columns: Summer (May - September), Delivery Services-Energy, Power Supply Charges (Base Power, PPFAC), Total. Rows for On-Peak and Off-Peak.

Table with 5 columns: Winter (October - April), Delivery Services-Energy, Power Supply Charges (Base Power, PPFAC), Total. Rows for On-Peak and Off-Peak.



# Tucson Electric Power

## Tucson Electric Power Company

Original Sheet No.: 102-1

Superseding: \_\_\_\_\_

1. Delivery Services-Energy is a bundled charge that includes: Local Delivery-Energy (Local Delivery and/or Distribution exclusive of Transmission/Ancillaries), Generation Capacity, Fixed Must-Run, Transmission and Ancillary Services.
2. The Power Supply Charge is the sum of the Base Power Charge and the Purchased Power and Fuel Adjustment Clause (PPFAC), a per kWh adjustment in accordance with Rider-1-PPFAC. PPFAC reflects increases or decreases in the cost to the Company for energy either generated or purchased above or below the base cost per kWh sold.
3. Total is calculated above for illustrative purposes (PPFAC varies over time pursuant to Rider-1 PPFAC).

### MONTHLY LIFELINE DISCOUNT:

This discount is only available to new and eligible Lifeline customers whose monthly bill shall be in accordance to the rate above except that a discount of \$9.00 per month shall be applied. No Lifeline discount will be applied that will reduce the volumetric charges to less than zero.

### TIME-OF-USE TIME PERIODS

The **Summer On-Peak** period is 2:00 p.m. to 8:00 p.m., Monday through Friday (excluding Memorial Day, Independence Day, and Labor Day).

The **Winter On-Peak** periods are 6:00 a.m. - 10:00 a.m. and 5:00 p.m. - 9:00 p.m., Monday through Friday (excluding Thanksgiving Day, Christmas Day, and New Year's Day).

All other hours are **Off-Peak**. If a holiday falls on Saturday, the preceding Friday is designated Off-Peak; if a holiday falls on Sunday, the following Monday is designated Off-Peak.

### ELECTRIC VEHICLES

Customers who own and operate Electric Vehicles will receive a 5% discount to the Base Fuel during the off-peak period and the PPFAC. Customers must provide documentation for highway approved Electric Vehicles.

### LOST FIXED COST RECOVERY (LFCR) – RIDER 8

For those Customers who choose not to participate in the percentage based recovery of lost revenues associated with energy efficiency and distributed generation, a higher monthly Customer Charge will apply and the percentage based LFCR will not be included on the bill. All other Customers will pay the Standard monthly Customer Charge and the percentage based LFCR. Customers can choose the fixed charge option one (1) time per calendar year. Once the Customer chooses to contribute to the LFCR through a fixed charge they must pay the higher monthly Customer Charge for a complete twelve (12) month period. During the first twelve (12) months subsequent to the effective date of the LFCR, the Customer may choose to change back to the percentage based option without being on the fixed option for a full twelve (12) months. After one full year of the LFCR in effect, a Customer must remain on an option for a full twelve (12) months.

### DIRECT ACCESS

A Customer's Direct Access bill will include all unbundled components except those services provided by a qualified third party. Those services may include Metering (Installation, Maintenance and/or Equipment), Meter Reading, Billing and Collection, Transmission and Generation. If any of these services are not available from a third party supplier and must be obtained from the Company, the rates for Unbundled Components set forth in this tariff will be applied to the customer's bill.

### FOR DIRECT ACCESS: ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AZISA) CHARGE

A charge per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AZISA in Arizona.

Filed By: Kentton C. Grant  
 Title: Vice President of Finance and Rates  
 District: Entire Electric Service Area

Rate: R-80  
 Effective: Pending  
 Decision No.:



# Tucson Electric Power

## Tucson Electric Power Company

Original Sheet No.: 102-2

Superseding: \_\_\_\_\_

### TEP STATEMENT OF CHARGES

For all additional charges and assessments approved by the Arizona Corporation Commission see the TEP Statement of Charges which is available on TEP's website at [www.tep.com](http://www.tep.com).

### TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

### RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the Arizona Corporation Commission shall apply where not inconsistent with this rate.

### ADDITIONAL NOTES

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

### BUNDLED STANDARD OFFER SERVICE CONSISTS OF THE FOLLOWING UNBUNDLED COMPONENTS:

#### Customer Charge Components (Unbundled):

Standard	
Description	Single Phase
Meter Services	\$2.00 per month
Meter Reading	\$1.34 per month
Billing & Collection	\$5.80 per month
Customer Delivery	\$2.36 per month
<b>Total</b>	<b>\$11.50 per month</b>

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option - usage less than 2,000 kWh	
Description	Single Phase
Meter Services	\$2.00 per month
Meter Reading	\$1.34 per month
Billing & Collection	\$5.80 per month
Customer Delivery	\$2.36 per month
LFCR	\$2.50 per month
<b>Total</b>	<b>\$14.00 per month</b>

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option - usage of 2,000 kWh or more	
Description	Single Phase
Meter Services	\$2.00 per month
Meter Reading	\$1.34 per month
Billing & Collection	\$5.80 per month
Customer Delivery	\$2.36 per month
LFCR	\$6.50 per month
<b>Total</b>	<b>\$18.00 per month</b>

Filed By: Kentton C. Grant  
Title: Vice President of Finance and Rates  
District: Entire Electric Service Area

Rate: R-80  
Effective: Pending  
Decision No.:



# Tucson Electric Power

## Tucson Electric Power Company

Original Sheet No.: 102-3

Superseding: \_\_\_\_\_

### Energy Charge Components (Unbundled):

Summer (May – September)	On-Peak	Off-Peak
Delivery-Energy	\$0.011300	\$0.011300
Generation Capacity	\$0.040900	\$0.025900
Fixed Must-Run	\$0.003000	\$0.003000
Transmission	\$0.009000	\$0.009000
Transmission Ancillary Services consists of the following charges:		
System Control & Dispatch	\$0.000100	\$0.000100
Reactive Supply and Voltage Control	\$0.000500	\$0.000500
Regulation and Frequency Response	\$0.000500	\$0.000500
Spinning Reserve Service	\$0.001300	\$0.001300
Supplemental Reserve Service	\$0.000200	\$0.000200
Energy Imbalance Service: Currently charged pursuant to the Company's OATT		

### Power Supply Charge

Summer (May – September)	On-Peak	Off-Peak
Base Power Component	\$0.05066900	\$0.02667900
PPFAC	In accordance with Rider 1 - PPFAC	

### Energy Charge Components (Unbundled):

Winter (October - April)	On-Peak	Off-Peak
Delivery-Energy	\$0.011300	\$0.011300
Generation Capacity	\$0.030900	\$0.015900
Fixed Must-Run	\$0.003000	\$0.003000
Transmission	\$0.009000	\$0.009000
Transmission Ancillary Services consists of the following charges:		
System Control & Dispatch	\$0.000100	\$0.000100
Reactive Supply and Voltage Control	\$0.000500	\$0.000500
Regulation and Frequency Response	\$0.000500	\$0.000500
Spinning Reserve Service	\$0.001300	\$0.001300
Supplemental Reserve Service	\$0.000200	\$0.000200
Energy Imbalance Service: Currently charged pursuant to the Company's OATT		

### Power Supply Charge

Winter (October - April)	On-Peak	Off-Peak
Base Power Component	\$0.03289300	\$0.02709200
PPFAC	In accordance with Rider 1 - PPFAC	

Filed By: Kenton C. Grant  
 Title: Vice President of Finance and Rates  
 District: Entire Electric Service Area

Rate: R-80  
 Effective: Pending  
 Decision No.:



Residential Lifeline/Senior Discount (R-04-01F)

AVAILABILITY

New Customers, including current Customers who move, are not eligible for service under this Rate.

APPLICABILITY

To all single-phase or three phase (subject to availability at point of delivery) residential electric service in individual private dwellings and individually metered apartments when all service is supplied at one point of delivery and energy is metered through one meter.

The discount is also available to tenants of master metered mobile home parks and apartments. The applicant must be 65 years of age, or older, and reside at the premise to qualify.

Not applicable to resale, breakdown, temporary, standby, auxiliary service, or service to individual motors exceeding 40 amperes at a rating of 230 volts or which will cause excessive voltage fluctuations.

CHARACTER OF SERVICE

The service shall be single-phase or three phase, 60 Hertz, and at one standard nominal voltage as mutually agreed and subject to availability at point of delivery.

RATE

A monthly bill at the following rate plus any adjustments incorporated herein:

BUNDLED STANDARD OFFER SERVICE - SUMMARY OF CUSTOMER AND ENERGY CHARGES

Customer Charge of Delivery Services:

Standard

Customer Charge, Single Phase service and minimum bill \$ 6.90 per month
Customer Charge, Three Phase service and minimum bill \$11.90 per month

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option

Customer Charge, Single Phase with usage less than 2,000 kWh \$ 9.40 per month
Customer Charge, Three Phase with usage less than 2,000 kWh \$14.40 per month

Customer Charge, Single Phase with usage of 2,000 kWh or more \$13.40 per month
Customer Charge, Three Phase with usage of 2,000 kWh or more \$18.40 per month

Energy Charges (\$/kWh)

Table with 5 columns: Energy Charges (\$/kWh), Delivery Services-Energy, Power Supply Charges (Base Power, PPFAC), Total. Rows for Summer (May-September) and Winter (October-April).

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-04-01F
Effective: Pending
Decision No.:



# Tucson Electric Power

## Tucson Electric Power Company

Original Sheet No.: 103-1  
Superseding: \_\_\_\_\_

1. Delivery Services-Energy is a bundled charge that includes: Local Delivery-Energy (Local Delivery and/or Distribution exclusive of Transmission/Ancillaries), Generation Capacity, Fixed Must-Run, Transmission and Ancillary Services.
2. The Power Supply Charge is the sum of the Base Power Charge and the Purchased Power and Fuel Adjustment Clause (PPFAC), a per kWh adjustment in accordance with Rider-1-PPFAC. PPFAC reflects increases or decreases in the cost to the Company for energy either generated or purchased above or below the base cost per kWh sold.
3. Total is calculated above for illustrative purposes (PPFAC varies over time pursuant to Rider-1 PPFAC).

### MONTHLY DISCOUNT

The following monthly discount applies to the rate incorporated herein:

For Bills with Usage of:	Monthly Discount will be applied to the total bill excluding the Customer Charge:
0 - 300 kWh	35%
301 - 600 kWh	30%
601- 1,000 kWh	25%
1001- 1,500 kWh	15%
Over 1,500 kWh	0%

### LOST FIXED COST RECOVERY (LFCR) – RIDER 8

For those Customers who choose not to participate in the percentage based recovery of lost revenues associated with energy efficiency and distributed generation, a higher monthly Customer Charge will apply and the percentage based LFCR will not be included on the bill. All other Customers will pay the Standard monthly Customer Charge and the percentage based LFCR. Customers can choose the fixed charge option one (1) time per calendar year. Once the Customer chooses to contribute to the LFCR through a fixed charge they must pay the higher monthly Customer Charge for a complete twelve (12) month period. During the first twelve (12) months subsequent to the effective date of the LFCR, the Customer may choose to change back to the percentage based option without being on the fixed option for a full twelve (12) months. After one full year of the LFCR in effect, a Customer must remain on an option for a full twelve (12) months.

### DIRECT ACCESS

A customer's Direct Access bill will include all unbundled components except those services provided by a qualified third party. Those services may include Metering (Installation, Maintenance and/or Equipment), Meter Reading, Billing and Collection, Transmission and Generation. If any of these services are not available from a third party supplier and must be obtained from the Company, the rates for Unbundled Components set forth in this tariff will be applied to the customer's bill.

### FOR DIRECT ACCESS: ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AZISA) CHARGE

A charge per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AZISA in Arizona.

### TEP STATEMENT OF CHARGES

For all charges and assessments approved by the Arizona Corporation Commission see the TEP Statement of Charges which is available on TEP's website at [www.tep.com](http://www.tep.com).

Filed By: Kentton C. Grant  
Title: Vice President of Finance and Rates  
District: Entire Electric Service Area

Rate: R-04-01F  
Effective: Pending  
Decision No.:



AUTOMATED METER OPT-OUT

Residential rate class Customers may request, and have installed, meters that do not transmit data wirelessly. A one-time automated meter opt-out change-out fee, as specified in TEP's Statement of Charges, will apply for the installation of each analog meter that replaces a meter currently in service at the customer's premises that transmits data wirelessly. For a Customer choosing the Automated Meter Opt-out, an additional monthly customer charge as specified in the TEP Statement of Charges will be added to the applicable Customer Charge for as long as the analog meter is left in service.

The Customer may choose to self-read the analog meter. The terms and conditions for self reading of the meter shall be in accordance with Section 10 of the TEP Rules and Regulations.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the Arizona Corporation Commission shall apply where not inconsistent with this rate.

ADDITIONAL NOTES

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

BUNDLED STANDARD OFFER SERVICE CONSISTS OF THE FOLLOWING UNBUNDLED COMPONENTS:

**Customer Charge Components (Unbundled):**

Description	Standard	
	Single Phase	Three Phase
Meter Services	\$1.20 per month	\$2.07 per month
Meter Reading	\$0.81 per month	\$1.39 per month
Billing & Collection	\$3.48 per month	\$6.00 per month
Customer Delivery	\$1.41 per month	\$2.44 per month
<b>Total</b>	<b>\$6.90 per month</b>	<b>\$11.90 per month</b>

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option - usage less than 2,000 kWh		
Description	Single Phase	Three Phase
Meter Services	\$1.20 per month	\$2.07 per month
Meter Reading	\$0.81 per month	\$1.39 per month
Billing & Collection	\$3.48 per month	\$6.00 per month
Customer Delivery	\$1.41 per month	\$2.44 per month
LFCR	\$2.50 per month	\$2.50 per month
<b>Total</b>	<b>\$9.40 per month</b>	<b>\$14.40 per month</b>

Filed By: Kentton C. Grant  
Title: Vice President of Finance and Rates  
District: Entire Electric Service Area

Rate: R-04-01F  
Effective: Pending  
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 103-3

Superseding: \_\_\_\_\_

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option - usage of 2,000 kWh or more		
Description	Single Phase	Three Phase
Meter Services	\$1.20 per month	\$2.07 per month
Meter Reading	\$0.81 per month	\$1.39 per month
Billing & Collection	\$3.48 per month	\$6.00 per month
Customer Delivery	\$1.41 per month	\$2.44 per month
LFCR	\$6.50 per month	\$6.50 per month
<b>Total</b>	<b>\$13.40 per month</b>	<b>\$18.40 per month</b>

**Energy Charge Components of Delivery Services (Unbundled):**

Component	Summer (May – September)	Winter (October - April)
Local Delivery-Energy	\$0.013800	\$0.011300
Generation Capacity	\$0.032700	\$0.031100
Fixed Must-Run	\$0.003000	\$0.003000
Transmission	\$0.009000	\$0.009000
Transmission Ancillary Services consists of the following charges:		
System Control & Dispatch	\$0.000100	\$0.000100
Reactive Supply and Voltage Control	\$0.000500	\$0.000500
Regulation and Frequency Response	\$0.000500	\$0.000500
Spinning Reserve Service	\$0.001300	\$0.001300
Supplemental Reserve Service	\$0.000200	\$0.000200
Energy Imbalance Service: Currently charged pursuant to the Company's OATT		

**Power Supply Charge:**

	Summer (May – September)	Winter (October - April)
Base Power Component	\$0.033198	\$0.025698
PPFAC	In accordance with Rider 1 - PPFAC	

Filed By: Kentton C. Grant  
 Title: Vice President of Finance and Rates  
 District: Entire Electric Service Area

Rate: R-04-01F  
 Effective: Pending  
 Decision No.:



Residential Lifeline/Senior Discount (R-04-21F)

AVAILABILITY

New Customers, including current Customers who move, are not eligible for service under this Rate.

APPLICABILITY

To all single-phase (subject to availability at point of delivery) residential electric service in individual private dwellings and individually metered apartments when all service is supplied at one point of delivery and energy is metered through one meter.

The discount is also available to tenants of master metered mobile home parks and apartments. The applicant must be 65 years of age, or older, and reside at the premise to qualify.

Not applicable to resale, breakdown, temporary, standby, auxiliary service, or service to individual motors exceeding 40 amperes at a rating of 230 volts or which will cause excessive voltage fluctuations.

CHARACTER OF SERVICE

The service shall be single-phase, 60 Hertz, and at one standard nominal voltage as mutually agreed and subject to availability at point of delivery.

RATE

A monthly bill at the following rate plus any adjustments incorporated herein:

BUNDLED STANDARD OFFER SERVICE - SUMMARY OF CUSTOMER AND ENERGY CHARGES

Customer Charges:

Standard

Customer Charge, Single Phase service and minimum bill \$ 8.86 per month

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option

Customer Charge, Single Phase with usage less than 2,000 kWh \$11.36 per month

Customer Charge, Single Phase with usage of 2,000 kWh or more \$15.36 per month

Energy Charges (\$/kWh):

Table with 4 columns: Summer (May - September), Delivery Services-Energy, Power Supply Charges (Base Power, PPFAC), Total. Rows for On-Peak and Off-Peak.

Table with 4 columns: Winter (October - April), Delivery Services-Energy, Power Supply Charges (Base Power, PPFAC), Total. Rows for On-Peak and Off-Peak.

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-04-21F
Effective: Pending
Decision No.:



# Tucson Electric Power

## Tucson Electric Power Company

Original Sheet No.: 104-1

Superseding: \_\_\_\_\_

1. Delivery Services-Energy is a bundled charge that includes: Local Delivery-Energy (Local Delivery and/or Distribution exclusive of Transmission/Ancillaries), Generation Capacity, Fixed Must-Run, Transmission and Ancillary Services.
2. The Power Supply Charge is the sum of the Base Power Charge and the Purchased Power and Fuel Adjustment Clause (PPFAC), a per kWh adjustment in accordance with Rider-1-PPFAC. PPFAC reflects increases or decreases in the cost to the Company for energy either generated or purchased above or below the base cost per kWh sold.
3. Total is calculated above for illustrative purposes (PPFAC varies over time pursuant to Rider-1 PPFAC).

### MONTHLY DISCOUNT

The following monthly discount applies to the rate incorporated herein:

For Bills with Usage of:	Monthly Discount will be applied to the total bill excluding the Customer Charge:
0 - 300 kWh	35%
301 - 600 kWh	30%
601 - 1000 kWh	25%
1001 - 1500 kWh	15%
Over 1500 kWh	0%

### TIME-OF-USE TIME PERIODS

The **Summer On-Peak** period is 10:00 a.m. to 10:00 p.m., Monday through Friday (excluding Memorial Day, Independence Day, and Labor Day).

The **Winter On-Peak** periods are 7:00 a.m. - 11:00 a.m. and 6:00 p.m. - 9:00 p.m., Monday through Friday (excluding Thanksgiving Day, Christmas Day, and New Year's Day).

All other hours are **Off-Peak**. If a holiday falls on Saturday, the preceding Friday is designated Off-Peak; if a holiday falls on Sunday, the following Monday is designated Off-Peak.

### LOST FIXED COST RECOVERY (LFCR) – RIDER 8

For those Customers who choose not to participate in the percentage based recovery of lost revenues associated with energy efficiency and distributed generation, a higher monthly Customer Charge will apply and the percentage based LFCR will not be included on the bill. All other Customers will pay the Standard monthly Customer Charge and the percentage based LFCR. Customers can choose the fixed charge option one (1) time per calendar year. Once the Customer chooses to contribute to the LFCR through a fixed charge they must pay the higher monthly Customer Charge for a complete twelve (12) month period. During the first twelve (12) months subsequent to the effective date of the LFCR, the Customer may choose to change back to the percentage based option without being on the fixed option for a full twelve (12) months. After one full year of the LFCR in effect, a Customer must remain on an option for a full twelve (12) months.

### DIRECT ACCESS

A customer's Direct Access bill will include all unbundled components except those services provided by a qualified third party. Those services may include Metering (Installation, Maintenance and/or Equipment), Meter Reading, Billing and Collection, Transmission and Generation. If any of these services are not available from a third party supplier and must be obtained from the Company, the rates for Unbundled Components set forth in this tariff will be applied to the customer's bill.

### FOR DIRECT ACCESS: ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AZISA) CHARGE

A charge per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AZISA in Arizona.

Filed By: Kentton C. Grant  
 Title: Vice President of Finance and Rates  
 District: Entire Electric Service Area

Rate: R-04-21F  
 Effective: Pending  
 Decision No.:



# Tucson Electric Power

## Tucson Electric Power Company

Original Sheet No.: 104-2

Superseding: \_\_\_\_\_

### TEP STATEMENT OF CHARGES

For all charges and assessments approved by the Arizona Corporation Commission see the TEP Statement of Charges which is available on TEP's website at [www.tep.com](http://www.tep.com).

### TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

### RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the Arizona Corporation Commission shall apply where not inconsistent with this rate.

### ADDITIONAL NOTES

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

### BUNDLED STANDARD OFFER SERVICE CONSISTS OF THE FOLLOWING UNBUNDLED COMPONENTS:

#### Customer Charge Components (Unbundled):

Standard	
Description	Single Phase
Meter Services	\$1.54 per month
Meter Reading	\$1.03 per month
Billing & Collection	\$4.47 per month
Customer Delivery	\$1.82 per month
<b>Total</b>	<b>\$8.86 per month</b>

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option - usage less than 2,000 kWh	
Description	Single Phase
Meter Services	\$1.54 per month
Meter Reading	\$1.03 per month
Billing & Collection	\$4.47 per month
Customer Delivery	\$1.82 per month
LFCR	\$2.50 per month
<b>Total</b>	<b>\$11.36 per month</b>

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option - usage of 2,000 kWh or more	
Description	Single Phase
Meter Services	\$1.54 per month
Meter Reading	\$1.03 per month
Billing & Collection	\$4.47 per month
Customer Delivery	\$1.82 per month
LFCR	\$6.50 per month
<b>Total</b>	<b>\$15.36 per month</b>

Filed By: Kentton C. Grant  
Title: Vice President of Finance and Rates  
District: Entire Electric Service Area

Rate: R-04-21F  
Effective: Pending  
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 104-3

Superseding:

Energy Charge Components of Delivery Services (Unbundled):

Table with 3 columns: Summer (May - September), On-Peak, Off-Peak. Rows include Local Delivery-Energy, Generation Capacity, Fixed Must-Run, Transmission, and various ancillary services like System Control & Dispatch, Reactive Supply, etc.

Power Supply Charge

Table with 3 columns: Summer (May - September), On-Peak, Off-Peak. Rows include Base Power Component and PPFAC.

Energy Charge Components of Delivery Services (Unbundled):

Table with 3 columns: Winter (October - April), On-Peak, Off-Peak. Rows include Local Delivery-Energy, Generation Capacity, Fixed Must-Run, Transmission, and various ancillary services like System Control & Dispatch, Reactive Supply, etc.

Power Supply Charge

Table with 3 columns: Winter (October - April), On-Peak, Off-Peak. Rows include Base Power Component and PPFAC.

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-04-21F
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 105

Superseding:

Residential Lifeline/Senior Discount (R-04-70F)

AVAILABILITY

New Customers, including current Customers who move, are not eligible for service under this Rate.

APPLICABILITY

To all single-phase (subject to availability at point of delivery) residential electric service in individual private dwellings and individually metered apartments when all service is supplied at one point of delivery and energy is metered through one meter.

The discount is also available to tenants of master metered mobile home parks and apartments. The applicant must be 65 years of age, or older, and reside at the premise to qualify.

Not applicable to resale, breakdown, temporary, standby, auxiliary service, or service to individual motors exceeding 40 amperes at a rating of 230 volts or which will cause excessive voltage fluctuations.

CHARACTER OF SERVICE

The service shall be single-phase, 60 Hertz, and at one standard nominal voltage as mutually agreed and subject to availability at point of delivery.

RATE

A monthly bill at the following rate plus any adjustments incorporated herein:

BUNDLED STANDARD OFFER SERVICE - SUMMARY OF CUSTOMER AND ENERGY CHARGES

Customer Charges:

Standard

Customer Charge, Single Phase service and minimum bill \$ 8.78 per month

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option

Customer Charge, Single Phase with usage less than 2,000 kWh \$11.28 per month

Customer Charge, Single Phase with usage of 2,000 kWh or more \$15.28 per month

Energy Charges (\$/kWh):

Table with 5 columns: Summer (May - September), Delivery Services-Energy, Power Supply Charges (Base Power, PPFAC), Total. Rows for On-Peak, Shoulder, Off-Peak.

Table with 5 columns: Winter (October - April), Delivery Services-Energy, Power Supply Charges (Base Power, PPFAC), Total. Rows for On-Peak, Off-Peak.

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-04-70F
Effective: Pending
Decision No.:



# Tucson Electric Power

## Tucson Electric Power Company

Original Sheet No.: 105-1

Superseding: \_\_\_\_\_

1. Delivery Services-Energy is a bundled charge that includes: Local Delivery-Energy (Local Delivery and/or Distribution exclusive of Transmission/Ancillaries), Generation Capacity, Fixed Must-Run, Transmission and Ancillary Services.
2. The Power Supply Charge is the sum of the Base Power Charge and the Purchased Power and Fuel Adjustment Clause (PPFAC), a per kWh adjustment in accordance with Rider-1-PPFAC. PPFAC reflects increases or decreases in the cost to the Company for energy either generated or purchased above or below the base cost per kWh sold.
3. Total is calculated above for illustrative purposes (PPFAC varies over time pursuant to Rider-1 PPFAC).

### MONTHLY DISCOUNT

The following monthly discount applies to the rate incorporated herein:

For Bills with Usage of:	Monthly Discount will be applied to the total bill excluding the Customer Charge:
0- 300 kWh	35%
301- 600 kWh	30%
601- 1,000 kWh	25%
1001- 1,500 kWh	15%
Over 1,500 kWh	0%

### TIME-OF-USE TIME PERIODS

The **Summer On-Peak period** is 1:00 p.m. to 6:00 p.m., Monday through Friday (excluding Memorial Day, Independence Day, and Labor Day). The summer Shoulder period is 6:00 p.m. to 8:00 p.m. Monday through Friday (excluding Memorial Day, Independence Day, and Labor Day).

The **Winter On-Peak periods** are 7:00 a.m. - 11:00 a.m. and 6:00 p.m. - 9:00 p.m., Monday through Friday (excluding Thanksgiving Day, Christmas Day, and New Year's Day).

All other hours are **Off-Peak**. If a holiday falls on Saturday, the preceding Friday is designated Off-Peak; if a holiday falls on Sunday, the following Monday is designated Off-Peak.

### LOST FIXED COST RECOVERY (LFCR) – RIDER 8

For those Customers who choose not to participate in the percentage based recovery of lost revenues associated with energy efficiency and distributed generation, a higher monthly Customer Charge will apply and the percentage based LFCR will not be included on the bill. All other Customers will pay the Standard monthly Customer Charge and the percentage based LFCR. Customers can choose the fixed charge option one (1) time per calendar year. Once the Customer chooses to contribute to the LFCR through a fixed charge they must pay the higher monthly Customer Charge for a complete twelve (12) month period. During the first twelve (12) months subsequent to the effective date of the LFCR, the Customer may choose to change back to the percentage based option without being on the fixed option for a full twelve (12) months. After one full year of the LFCR in effect, a Customer must remain on an option for a full twelve (12) months.

### DIRECT ACCESS

A customer's Direct Access bill will include all unbundled components except those services provided by a qualified third party. Those services may include Metering (Installation, Maintenance and/or Equipment), Meter Reading, Billing and Collection, Transmission and Generation. If any of these services are not available from a third party supplier and must be obtained from the Company, the rates for Unbundled Components set forth in this tariff will be applied to the customer's bill.

### FOR DIRECT ACCESS: ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AZISA) CHARGE

A charge per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AZISA in Arizona.

Filed By: Kentton C. Grant  
Title: Vice President of Finance and Rates  
District: Entire Electric Service Area

Rate: R-04-70F  
Effective: Pending  
Decision No.:



# Tucson Electric Power

## Tucson Electric Power Company

Original Sheet No.: 105-2

Superseding: \_\_\_\_\_

### TEP STATEMENT OF CHARGES

For all charges and assessments approved by the Arizona Corporation Commission see the TEP Statement of Charges which is available on TEP's website at [www.tep.com](http://www.tep.com).

### TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

### RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the Arizona Corporation Commission shall apply where not inconsistent with this rate.

### ADDITIONAL NOTES

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

### BUNDLED STANDARD OFFER SERVICE CONSISTS OF THE FOLLOWING UNBUNDLED COMPONENTS:

#### Customer Charge Components (Unbundled):

Standard	
Description	Single Phase
Meter Services	\$1.52 per month
Meter Reading	\$1.03 per month
Billing & Collection	\$4.43 per month
Customer Delivery	\$1.80 per month
<b>Total</b>	<b>\$8.78 per month</b>

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option - usage less than 2,000 kWh	
Description	Single Phase
Meter Services	\$1.52 per month
Meter Reading	\$1.03 per month
Billing & Collection	\$4.43 per month
Customer Delivery	\$1.80 per month
LFCR	\$2.50 per month
<b>Total</b>	<b>\$11.28 per month</b>

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option - usage of 2,000 kWh or more	
Description	Single Phase
Meter Services	\$1.52 per month
Meter Reading	\$1.03 per month
Billing & Collection	\$4.43 per month
Customer Delivery	\$1.80 per month
LFCR	\$6.50 per month
<b>Total</b>	<b>\$15.28 per month</b>

Filed By: Kentton C. Grant  
Title: Vice President of Finance and Rates  
District: Entire Electric Service Area

Rate: R-04-70F  
Effective: Pending  
Decision No.:



**Tucson Electric Power**

**Tucson Electric Power Company**

Original Sheet No.: 105-3

Superseding: \_\_\_\_\_

**Energy Charge Components of Delivery Services (Unbundled):**

Summer (May – September)	On-Peak	Shoulder-Peak	Off-Peak
Local Delivery-Energy	\$0.011300	\$0.011300	\$0.011300
Generation Capacity	\$0.113400	\$0.048100	\$0.012000
Fixed Must-Run	\$0.003000	\$0.003000	\$0.003000
Transmission	\$0.009000	\$0.009000	\$0.009000
Transmission Ancillary Services consists of the following charges:			
System Control & Dispatch	\$0.000100	\$0.000100	\$0.000100
Reactive Supply and Voltage Control	\$0.000500	\$0.000500	\$0.000500
Regulation and Frequency Response	\$0.000500	\$0.000500	\$0.000500
Spinning Reserve Service	\$0.001300	\$0.001300	\$0.001300
Supplemental Reserve Service	\$0.000200	\$0.000200	\$0.000200
Energy Imbalance Service: Currently charged pursuant to the Company's OATT			

**Power Supply Charge**

Summer (May – September)	On-Peak	Shoulder-Peak	Off-Peak
Base Power Component	\$0.055698	\$0.048198	\$0.023198
PPFAC	In accordance with Rider 1 – PPFAC		

**Energy Charge Components of Delivery Services (Unbundled):**

Winter (October – April)	On-Peak	Off-Peak
Local Delivery-Energy	\$0.010200	\$0.010200
Generation Capacity	\$0.067700	\$0.000100
Fixed Must-Run	\$0.003000	\$0.003000
Transmission	\$0.009000	\$0.009000
Transmission Ancillary Services consists of the following charges:		
System Control & Dispatch	\$0.000100	\$0.000100
Reactive Supply and Voltage Control	\$0.000500	\$0.000500
Regulation and Frequency Response	\$0.000500	\$0.000500
Spinning Reserve Service	\$0.001300	\$0.001300
Supplemental Reserve Service	\$0.000200	\$0.000200
Energy Imbalance Service: Currently charged pursuant to the Company's OATT		

**Power Supply Charge**

Winter (October – April)	On-Peak	Off-Peak
Base Power Component	\$0.040698	\$0.020698
PPFAC	In accordance with Rider 1 - PPFAC	

Filed By: Kentton C. Grant  
 Title: Vice President of Finance and Rates  
 District: Entire Electric Service Area

Rate: R-04-70F  
 Effective: Pending  
 Decision No.:



### Residential Lifeline Discount (R-05-01F)

AVAILABILITY

New Customers, including current Customers who move, are not eligible for service under this Rate.

APPLICABILITY

To all single-phase and three phase (subject to availability at point of delivery) residential electric service in individual private dwellings and individually metered apartments when all service is supplied at one point of delivery and energy is metered through one meter.

The discount is also available to tenants of master metered mobile home parks and apartments.

Not applicable to resale, breakdown, temporary, standby, auxiliary service, or service to individual motors exceeding 40 amperes at a rating of 230 volts or which will cause excessive voltage fluctuations.

CHARACTER OF SERVICE

The service shall be single-phase and three phase, 60 Hertz, and at one standard nominal voltage as mutually agreed and subject to availability at point of delivery.

RATE

A monthly bill at the following rate plus any adjustments incorporated in this rate:

BUNDLED STANDARD OFFER SERVICE-SUMMARY OF CUSTOMER AND ENERGY CHARGES

**Customer Charge of Delivery Services:**

Standard

Customer Charge, Single Phase service and minimum bill	\$ 6.90 per month
Customer Charge, Three Phase service and minimum bill	\$11.90 per month

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option

Customer Charge, Single Phase with usage less than 2,000 kWh	\$ 9.40 per month
Customer Charge, Three Phase with usage less than 2,000 kWh	\$14.40 per month

Customer Charge, Single Phase with usage of 2,000 kWh or more	\$13.40 per month
Customer Charge, Three Phase with usage of 2,000 kWh or more	\$18.40 per month

**Energy Charges (\$/kWh)**

	Delivery Services-Energy <sup>1</sup>	Power Supply Charges <sup>2</sup>		Total <sup>3</sup>
		Base Power	PPFAC <sup>2</sup>	
<b>Summer</b> (May – September)	\$0.061100	\$0.033198	varies	\$0.094298
<b>Winter</b> (October – April)	\$0.057000	\$0.025698	varies	\$0.082698

Filed By: Kentton C. Grant  
 Title: Vice President of Finance and Rates  
 District: Entire Electric Service Area

Rate: R-05-01F  
 Effective: Pending  
 Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 106-1

Superseding:

- 1. Delivery Services-Energy is a bundled charge that includes: Local Delivery-Energy (Local Delivery and/or Distribution exclusive of Transmission/Ancillaries), Generation Capacity, Fixed Must-Run, Transmission and Ancillary Services.
2. The Power Supply Charge is the sum of the Base Power Charge and the Purchased Power and Fuel Adjustment Clause (PPFAC), a per kWh adjustment in accordance with Rider-1-PPFAC. PPFAC reflects increases or decreases in the cost to the Company for energy either generated or purchased above or below the base cost per kWh sold.
3. Total is calculated above for illustrative purposes (PPFAC varies over time pursuant to Rider-1 PPFAC).

MONTHLY DISCOUNT

The following monthly discount applies to the rate incorporated herein:

Table with 2 columns: For Bills with Usage of, Monthly Discount will be applied to the total bill excluding the Customer Charge. Rows include usage ranges like 0-300 kWh with 25% discount, 301-600 kWh with 20%, 601-1,000 kWh with 15%, and Over 1,000 kWh with 0%.

LOST FIXED COST RECOVERY (LFCR) - RIDER 8

For those Customers who choose not to participate in the percentage based recovery of lost revenues associated with energy efficiency and distributed generation, a higher monthly Customer Charge will apply and the percentage based LFCR will not be included on the bill. All other Customers will pay the Standard monthly Customer Charge and the percentage based LFCR. Customers can choose the fixed charge option one (1) time per calendar year. Once the Customer chooses to contribute to the LFCR through a fixed charge they must pay the higher monthly Customer Charge for a complete twelve (12) month period. During the first twelve (12) months subsequent to the effective date of the LFCR, the Customer may choose to change back to the percentage based option without being on the fixed option for a full twelve (12) months. After one full year of the LFCR in effect, a Customer must remain on an option for a full twelve (12) months.

DIRECT ACCESS

A customer's Direct Access bill will include all unbundled components except those services provided by a qualified third party. Those services may include Metering (Installation, Maintenance and/or Equipment), Meter Reading, Billing and Collection, Transmission and Generation. If any of these services are not available from a third party supplier and must be obtained from the Company, the rates for Unbundled Components set forth in this tariff will be applied to the customer's bill.

FOR DIRECT ACCESS: ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AZISA) CHARGE

A charge per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AZISA in Arizona.

TEP STATEMENT OF CHARGES

For all charges and assessments approved by the Arizona Corporation Commission see the TEP Statement of Charges which is available on TEP's website at www.tep.com.

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-05-01F
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 106-2

Superseding:

AUTOMATED METER OPT-OUT

Residential rate class Customers may request, and have installed, meters that do not transmit data wirelessly. A one-time automated meter opt-out change-out fee, as specified in TEP's Statement of Charges, will apply for the installation of each analog meter that replaces a meter currently in service at the customer's premises that transmits data wirelessly. For a Customer choosing the Automated Meter Opt-out, an additional monthly customer charge as specified in the TEP Statement of Charges will be added to the applicable Customer Charge for as long as the analog meter is left in service.

The Customer may choose to self-read the analog meter. The terms and conditions for self reading of the meter shall be in accordance with Section 10 of the TEP Rules and Regulations.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the Arizona Corporation Commission shall apply where not inconsistent with this rate.

ADDITIONAL NOTES

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

BUNDLED STANDARD OFFER SERVICE CONSISTS OF THE FOLLOWING UNBUNDLED COMPONENTS:

**Customer Charge Components (Unbundled):**

Description	Standard	
	Single Phase	Three Phase
Meter Services	\$1.20 per month	\$2.07 per month
Meter Reading	\$0.81 per month	\$1.39 per month
Billing & Collection	\$3.48 per month	\$6.00 per month
Customer Delivery	\$1.41 per month	\$2.44 per month
<b>Total</b>	<b>\$6.90 per month</b>	<b>\$11.90 per month</b>

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option - usage less than 2,000 kWh		
Description	Single Phase	Three Phase
Meter Services	\$1.20 per month	\$2.07 per month
Meter Reading	\$0.81 per month	\$1.39 per month
Billing & Collection	\$3.48 per month	\$6.00 per month
Customer Delivery	\$1.41 per month	\$2.44 per month
LFCR	\$2.50 per month	\$2.50 per month
<b>Total</b>	<b>\$9.40 per month</b>	<b>\$14.40 per month</b>

Filed By: Kentton C. Grant  
Title: Vice President of Finance and Rates  
District: Entire Electric Service Area

Rate: R-05-01F  
Effective: Pending  
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 106-3

Superseding: \_\_\_\_\_

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option - usage of 2,000 kWh or more		
Description	Single Phase	Three Phase
Meter Services	\$1.20 per month	\$2.07 per month
Meter Reading	\$0.81 per month	\$1.39 per month
Billing & Collection	\$3.48 per month	\$6.00 per month
Customer Delivery	\$1.41 per month	\$2.44 per month
LFCR	\$6.50 per month	\$6.50 per month
<b>Total</b>	<b>\$13.40 per month</b>	<b>\$18.40 per month</b>

**Energy Charge Components of Delivery Services (Unbundled):**

Component	Summer (May – September)	Winter (October - April)
Local Delivery-Energy	\$0.013800	\$0.011300
Generation Capacity	\$0.032700	\$0.031100
Fixed Must-Run	\$0.003000	\$0.003000
Transmission	\$0.009000	\$0.009000
Transmission Ancillary Services consists of the following charges:		
System Control & Dispatch	\$0.000100	\$0.000100
Reactive Supply and Voltage Control	\$0.000500	\$0.000500
Regulation and Frequency Response	\$0.000500	\$0.000500
Spinning Reserve Service	\$0.001300	\$0.001300
Supplemental Reserve Service	\$0.000200	\$0.000200
Energy Imbalance Service: Currently charged pursuant to the Company's OATT		

**Power Supply Charge:**

	Summer (May – September)	Winter (October - April)
Base Power Component	\$0.033198	\$0.025698
PPFAC	In accordance with Rider 1 - PPFAC	

Filed By: Kentton C. Grant  
 Title: Vice President of Finance and Rates  
 District: Entire Electric Service Area

Rate: R-05-01F  
 Effective: Pending  
 Decision No.:



Residential Lifeline Discount (R-05-21F)

AVAILABILITY

New Customers, including current Customers who move, are not eligible for service under this Rate.

APPLICABILITY

To all single-phase (subject to availability at point of delivery) residential electric service in individual private dwellings and individually metered apartments when all service is supplied at one point of delivery and energy is metered through one meter.

The discount is also available to tenants of master metered mobile home parks and apartments. The applicant must reside at the premise to qualify.

Not applicable to resale, breakdown, temporary, standby, auxiliary service, or service to individual motors exceeding 40 amperes at a rating of 230 volts or which will cause excessive voltage fluctuations.

CHARACTER OF SERVICE

The service shall be single-phase, 60 Hertz, and at one standard nominal voltage as mutually agreed and subject to availability at point of delivery.

RATE

A monthly bill at the following rate plus any adjustments incorporated herein:

BUNDLED STANDARD OFFER SERVICE - SUMMARY OF CUSTOMER AND ENERGY CHARGES

Customer Charges:

Standard

Customer Charge, Single Phase service and minimum bill \$ 8.86 per month

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option

Customer Charge, Single Phase with usage less than 2,000 kWh \$11.36 per month

Customer Charge, Single Phase with usage of 2,000 kWh or more \$15.36 per month

Energy Charges (\$/kWh):

Summer (May – September)	Delivery Services-Energy <sup>1</sup>	Power Supply Charges <sup>2</sup>		Total <sup>3</sup>
		Base Power	PPFAC	
On-Peak	\$0.078800	\$0.053198	varies	\$0.131998
Off-Peak	\$0.030100	\$0.023198	varies	\$0.053298

Winter (October – April)	Delivery Services-Energy <sup>1</sup>	Power Supply Charges <sup>2</sup>		Total <sup>3</sup>
		Base Power	PPFAC	
On-Peak	\$0.065200	\$0.040698	varies	\$0.105898
Off-Peak	\$0.033000	\$0.020698	varies	\$0.053698

Filed By: Kentton C. Grant  
Title: Vice President of Finance and Rates  
District: Entire Electric Service Area

Rate: R-05-21F  
Effective: Pending  
Decision No.:



# Tucson Electric Power

## Tucson Electric Power Company

Original Sheet No.: 107-1

Superseding: \_\_\_\_\_

1. Delivery Services-Energy is a bundled charge that includes: Local Delivery-Energy (Local Delivery and/or Distribution exclusive of Transmission/Ancillaries), Generation Capacity, Fixed Must-Run, Transmission and Ancillary Services.
2. The Power Supply Charge is the sum of the Base Power Charge and the Purchased Power and Fuel Adjustment Clause (PPFAC), a per kWh adjustment in accordance with Rider-1-PPFAC. PPFAC reflects increases or decreases in the cost to the Company for energy either generated or purchased above or below the base cost per kWh sold.
3. Total is calculated above for illustrative purposes (PPFAC varies over time pursuant to Rider-1 PPFAC).

### MONTHLY DISCOUNT

The following monthly discount applies to the rate incorporated herein:

For Bills with Usage of:	Monthly Discount will be applied to the total bill excluding the Customer Charge:
0 - 300 kWh	25%
301 - 600 kWh	20%
601 - 1000 kWh	15%
Over 1000 kWh	0%

### TIME-OF-USE TIME PERIODS

The **Summer On-Peak period** is 10:00 a.m. to 10:00 p.m., Monday through Friday (excluding Memorial Day, Independence Day, and Labor Day).

The **Winter On-Peak periods** are 7:00 a.m. - 11:00 a.m. and 6:00 p.m. - 9:00 p.m., Monday through Friday (excluding Thanksgiving Day, Christmas Day, and New Year's Day).

**All other hours are Off-Peak.** If a holiday falls on Saturday, the preceding Friday is designated Off-Peak; if a holiday falls on Sunday, the following Monday is designated Off-Peak.

### LOST FIXED COST RECOVERY (LFCR) – RIDER 8

For those Customers who choose not to participate in the percentage based recovery of lost revenues associated with energy efficiency and distributed generation, a higher monthly Customer Charge will apply and the percentage based LFCR will not be included on the bill. All other Customers will pay the Standard monthly Customer Charge and the percentage based LFCR. Customers can choose the fixed charge option one (1) time per calendar year. Once the Customer chooses to contribute to the LFCR through a fixed charge they must pay the higher monthly Customer Charge for a complete twelve (12) month period. During the first twelve (12) months subsequent to the effective date of the LFCR, the Customer may choose to change back to the percentage based option without being on the fixed option for a full twelve (12) months. After one full year of the LFCR in effect, a Customer must remain on an option for a full twelve (12) months.

### DIRECT ACCESS

A customer's Direct Access bill will include all unbundled components except those services provided by a qualified third party. Those services may include Metering (Installation, Maintenance and/or Equipment), Meter Reading, Billing and Collection, Transmission and Generation. If any of these services are not available from a third party supplier and must be obtained from the Company, the rates for Unbundled Components set forth in this tariff will be applied to the customer's bill.

### FOR DIRECT ACCESS: ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AZISA) CHARGE

A charge per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AZISA in Arizona.

Filed By: Kentton C. Grant  
 Title: Vice President of Finance and Rates  
 District: Entire Electric Service Area

Rate: R-05-21F  
 Effective: Pending  
 Decision No.:



# Tucson Electric Power

## Tucson Electric Power Company

Original Sheet No.: 107-2

Superseding: \_\_\_\_\_

### TEP STATEMENT OF CHARGES

For all charges and assessments approved by the Arizona Corporation Commission see the Statement of Charges which is available on TEP's website at [www.tep.com](http://www.tep.com).

### TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

### RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the Arizona Corporation Commission shall apply where not inconsistent with this rate.

### ADDITIONAL NOTES

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

### BUNDLED STANDARD OFFER SERVICE CONSISTS OF THE FOLLOWING UNBUNDLED COMPONENTS:

#### Customer Charge Components (Unbundled):

Standard	
Description	Single Phase
Meter Services	\$1.54 per month
Meter Reading	\$1.03 per month
Billing & Collection	\$4.47 per month
Customer Delivery	\$1.82 per month
<b>Total</b>	<b>\$8.86 per month</b>

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option - usage less than 2,000 kWh	
Description	Single Phase
Meter Services	\$1.54 per month
Meter Reading	\$1.03 per month
Billing & Collection	\$4.47 per month
Customer Delivery	\$1.82 per month
LFCR	\$2.50 per month
<b>Total</b>	<b>\$11.36 per month</b>

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option - usage of 2,000 kWh or more	
Description	Single Phase
Meter Services	\$1.54 per month
Meter Reading	\$1.03 per month
Billing & Collection	\$4.47 per month
Customer Delivery	\$1.82 per month
LFCR	\$6.50 per month
<b>Total</b>	<b>\$15.36 per month</b>

Filed By: Kentton C. Grant  
Title: Vice President of Finance and Rates  
District: Entire Electric Service Area

Rate: R-05-21F  
Effective: Pending  
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 107-3
Superseding:

Energy Components of Delivery Services (Unbundled):

Table with 3 columns: Category, On-Peak, Off-Peak. Rows include Summer (May-September), Local Delivery-Energy, Generation Capacity, Fixed Must-Run, Transmission, and various ancillary services like System Control & Dispatch, Reactive Supply, etc.

Power Supply Charge

Table with 3 columns: Category, On-Peak, Off-Peak. Rows include Summer (May-September), Base Power Component, and PPFAC.

Energy Charge Components of Delivery Services (Unbundled):

Table with 3 columns: Category, On-Peak, Off-Peak. Rows include Winter (October-April), Local Delivery-Energy, Generation Capacity, Fixed Must-Run, Transmission, and various ancillary services.

Power Supply Charge

Table with 3 columns: Category, On-Peak, Off-Peak. Rows include Winter (October-April), Base Power Component, and PPFAC.

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-05-21F
Effective: Pending
Decision No.:



Residential Lifeline Discount (R-05-70F)

AVAILABILITY

New Customers, including current Customers who move, are not eligible for service under this Rate.

APPLICABILITY

To all single-phase (subject to availability at point of delivery) residential electric service in individual private dwellings and individually metered apartments when all service is supplied at one point of delivery and energy is metered through one meter.

The discount is also available to tenants of master metered mobile home parks and apartments. The applicant must reside at the premise to qualify.

Not applicable to resale, breakdown, temporary, standby, auxiliary service, or service to individual motors exceeding 40 amperes at a rating of 230 volts or which will cause excessive voltage fluctuations.

CHARACTER OF SERVICE

The service shall be single-phase, 60 Hertz, and at one standard nominal voltage as mutually agreed and subject to availability at point of delivery.

RATE

A monthly bill at the following rate plus any adjustments incorporated herein:

BUNDLED STANDARD OFFER SERVICE - SUMMARY OF CUSTOMER AND ENERGY CHARGES

Customer Charges:

Standard

Customer Charge, Single Phase service and minimum bill \$ 8.78 per month

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option

Customer Charge, Single Phase with usage less than 2,000 kWh \$11.28 per month

Customer Charge, Single Phase with usage of 2,000 kWh or more \$15.28 per month

Energy Charges (\$/kWh):

Table with 5 columns: Summer (May - September), Delivery Services-Energy, Power Supply Charges (Base Power, PPFAC), Total. Rows for On-Peak, Shoulder, Off-Peak.

Table with 5 columns: Winter (October - April), Delivery Services-Energy, Power Supply Charges (Base Power, PPFAC), Total. Rows for On-Peak, Off-Peak.

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-05-70F
Effective: Pending
Decision No.:



# Tucson Electric Power

## Tucson Electric Power Company

Original Sheet No.: 108-1

Superseding: \_\_\_\_\_

1. Delivery Services-Energy is a bundled charge that includes: Local Delivery-Energy (Local Delivery and/or Distribution exclusive of Transmission/Ancillaries), Generation Capacity, Fixed Must-Run, Transmission and Ancillary Services.
2. The Power Supply Charge is the sum of the Base Power Charge and the Purchased Power and Fuel Adjustment Clause (PPFAC), a per kWh adjustment in accordance with Rider-1-PPFAC. PPFAC reflects increases or decreases in the cost to the Company for energy either generated or purchased above or below the base cost per kWh sold.
3. Total is calculated above for illustrative purposes (PPFAC varies over time pursuant to Rider-1 PPFAC).

### MONTHLY DISCOUNT

The following monthly discount applies to the rate incorporated herein:

For Bills with Usage of:	Monthly Discount will be applied to the total bill excluding the Customer Charge:
0-300 kWh	25%
301-600 kWh	20%
601-1,000 kWh	15%
Over 1,000 kWh	0%

### TIME-OF-USE TIME PERIODS

The **Summer On-Peak** period is 1:00 p.m. to 6:00 p.m., Monday through Friday (excluding Memorial Day, Independence Day, and Labor Day). The summer **Shoulder** period is 6:00 p.m. to 8:00 p.m. Monday through Friday (excluding Memorial Day, Independence Day, and Labor Day).

The **Winter On-Peak** periods are 7:00 a.m. - 11:00 a.m. and 6:00 p.m. - 9:00 p.m., Monday through Friday (excluding Thanksgiving Day, Christmas Day, and New Year's Day).

All other hours are **Off-Peak**. If a holiday falls on Saturday, the preceding Friday is designated Off-Peak; if a holiday falls on Sunday, the following Monday is designated Off-Peak.

### LOST FIXED COST RECOVERY (LFCR) – RIDER 8

For those Customers who choose not to participate in the percentage based recovery of lost revenues associated with energy efficiency and distributed generation, a higher monthly Customer Charge will apply and the percentage based LFCR will not be included on the bill. All other Customers will pay the Standard monthly Customer Charge and the percentage based LFCR. Customers can choose the fixed charge option one (1) time per calendar year. Once the Customer chooses to contribute to the LFCR through a fixed charge they must pay the higher monthly Customer Charge for a complete twelve (12) month period. During the first twelve (12) months subsequent to the effective date of the LFCR, the Customer may choose to change back to the percentage based option without being on the fixed option for a full twelve (12) months. After one full year of the LFCR in effect, a Customer must remain on an option for a full twelve (12) months.

### DIRECT ACCESS

A customer's Direct Access bill will include all unbundled components except those services provided by a qualified third party. Those services may include Metering (Installation, Maintenance and/or Equipment), Meter Reading, Billing and Collection, Transmission and Generation. If any of these services are not available from a third party supplier and must be obtained from the Company, the rates for Unbundled Components set forth in this tariff will be applied to the customer's bill.

### FOR DIRECT ACCESS: ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AZISA) CHARGE

A charge per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AZISA in Arizona.

Filed By: Kentton C. Grant  
 Title: Vice President of Finance and Rates  
 District: Entire Electric Service Area

Rate: R-05-70F  
 Effective: Pending  
 Decision No.:



# Tucson Electric Power

## Tucson Electric Power Company

Original Sheet No.: 108-2

Superseding: \_\_\_\_\_

### TEP STATEMENT OF CHARGES

For all charges and assessments approved by the Arizona Corporation Commission see the TEP Statement of Charges which is available on TEP's website at [www.tep.com](http://www.tep.com).

### TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

### RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the Arizona Corporation Commission shall apply where not inconsistent with this rate.

### ADDITIONAL NOTES

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

### BUNDLED STANDARD OFFER SERVICE CONSISTS OF THE FOLLOWING UNBUNDLED COMPONENTS:

#### Customer Charge Components (Unbundled):

Standard	
Description	Single Phase
Meter Services	\$1.52 per month
Meter Reading	\$1.03 per month
Billing & Collection	\$4.43 per month
Customer Delivery	\$1.80 per month
<b>Total</b>	<b>\$8.78 per month</b>

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option - usage less than 2,000 kWh	
Description	Single Phase
Meter Services	\$1.52 per month
Meter Reading	\$1.03 per month
Billing & Collection	\$4.43 per month
Customer Delivery	\$1.80 per month
LFCR	\$2.50 per month
<b>Total</b>	<b>\$11.28 per month</b>

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option - usage of 2,000 kWh or more	
Description	Single Phase
Meter Services	\$1.52 per month
Meter Reading	\$1.03 per month
Billing & Collection	\$4.43 per month
Customer Delivery	\$1.80 per month
LFCR	\$6.50 per month
<b>Total</b>	<b>\$15.28 per month</b>

Filed By: Kentton C. Grant  
Title: Vice President of Finance and Rates  
District: Entire Electric Service Area

Rate: R-05-70F  
Effective: Pending  
Decision No.:



**Tucson Electric Power**

**Tucson Electric Power Company**

Original Sheet No.: 108-3  
 Superseding: \_\_\_\_\_

**Energy Charge Components of Delivery Services (Unbundled):**

Summer (May – September)	On-Peak	Shoulder-Peak	Off-Peak
Local Delivery-Energy	\$0.011300	\$0.011300	\$0.011300
Generation Capacity	\$0.113400	\$0.048100	\$0.012000
Fixed Must-Run	\$0.003000	\$0.003000	\$0.003000
Transmission	\$0.009000	\$0.009000	\$0.009000
Transmission Ancillary Services consists of the following charges:			
System Control & Dispatch	\$0.000100	\$0.000100	\$0.000100
Reactive Supply and Voltage Control	\$0.000500	\$0.000500	\$0.000500
Regulation and Frequency Response	\$0.000500	\$0.000500	\$0.000500
Spinning Reserve Service	\$0.001300	\$0.001300	\$0.001300
Supplemental Reserve Service	\$0.000200	\$0.000200	\$0.000200
Energy Imbalance Service: Currently charged pursuant to the Company's OATT			

**Power Supply Charge**

Summer (May – September)	On-Peak	Shoulder-Peak	Off-Peak
Base Power Component	\$0.055698	\$0.048198	\$0.023198
PPFAC	In accordance with Rider 1 - PPFAC		

**Energy Charge Components of Delivery Services (Unbundled):**

Winter (October – April)	On-Peak	Off-Peak
Local Delivery-Energy	\$0.010200	\$0.010200
Generation Capacity	\$0.067700	\$0.000100
Fixed Must-Run	\$0.003000	\$0.003000
Transmission	\$0.009000	\$0.009000
Transmission Ancillary Services consists of the following charges:		
System Control & Dispatch	\$0.000100	\$0.000100
Reactive Supply and Voltage Control	\$0.000500	\$0.000500
Regulation and Frequency Response	\$0.000500	\$0.000500
Spinning Reserve Service	\$0.001300	\$0.001300
Supplemental Reserve Service	\$0.000200	\$0.000200
Energy Imbalance Service: Currently charged pursuant to the Company's OATT		

**Power Supply Charge**

Winter (October – April)	On-Peak	Off-Peak
Base Power Component	\$0.040698	\$0.020698
PPFAC	In accordance with Rider 1 - PPFAC	

Filed By: Kentton C. Grant  
 Title: Vice President of Finance and Rates  
 District: Entire Electric Service Area

Rate: R-05-70F  
 Effective: Pending  
 Decision No.:



Residential Lifeline Discount (R-05-201AF)

AVAILABILITY

New Customers, including current Customers who move, are not eligible for service under this Rate.

APPLICABILITY

To single-phase (subject to availability at point of delivery) electric service in individual residences as described in current program details when all service is supplied at one point of delivery and energy is metered through one meter. Additionally, this rate requires that the customer use exclusively the Company's service for all space heating and all water heating energy requirements except as provided below and that the customer's home conform to the standards of the Heating, Cooling and Comfort Guarantee program as in effect at the time of subscription to this rate. Not with standing the above, the customer's use of solar energy for any purpose shall not preclude subscription to this rate.

The discount is also available to tenants of master metered mobile home parks and apartments.

Not applicable to resale, breakdown, temporary, standby, auxiliary service, or service to individual motors exceeding 40 amperes at a rating of 230 volts or which will cause excessive voltage fluctuations.

CHARACTER OF SERVICE

The service shall be single-phase, 60 Hertz, and at one standard nominal voltage as mutually agreed and subject to availability at point of delivery.

RATE

A monthly bill at the following rate plus any adjustments incorporated herein:

BUNDLED STANDARD OFFER SERVICE-SUMMARY OF CUSTOMER AND ENERGY CHARGES

Customer Charge of Delivery Services:

Standard

Customer Charge, Single Phase service and minimum bill \$ 6.90 per month

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option

Customer Charge, Single Phase with usage less than 2,000 kWh \$ 9.40 per month

Customer Charge, Single Phase with usage of 2,000 kWh or more \$13.40 per month

Energy Charges (\$/kWh)

Table with 4 columns: Energy Charge Category, Delivery Services-Energy, Power Supply Charges (Base Power and PPFAC), and Total. Rows include Mid-Summer (June-August), Remaining-summer (May & September), and Winter (October-April).

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-05-201AF
Effective: Pending
Decision No.:



# Tucson Electric Power

## Tucson Electric Power Company

Original Sheet No.: 109-1  
Superseding: \_\_\_\_\_

1. Delivery Services-Energy is a bundled charge that includes: Local Delivery-Energy (Local Delivery and/or Distribution exclusive of Transmission/Ancillaries), Generation Capacity, Fixed Must-Run, Transmission and Ancillary Services.
2. The Power Supply Charge is the sum of the Base Power Charge and the Purchased Power and Fuel Adjustment Clause (PPFAC), a per kWh adjustment in accordance with Rider-1-PPFAC. PPFAC reflects increases or decreases in the cost to the Company for energy either generated or purchased above or below the base cost per kWh sold.
3. Total is calculated above for illustrative purposes (PPFAC varies over time pursuant to Rider-1 PPFAC).

### MONTHLY DISCOUNT

The following monthly discount applies to the rate incorporated herein:

For Bills with Usage of:	Monthly Discount will be applied to the total bill excluding the Customer Charge:
0 - 300 kWh	25%
301 - 600 kWh	20%
601 - 1000 kWh	15%
Over 1000 kWh	0%

### LOST FIXED COST RECOVERY (LFCR) – RIDER 8

For those Customers who choose not to participate in the percentage based recovery of lost revenues associated with energy efficiency and distributed generation, a higher monthly Customer Charge will apply and the percentage based LFCR will not be included on the bill. All other Customers will pay the Standard monthly Customer Charge and the percentage based LFCR. Customers can choose the fixed charge option one (1) time per calendar year. Once the Customer chooses to contribute to the LFCR through a fixed charge they must pay the higher monthly Customer Charge for a complete twelve (12) month period. During the first twelve (12) months subsequent to the effective date of the LFCR, the Customer may choose to change back to the percentage based option without being on the fixed option for a full twelve (12) months. After one full year of the LFCR in effect, a Customer must remain on an option for a full twelve (12) months.

### DIRECT ACCESS

A customer's Direct Access bill will include all unbundled components except those services provided by a qualified third party. Those services may include Metering (Installation, Maintenance and/or Equipment), Meter Reading, Billing and Collection, Transmission and Generation. If any of these services are not available from a third party supplier and must be obtained from the Company, the rates for Unbundled Components set forth in this tariff will be applied to the customer's bill.

### FOR DIRECT ACCESS: ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AZISA) CHARGE

A charge per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AZISA in Arizona.

### TEP STATEMENT OF CHARGES

For all charges and assessments approved by the Arizona Corporation Commission see the TEP Statement of Charges which is available on TEP's website at [www.tep.com](http://www.tep.com).

Filed By: Kentton C. Grant  
Title: Vice President of Finance and Rates  
District: Entire Electric Service Area

Rate: R-05-201AF  
Effective: Pending  
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 109-2

Superseding:

**AUTOMATED METER OPT-OUT**

Residential rate class Customers may request, and have installed, meters that do not transmit data wirelessly. A one-time automated meter opt-out change-out fee, as specified in TEP's Statement of Charges, will apply for the installation of each analog meter that replaces a meter currently in service at the customer's premises that transmits data wirelessly. For a Customer choosing the Automated Meter Opt-out, an additional monthly customer charge as specified in the TEP Statement of Charges will be added to the applicable Customer Charge for as long as the analog meter is left in service.

The Customer may choose to self-read the analog meter. The terms and conditions for self reading of the meter shall be in accordance with Section 10 of the TEP Rules and Regulations.

**TAX CLAUSE**

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

**RULES AND REGULATIONS**

The standard Rules and Regulations of the Company as on file with the Arizona Corporation Commission shall apply where not inconsistent with this rate.

**ADDITIONAL NOTES**

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

**BUNDLED STANDARD OFFER SERVICE CONSISTS OF THE FOLLOWING UNBUNDLED COMPONENTS:**

**Customer Charge Components (Unbundled):**

Standard	
Description	Single Phase
Meter Services	\$1.20 per month
Meter Reading	\$0.81 per month
Billing & Collection	\$3.48 per month
Customer Delivery	\$1.41 per month
<b>Total</b>	<b>\$6.90 per month</b>

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option - usage less than 2,000 kWh	
Description	Single Phase
Meter Services	\$1.20 per month
Meter Reading	\$0.81 per month
Billing & Collection	\$3.48 per month
Customer Delivery	\$1.41 per month
LFCR	\$2.50 per month
<b>Total</b>	<b>\$9.40 per month</b>

Filed By: Kentton C. Grant  
Title: Vice President of Finance and Rates  
District: Entire Electric Service Area

Rate: R-05-201AF  
Effective: Pending  
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 109-3

Superseding:

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option - usage of 2,000 kWh or more	
Description	Single Phase
Meter Services	\$1.20 per month
Meter Reading	\$0.81 per month
Billing & Collection	\$3.48 per month
Customer Delivery	\$1.41 per month
LFCR	\$6.50 per month
<b>Total</b>	<b>\$13.40 per month</b>

Energy Charge Components of Delivery Services (Unbundled):

Component	Mid Summer (June -August)	Remaining Summer (May & September)	Winter (October - April)
Local Delivery-Energy	\$0.020600	\$0.003100	\$0.006800
Generation Capacity	\$0.025900	\$0.025900	\$0.019900
Fixed Must-Run	\$0.003000	\$0.003000	\$0.003000
Transmission	\$0.009000	\$0.009000	\$0.009000
Transmission Ancillary Services consists of the following charges:			
System Control & Dispatch	\$0.000100	\$0.000100	\$0.000100
Reactive Supply and Voltage Control	\$0.000500	\$0.000500	\$0.000500
Regulation and Frequency Response	\$0.000500	\$0.000500	\$0.000500
Spinning Reserve Service	\$0.001300	\$0.001300	\$0.001300
Supplemental Reserve Service	\$0.000200	\$0.000200	\$0.000200
Energy Imbalance Service: Currently charged pursuant to the Company's OATT			

Power Supply Charge:

	Mid Summer (June -August)	Remaining Summer (May & September)	Winter (October - April)
Base Power Component	\$0.033198	\$0.033198	\$0.027198
PPFAC	In accordance with Rider 1 - PPFAC		

Filed By: Kentton C. Grant  
Title: Vice President of Finance and Rates  
District: Entire Electric Service Area

Rate: R-05-201AF  
Effective: Pending  
Decision No.:



**Residential Lifeline Discount (R-06-01F)**

AVAILABILITY

New Customers, including current Customers who move, are not eligible for service under this Rate.

APPLICABILITY

To all single-phase and three phase (subject to availability at point of delivery) residential electric service in individual private dwellings and individually metered apartments when all service is supplied at one point of delivery and energy is metered through one meter.

The discount is also available to tenants of master metered mobile home parks and apartments.

Not applicable to resale, breakdown, temporary, standby, auxiliary service, or service to individual motors exceeding 40 amperes at a rating of 230 volts or which will cause excessive voltage fluctuations.

ELIGIBILITY

1. The TEP account must be in the customer's name applying for a lifeline discount.
2. Applicant must be a TEP residential customer residing at the premise.
3. Applicant must have a combined household income at or below 150% of the federal poverty level. See Income Guidelines Chart on TEP's website at [www.tep.com](http://www.tep.com) or contact a TEP customer care representative.

CHARACTER OF SERVICE

The service shall be single-phase or three phase, 60 Hertz, and at one standard nominal voltage as mutually agreed and subject to availability at point of delivery.

RATE

A monthly bill at the following rate plus any adjustments incorporated herein:

BUNDLED STANDARD OFFER SERVICE-SUMMARY OF CUSTOMER AND ENERGY CHARGES

**Customer Charge of Delivery Services:**

Standard

Customer Charge, Single Phase service and minimum bill	\$ 6.90 per month
Customer Charge, Three Phase service and minimum bill	\$11.90 per month

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option

Customer Charge, Single Phase with usage less than 2,000 kWh	\$ 9.40 per month
Customer Charge, Three Phase with usage less than 2,000 kWh	\$14.40 per month

Customer Charge, Single Phase with usage of 2,000 kWh or more	\$13.40 per month
Customer Charge, Three Phase with usage of 2,000 kWh or more	\$18.40 per month

**Energy Charges (\$/kWh)**

	Delivery Services-Energy <sup>1</sup>	Power Supply Charges <sup>2</sup>		Total <sup>3</sup>
		Base Power	PPFAC <sup>2</sup>	
<b>Summer</b> (May – September)	\$0.061100	\$0.033198	varies	\$0.094298
<b>Winter</b> (October – April)	\$0.057000	\$0.025698	varies	\$0.082698

Filed By: Kentton C. Grant  
 Title: Vice President of Finance and Rates  
 District: Entire Electric Service Area

Rate: R-06-01F  
 Effective: Pending  
 Decision No.:



# Tucson Electric Power

## Tucson Electric Power Company

Original Sheet No.: 110-1

Superseding: \_\_\_\_\_

1. Delivery Services-Energy is a bundled charge that includes: Local Delivery-Energy (Local Delivery and/or Distribution exclusive of Transmission/Ancillaries), Generation Capacity, Fixed Must-Run, Transmission and Ancillary Services.
2. The Power Supply Charge is the sum of the Base Power Charge and the Purchased Power and Fuel Adjustment Clause (PPFAC), a per kWh adjustment in accordance with Rider-1-PPFAC. PPFAC reflects increases or decreases in the cost to the Company for energy either generated or purchased above or below the base cost per kWh sold.
3. Total is calculated above for illustrative purposes (PPFAC varies over time pursuant to Rider-1 PPFAC).

### MONTHLY DISCOUNT:

The monthly bill shall be in accordance to the rate above except that a discount up to \$9.00 per month shall be applied to Delivery Services-Energy and Power Supply Charges. No Lifeline discount will be applied that will reduce the volumetric charges to less than zero.

### LOST FIXED COST RECOVERY (LFCR) – RIDER 8

For those Customers who choose not to participate in the percentage based recovery of lost revenues associated with energy efficiency and distributed generation, a higher monthly Customer Charge will apply and the percentage based LFCR will not be included on the bill. All other Customers will pay the Standard monthly Customer Charge and the percentage based LFCR. Customers can choose the fixed charge option one (1) time per calendar year. Once the Customer chooses to contribute to the LFCR through a fixed charge they must pay the higher monthly Customer Charge for a complete twelve (12) month period. During the first twelve (12) months subsequent to the effective date of the LFCR, the Customer may choose to change back to the percentage based option without being on the fixed option for a full twelve (12) months. After one full year of the LFCR in effect, a Customer must remain on an option for a full twelve (12) months.

### DIRECT ACCESS

A customer's Direct Access bill will include all unbundled components except those services provided by a qualified third party. Those services may include Metering (Installation, Maintenance and/or Equipment), Meter Reading, Billing and Collection, Transmission and Generation. If any of these services are not available from a third party supplier and must be obtained from the Company, the rates for Unbundled Components set forth in this tariff will be applied to the customer's bill.

### FOR DIRECT ACCESS: ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AZISA) CHARGE

A charge per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AZISA in Arizona.

### TEP STATEMENT OF CHARGES

For all charges and assessments approved by the Arizona Corporation Commission see the TEP Statement of Charges which is available on TEP's website at [www.tep.com](http://www.tep.com).

### AUTOMATED METER OPT-OUT

Residential rate class Customers may request, and have installed, meters that do not transmit data wirelessly. A one-time automated meter opt-out change-out fee, as specified in TEP's Statement of Charges, will apply for the installation of each analog meter that replaces a meter currently in service at the customer's premises that transmits data wirelessly. For a Customer choosing the Automated Meter Opt-out, an additional monthly customer charge as specified in the TEP Statement of Charges will be added to the applicable Customer Charge for as long as the analog meter is left in service.

The Customer may choose to self-read the analog meter. The terms and conditions for self reading of the meter shall be in accordance with Section 10 of the TEP Rules and Regulations.

### TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

Filed By: Kentton C. Grant  
 Title: Vice President of Finance and Rates  
 District: Entire Electric Service Area

Rate: R-06-01F  
 Effective: Pending  
 Decision No.:



# Tucson Electric Power

## Tucson Electric Power Company

Original Sheet No.: 110-2  
Superseding: \_\_\_\_\_

### RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the Arizona Corporation Commission shall apply where not inconsistent with this rate.

### ADDITIONAL NOTES

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

### BUNDLED STANDARD OFFER SERVICE CONSISTS OF THE FOLLOWING UNBUNDLED COMPONENTS:

#### Customer Charge Components (Unbundled):

Description	Standard	
	Single Phase	Three Phase
Meter Services	\$1.20 per month	\$2.07 per month
Meter Reading	\$0.81 per month	\$1.39 per month
Billing & Collection	\$3.48 per month	\$6.00 per month
Customer Delivery	\$1.41 per month	\$2.44 per month
<b>Total</b>	<b>\$6.90 per month</b>	<b>\$11.90 per month</b>

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option - usage less than 2,000 kWh		
Description	Single Phase	Three Phase
Meter Services	\$1.20 per month	\$2.07 per month
Meter Reading	\$0.81 per month	\$1.39 per month
Billing & Collection	\$3.48 per month	\$6.00 per month
Customer Delivery	\$1.41 per month	\$2.44 per month
LFCR	\$2.50 per month	\$2.50 per month
<b>Total</b>	<b>\$9.40 per month</b>	<b>\$14.40 per month</b>

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option - usage of 2,000 kWh or more		
Description	Single Phase	Three Phase
Meter Services	\$1.20 per month	\$2.07 per month
Meter Reading	\$0.81 per month	\$1.39 per month
Billing & Collection	\$3.48 per month	\$6.00 per month
Customer Delivery	\$1.41 per month	\$2.44 per month
LFCR	\$6.50 per month	\$6.50 per month
<b>Total</b>	<b>\$13.40 per month</b>	<b>\$18.40 per month</b>

Filed By: Kentton C. Grant  
Title: Vice President of Finance and Rates  
District: Entire Electric Service Area

Rate: R-06-01F  
Effective: Pending  
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 110-3
Superseding:

Energy Charge Components of Delivery Services (Unbundled):

Table with 3 columns: Component, Summer (May - September), Winter (October - April). Rows include Local Delivery-Energy, Generation Capacity, Fixed Must-Run, Transmission, and various ancillary services.

Power Supply Charge:

Table with 3 columns: Component, Summer (May - September), Winter (October - April). Rows include Base Power Component and PPFAC.

Filed By: Kenton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-06-01F
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 111

Superseding:

Residential Lifeline Discount (R-06-21F)

AVAILABILITY

New Customers, including current Customers who move, are not eligible for service under this Rate.

APPLICABILITY

To all single-phase (subject to availability at point of delivery) residential electric service in individual private dwellings and individually metered apartments when all service is supplied at one point of delivery and energy is metered through one meter.

The discount is also available to tenants of master metered mobile home parks and apartments.

Not applicable to resale, breakdown, temporary, standby, auxiliary service, or service to individual motors exceeding 40 amperes at a rating of 230 volts or which will cause excessive voltage fluctuations.

ELIGIBILITY

- 1. The TEP account must be in the customer's name applying for a lifeline discount.
2. Applicant must be a TEP residential customer residing at the premise.
3. Applicant must have a combined household income at or below 150% of the federal poverty level. See Income Guidelines Chart on TEP's website at www.tep.com or contact a TEP customer care representative.

CHARACTER OF SERVICE

The service shall be single-phase, 60 Hertz, and at one standard nominal voltage as mutually agreed and subject to availability at point of delivery.

RATE

A monthly bill at the following rate plus any adjustments incorporated herein:

BUNDLED STANDARD OFFER SERVICE - SUMMARY OF CUSTOMER AND ENERGY CHARGES

Customer Charges:

Standard

Customer Charge, Single Phase service and minimum bill \$ 8.86 per month

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option

Customer Charge, Single Phase with usage less than 2,000 kWh \$11.36 per month

Customer Charge, Single Phase with usage of 2,000 kWh or more \$15.36 per month

Energy Charges (\$/kWh):

Table with 5 columns: Summer (May - September), Delivery Services-Energy, Power Supply Charges (Base Power, PPFAC), Total. Rows for On-Peak and Off-Peak.

Table with 5 columns: Winter (October - April), Delivery Services-Energy, Power Supply Charges (Base Power, PPFAC), Total. Rows for On-Peak and Off-Peak.

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-06-21F
Effective: Pending
Decision No.:



# Tucson Electric Power

## Tucson Electric Power Company

Original Sheet No.: 111-1

Superseding: \_\_\_\_\_

1. Delivery Services-Energy is a bundled charge that includes: Local Delivery-Energy (Local Delivery and/or Distribution exclusive of Transmission/Ancillaries), Generation Capacity, Fixed Must-Run, Transmission and Ancillary Services.
2. The Power Supply Charge is the sum of the Base Power Charge and the Purchased Power and Fuel Adjustment Clause (PPFAC), a per kWh adjustment in accordance with Rider-1-PPFAC. PPFAC reflects increases or decreases in the cost to the Company for energy either generated or purchased above or below the base cost per kWh sold.
3. Total is calculated above for illustrative purposes (PPFAC varies over time pursuant to Rider-1 PPFAC).

### MONTHLY DISCOUNT

The monthly bill shall be in accordance to the rate above except that a discount up to \$9.00 per month shall be applied to Delivery Services-Energy and Power Supply Charges. No Lifeline discount will be applied that will reduce the volumetric charges to less than zero.

### TIME-OF-USE TIME PERIODS

The Summer On-Peak period is 10:00 a.m. to 10:00 p.m., Monday through Friday (excluding Memorial Day, Independence Day, and Labor Day).

The Winter On-Peak periods are 7:00 a.m. - 11:00 a.m. and 6:00 p.m. - 9:00 p.m., Monday through Friday (excluding Thanksgiving Day, Christmas Day, and New Year's Day).

All other hours are Off-Peak. If a holiday falls on Saturday, the preceding Friday is designated Off-Peak; if a holiday falls on Sunday, the following Monday is designated Off-Peak.

### LOST FIXED COST RECOVERY (LFCR) – RIDER 8

For those Customers who choose not to participate in the percentage based recovery of lost revenues associated with energy efficiency and distributed generation, a higher monthly Customer Charge will apply and the percentage based LFCR will not be included on the bill. All other Customers will pay the Standard monthly Customer Charge and the percentage based LFCR. Customers can choose the fixed charge option one (1) time per calendar year. Once the Customer chooses to contribute to the LFCR through a fixed charge they must pay the higher monthly Customer Charge for a complete twelve (12) month period. During the first twelve (12) months subsequent to the effective date of the LFCR, the Customer may choose to change back to the percentage based option without being on the fixed option for a full twelve (12) months. After one full year of the LFCR in effect, a Customer must remain on an option for a full twelve (12) months.

### DIRECT ACCESS

A customer's Direct Access bill will include all unbundled components except those services provided by a qualified third party. Those services may include Metering (Installation, Maintenance and/or Equipment), Meter Reading, Billing and Collection, Transmission and Generation. If any of these services are not available from a third party supplier and must be obtained from the Company, the rates for Unbundled Components set forth in this tariff will be applied to the customer's bill.

### FOR DIRECT ACCESS: ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AZISA) CHARGE

A charge per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AZISA in Arizona.

### TEP STATEMENT OF CHARGES

For all charges and assessments approved by the Arizona Corporation Commission see the TEP Statement of Charges which is available on TEP's website at [www.tep.com](http://www.tep.com).

Filed By: Kentton C. Grant  
 Title: Vice President of Finance and Rates  
 District: Entire Electric Service Area

Rate: R-06-21F  
 Effective: Pending  
 Decision No.:



# Tucson Electric Power

## Tucson Electric Power Company

Original Sheet No.: 111-2

Superseding: \_\_\_\_\_

### TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

### RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the Arizona Corporation Commission shall apply where not inconsistent with this rate.

### ADDITIONAL NOTES

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

### BUNDLED STANDARD OFFER SERVICE CONSISTS OF THE FOLLOWING UNBUNDLED COMPONENTS:

#### Customer Charge Components (Unbundled):

Standard	
Description	Single Phase
Meter Services	\$1.54 per month
Meter Reading	\$1.03 per month
Billing & Collection	\$4.47 per month
Customer Delivery	\$1.82 per month
<b>Total</b>	<b>\$8.86 per month</b>

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option - usage less than 2,000 kWh	
Description	Single Phase
Meter Services	\$1.54 per month
Meter Reading	\$1.03 per month
Billing & Collection	\$4.47 per month
Customer Delivery	\$1.82 per month
LFCR	\$2.50 per month
<b>Total</b>	<b>\$11.36 per month</b>

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option - usage of 2,000 kWh or more	
Description	Single Phase
Meter Services	\$1.54 per month
Meter Reading	\$1.03 per month
Billing & Collection	\$4.47 per month
Customer Delivery	\$1.82 per month
LFCR	\$6.50 per month
<b>Total</b>	<b>\$15.36 per month</b>

Filed By: Kentton C. Grant  
Title: Vice President of Finance and Rates  
District: Entire Electric Service Area

Rate: R-06-21F  
Effective: Pending  
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 111-3

Superseding:

Energy Charge Components of Delivery Services (Unbundled):

Summer (May – September)	On-Peak	Off-Peak
Local Delivery-Energy	\$0.011300	\$0.011300
Generation Capacity	\$0.052900	\$0.004200
Fixed Must-Run	\$0.003000	\$0.003000
Transmission	\$0.009000	\$0.009000
Transmission Ancillary Services consists of the following charges:		
System Control & Dispatch	\$0.000100	\$0.000100
Reactive Supply and Voltage Control	\$0.000500	\$0.000500
Regulation and Frequency Response	\$0.000500	\$0.000500
Spinning Reserve Service	\$0.001300	\$0.001300
Supplemental Reserve Service	\$0.000200	\$0.000200
Energy Imbalance Service: Currently charged pursuant to the Company's OATT		

Power Supply Charge

Summer (May – September)	On-Peak	Off-Peak
Base Power Component	\$0.053198	\$0.023198
PPFAC	In accordance with Rider 1 - PPFAC	

Energy Charge Components of Delivery Services (Unbundled):

Winter (October – April)	On-Peak	Off-Peak
Local Delivery-Energy	\$0.011300	\$0.011300
Generation Capacity	\$0.039300	\$0.007100
Fixed Must-Run	\$0.003000	\$0.003000
Transmission	\$0.009000	\$0.009000
Transmission Ancillary Services consists of the following charges:		
System Control & Dispatch	\$0.000100	\$0.000100
Reactive Supply and Voltage Control	\$0.000500	\$0.000500
Regulation and Frequency Response	\$0.000500	\$0.000500
Spinning Reserve Service	\$0.001300	\$0.001300
Supplemental Reserve Service	\$0.000200	\$0.000200
Energy Imbalance Service: Currently charged pursuant to the Company's OATT		

Power Supply Charge

Winter (October – April)	On-Peak	Off-Peak
Base Power Component	\$0.040698	\$0.020698
PPFAC	In accordance with Rider 1 - PPFAC	

Filed By: Kentton C. Grant  
 Title: Vice President of Finance and Rates  
 District: Entire Electric Service Area

Rate: R-06-21F  
 Effective: Pending  
 Decision No.:



**Residential Lifeline Discount (R-06-70F)**

AVAILABILITY

New Customers, including current Customers who move, are not eligible for service under this Rate.

APPLICABILITY

To all single-phase (subject to availability at point of delivery) residential electric service in individual private dwellings and individually metered apartments when all service is supplied at one point of delivery and energy is metered through one meter.

Not applicable to three phase service, resale, breakdown, temporary, standby, or auxiliary service, or service to individual motors exceeding 40 amperes at a rating of 230 volts or which will cause excessive voltage fluctuations.

ELIGIBILITY

1. The TEP account must be in the customer's name applying for a lifeline discount.
2. Applicant must be a TEP residential customer residing at the premise.
3. Applicant must have a combined household income at or below 150% of the federal poverty level. See Income Guidelines Chart on TEP's website at [www.tep.com](http://www.tep.com) or contact a TEP customer care representative.

CHARACTER OF SERVICE

The service shall be single-phase, 60 Hertz, and at one standard nominal voltage as mutually agreed and subject to availability at point of delivery.

RATE

A monthly bill at the following rate plus any adjustments incorporated herein:

**BUNDLED STANDARD OFFER SERVICE - SUMMARY OF CUSTOMER AND ENERGY CHARGES**

**Customer Charges:**

Standard

Customer Charge, Single Phase service and minimum bill \$ 8.78 per month

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option

Customer Charge, Single Phase with usage less than 2,000 kWh \$11.28 per month

Customer Charge, Single Phase with usage of 2,000 kWh or more \$15.28 per month

**Energy Charges (\$/kWh):**

Summer (May – September)	Delivery Services-Energy <sup>1</sup>	Power Supply Charges <sup>2</sup>		Total <sup>3</sup>
		Base Power	PPFAC	
On-Peak	\$0.139300	\$0.055698	<i>varies</i>	\$0.194998
Shoulder	\$0.074000	\$0.048198	<i>varies</i>	\$0.122198
Off-Peak	\$0.037900	\$0.023198	<i>varies</i>	\$0.061098

Winter (October – April)	Delivery Services-Energy <sup>1</sup>	Power Supply Charges <sup>2</sup>		Total <sup>3</sup>
		Base Power	PPFAC	
On-Peak	\$0.092500	\$0.040698	<i>varies</i>	\$0.133198
Off-Peak	\$0.024900	\$0.020698	<i>varies</i>	\$0.045598

Filed By: Kentton C. Grant  
Title: Vice President of Finance and Rates  
District: Entire Electric Service Area

Rate: R-06-70F  
Effective: Pending  
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 112-1
Superseding:

- 1. Delivery Services-Energy is a bundled charge that includes: Local Delivery-Energy (Local Delivery and/or Distribution exclusive of Transmission/Ancillaries), Generation Capacity, Fixed Must-Run, Transmission and Ancillary Services.
2. The Power Supply Charge is the sum of the Base Power Charge and the Purchased Power and Fuel Adjustment Clause (PPFAC), a per kWh adjustment in accordance with Rider-1-PPFAC. PPFAC reflects increases or decreases in the cost to the Company for energy either generated or purchased above or below the base cost per kWh sold.
3. Total is calculated above for illustrative purposes (PPFAC varies over time pursuant to Rider-1 PPFAC).

MONTHLY DISCOUNT

The monthly bill shall be in accordance to the rate above except that a discount up to \$9.00 per month shall be applied to Delivery Services-Energy and Power Supply Charges. No Lifeline discount will be applied that will reduce the volumetric charges to less than zero.

TIME-OF-USE TIME PERIODS

The Summer On-Peak period is 1:00 p.m. to 6:00 p.m., Monday through Friday (excluding Memorial Day, Independence Day, and Labor Day). The summer Shoulder period is 6:00 p.m. to 8:00 p.m. Monday through Friday (excluding Memorial Day, Independence Day, and Labor Day).

The Winter On-Peak periods are 7:00 a.m. - 11:00 a.m. and 6:00 p.m. - 9:00 p.m., Monday through Friday (excluding Thanksgiving Day, Christmas Day, and New Year's Day).

All other hours are Off-Peak. If a holiday falls on Saturday, the preceding Friday is designated Off-Peak; if a holiday falls on Sunday, the following Monday is designated Off-Peak.

LOST FIXED COST RECOVERY (LFCR) - RIDER 8

For those Customers who choose not to participate in the percentage based recovery of lost revenues associated with energy efficiency and distributed generation, a higher monthly Customer Charge will apply and the percentage based LFCR will not be included on the bill. All other Customers will pay the Standard monthly Customer Charge and the percentage based LFCR. Customers can choose the fixed charge option one (1) time per calendar year. Once the Customer chooses to contribute to the LFCR through a fixed charge they must pay the higher monthly Customer Charge for a complete twelve (12) month period. During the first twelve (12) months subsequent to the effective date of the LFCR, the Customer may choose to change back to the percentage based option without being on the fixed option for a full twelve (12) months. After one full year of the LFCR in effect, a Customer must remain on an option for a full twelve (12) months.

DIRECT ACCESS

A customer's Direct Access bill will include all unbundled components except those services provided by a qualified third party. Those services may include Metering (Installation, Maintenance and/or Equipment), Meter Reading, Billing and Collection, Transmission and Generation. If any of these services are not available from a third party supplier and must be obtained from the Company, the rates for Unbundled Components set forth in this tariff will be applied to the customer's bill.

FOR DIRECT ACCESS: ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AZISA) CHARGE

A charge per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AZISA in Arizona.

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-06-70F
Effective: Pending
Decision No.:



# Tucson Electric Power

## Tucson Electric Power Company

Original Sheet No.: 112-2  
Superseding: \_\_\_\_\_

### TEP STATEMENT OF CHARGES

For all charges and assessments approved by the Arizona Corporation Commission see the TEP Statement of Charges which is available on TEP's website at [www.tep.com](http://www.tep.com).

### TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

### RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the Arizona Corporation Commission shall apply where not inconsistent with this rate.

### ADDITIONAL NOTES

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

### BUNDLED STANDARD OFFER SERVICE CONSISTS OF THE FOLLOWING UNBUNDLED COMPONENTS:

#### Customer Charge Components (Unbundled):

Standard	
Description	Single Phase
Meter Services	\$1.52 per month
Meter Reading	\$1.03 per month
Billing & Collection	\$4.43 per month
Customer Delivery	\$1.80 per month
<b>Total</b>	<b>\$8.78 per month</b>

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option - usage less than 2,000 kWh	
Description	Single Phase
Meter Services	\$1.52 per month
Meter Reading	\$1.03 per month
Billing & Collection	\$4.43 per month
Customer Delivery	\$1.80 per month
LFCR	\$2.50 per month
<b>Total</b>	<b>\$11.28 per month</b>

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option - usage of 2,000 kWh or more	
Description	Single Phase
Meter Services	\$1.52 per month
Meter Reading	\$1.03 per month
Billing & Collection	\$4.43 per month
Customer Delivery	\$1.80 per month
LFCR	\$6.50 per month
<b>Total</b>	<b>\$15.28 per month</b>

Filed By: Kentton C. Grant  
Title: Vice President of Finance and Rates  
District: Entire Electric Service Area

Rate: R-06-70F  
Effective: Pending  
Decision No.:



**Tucson Electric Power**

**Tucson Electric Power Company**

Original Sheet No.: 112-3  
 Superseding: \_\_\_\_\_

**Energy Charge Components of Delivery Services (Unbundled):**

Summer (May – September)	On-Peak	Shoulder-Peak	Off-Peak
Local Delivery-Energy	\$0.011300	\$0.011300	\$0.011300
Generation Capacity	\$0.113400	\$0.048100	\$0.012000
Fixed Must-Run	\$0.003000	\$0.003000	\$0.003000
Transmission	\$0.009000	\$0.009000	\$0.009000
Transmission Ancillary Services consists of the following charges:			
System Control & Dispatch	\$0.000100	\$0.000100	\$0.000100
Reactive Supply and Voltage Control	\$0.000500	\$0.000500	\$0.000500
Regulation and Frequency Response	\$0.000500	\$0.000500	\$0.000500
Spinning Reserve Service	\$0.001300	\$0.001300	\$0.001300
Supplemental Reserve Service	\$0.000200	\$0.000200	\$0.000200
Energy Imbalance Service: Currently charged pursuant to the Company's OATT			

**Power Supply Charge**

Summer (May – September)	On-Peak	Shoulder-Peak	Off-Peak
Base Power Component	\$0.055698	\$0.048198	\$0.023198
PPFAC	In accordance with Rider 1 - PPFAC		

**Energy Charge Components of Delivery Services (Unbundled):**

Winter (October – April)	On-Peak	Off-Peak
Local Delivery-Energy	\$0.010200	\$0.010200
Generation Capacity	\$0.067700	\$0.000100
Fixed Must-Run	\$0.003000	\$0.003000
Transmission	\$0.009000	\$0.009000
Transmission Ancillary Services consists of the following charges:		
System Control & Dispatch	\$0.000100	\$0.000100
Reactive Supply and Voltage Control	\$0.000500	\$0.000500
Regulation and Frequency Response	\$0.000500	\$0.000500
Spinning Reserve Service	\$0.001300	\$0.001300
Supplemental Reserve Service	\$0.000200	\$0.000200
Energy Imbalance Service: Currently charged pursuant to the Company's OATT		

**Power Supply Charge**

Winter (October – April)	On-Peak	Off-Peak
Base Power Component	\$0.040698	\$0.020698
PPFAC	In accordance with Rider 1 - PPFAC	

Filed By: Kentton C. Grant  
 Title: Vice President of Finance and Rates  
 District: Entire Electric Service Area

Rate: R-06-70F  
 Effective: Pending  
 Decision No.:



**Residential Lifeline/Medical Life-Support Discount (R-08-01F)**

AVAILABILITY

New Customers, including current Customers who move, are not eligible for service under this Rate.

APPLICABILITY

To all single phase and three phase (subject to availability at point of delivery) residential electric service in individual private dwellings and individually metered apartments when all service is supplied at one point of delivery and energy is metered through one meter.

The discount is also available to tenants of master metered mobile home parks and apartments.

Not applicable to resale, breakdown, temporary, standby, auxiliary service, or service to individual motors exceeding 40 amperes at a rating of 230 volts or which will cause excessive voltage fluctuations.

ELIGIBILITY

1. Applicant must have a combined household income at or below 150% of the federal poverty level. See Income Guidelines Chart on TEP's website at [www.tep.com](http://www.tep.com) or contact a TEP customer care representative.
2. The applicant must provide documentation to the company that the regular use of a medical life-support device is essential to maintain the life of a full-time resident of the household; or a full-time resident of the household is a paraplegic, quadriplegic or hemiplegic, or a multiple sclerosis or scleroderma patient.
3. A Physician's Verification Form must be completed by the doctor documenting the patient's critical need for electrically powered appliances and describing the needed devices.

CHARACTER OF SERVICE

The service shall be single- or three-phase, 60 Hertz, and at one standard nominal voltage as mutually agreed and subject to availability at point of delivery.

RATE

A monthly bill at the following rate plus any adjustments incorporated herein:

BUNDLED STANDARD OFFER SERVICE-SUMMARY OF CUSTOMER AND ENERGY CHARGES

**Customer Charge of Delivery Services:**

Standard

Customer Charge, Single Phase service and minimum bill	\$ 6.90 per month
Customer Charge, Three Phase service and minimum bill	\$11.90 per month

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option

Customer Charge, Single Phase with usage less than 2,000 kWh	\$ 9.40 per month
Customer Charge, Three Phase with usage less than 2,000 kWh	\$14.40 per month

Customer Charge, Single Phase with usage of 2,000 kWh or more	\$13.40 per month
Customer Charge, Three Phase with usage of 2,000 kWh or more	\$18.40 per month

Filed By: Kentton C. Grant  
Title: Vice President of Finance and Rates  
District: Entire Electric Service Area

Rate: R-08-01F  
Effective: Pending  
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 113-1

Superseding:

Energy Charges (\$/kWh)

	Delivery Services-Energy <sup>1</sup>	Power Supply Charges <sup>2</sup>		Total <sup>3</sup>
		Base Power	PPFAC <sup>2</sup>	
Summer (May – September)	\$0.061100	\$0.033198	varies	\$0.094298
Winter (October – April)	\$0.057000	\$0.025698	varies	\$0.082698

1. Delivery Services-Energy is a bundled charge that includes: Local Delivery-Energy (Local Delivery and/or Distribution exclusive of Transmission/Ancillaries), Generation Capacity, Fixed Must-Run, Transmission and Ancillary Services.
2. The Power Supply Charge is the sum of the Base Power Charge and the Purchased Power and Fuel Adjustment Clause (PPFAC), a per kWh adjustment in accordance with Rider-1-PPFAC. PPFAC reflects increases or decreases in the cost to the Company for energy either generated or purchased above or below the base cost per kWh sold.
3. Total is calculated above for illustrative purposes (PPFAC varies over time pursuant to Rider-1 PPFAC).

MONTHLY DISCOUNT

The following monthly discount applies to the rate incorporated herein:

For Bills with Usage of:	Monthly Discount will be applied to the total bill excluding the Customer Charge:
0 – 1000 kWh	35%
1001 – 2000 kWh	30%
Over 2000 kWh	10%

LOST FIXED COST RECOVERY (LFCR) – RIDER 8

For those Customers who choose not to participate in the percentage based recovery of lost revenues associated with energy efficiency and distributed generation, a higher monthly Customer Charge will apply and the percentage based LFCR will not be included on the bill. All other Customers will pay the Standard monthly Customer Charge and the percentage based LFCR. Customers can choose the fixed charge option one (1) time per calendar year. Once the Customer chooses to contribute to the LFCR through a fixed charge they must pay the higher monthly Customer Charge for a complete twelve (12) month period. During the first twelve (12) months subsequent to the effective date of the LFCR, the Customer may choose to change back to the percentage based option without being on the fixed option for a full twelve (12) months. After one full year of the LFCR in effect, a Customer must remain on an option for a full twelve (12) months.

DIRECT ACCESS

A customer's Direct Access bill will include all unbundled components except those services provided by a qualified third party. Those services may include Metering (Installation, Maintenance and/or Equipment), Meter Reading, Billing and Collection, Transmission and Generation. If any of these services are not available from a third party supplier and must be obtained from the Company, the rates for Unbundled Components set forth in this tariff will be applied to the customer's bill.

FOR DIRECT ACCESS: ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AZISA) CHARGE

A charge per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AZISA in Arizona.

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-08-01F
Effective: Pending
Decision No.:



# Tucson Electric Power

## Tucson Electric Power Company

Original Sheet No.: 113-2  
Superseding: \_\_\_\_\_

### TEP STATEMENT OF CHARGES

For all charges and assessments approved by the Arizona Corporation Commission see the TEP Statement of Charges which is available on TEP's website at [www.tep.com](http://www.tep.com).

### AUTOMATED METER OPT-OUT

Residential rate class Customers may request, and have installed, meters that do not transmit data wirelessly. A one-time automated meter opt-out change-out fee, as specified in TEP's Statement of Charges, will apply for the installation of each analog meter that replaces a meter currently in service at the customer's premises that transmits data wirelessly. For a Customer choosing the Automated Meter Opt-out, an additional monthly customer charge as specified in the TEP Statement of Charges will be added to the applicable Customer Charge for as long as the analog meter is left in service.

The Customer may choose to self-read the analog meter. The terms and conditions for self reading of the meter shall be in accordance with Section 10 of the TEP Rules and Regulations.

### TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

### RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the Arizona Corporation Commission shall apply where not inconsistent with this rate.

### ADDITIONAL NOTES

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

### BUNDLED STANDARD OFFER SERVICE CONSISTS OF THE FOLLOWING UNBUNDLED COMPONENTS:

#### Customer Charge Components (Unbundled):

Description	Standard	
	Single Phase	Three Phase
Meter Services	\$1.20 per month	\$2.07 per month
Meter Reading	\$0.81 per month	\$1.39 per month
Billing & Collection	\$3.48 per month	\$6.00 per month
Customer Delivery	\$1.41 per month	\$2.44 per month
<b>Total</b>	<b>\$6.90 per month</b>	<b>\$11.90 per month</b>

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option - usage less than 2,000 kWh		
Description	Single Phase	Three Phase
Meter Services	\$1.20 per month	\$2.07 per month
Meter Reading	\$0.81 per month	\$1.39 per month
Billing & Collection	\$3.48 per month	\$6.00 per month
Customer Delivery	\$1.41 per month	\$2.44 per month
LFCR	\$2.50 per month	\$2.50 per month
<b>Total</b>	<b>\$9.40 per month</b>	<b>\$14.40 per month</b>

Filed By: Kentton C. Grant  
Title: Vice President of Finance and Rates  
District: Entire Electric Service Area

Rate: R-08-01F  
Effective: Pending  
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 113-3

Superseding: \_\_\_\_\_

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option - usage of 2,000 kWh or more		
Description	Single Phase	Three Phase
Meter Services	\$1.20 per month	\$2.07 per month
Meter Reading	\$0.81 per month	\$1.39 per month
Billing & Collection	\$3.48 per month	\$6.00 per month
Customer Delivery	\$1.41 per month	\$2.44 per month
LFCR	\$6.50 per month	\$6.50 per month
<b>Total</b>	<b>\$13.40 per month</b>	<b>\$18.40 per month</b>

**Energy Charge Components of Delivery Services (Unbundled):**

Component	Summer (May – September)	Winter (October - April)
Local Delivery-Energy	\$0.013800	\$0.011300
Generation Capacity	\$0.032700	\$0.031100
Fixed Must-Run	\$0.003000	\$0.003000
Transmission	\$0.009000	\$0.009000
Transmission Ancillary Services consists of the following charges:		
System Control & Dispatch	\$0.000100	\$0.000100
Reactive Supply and Voltage Control	\$0.000500	\$0.000500
Regulation and Frequency Response	\$0.000500	\$0.000500
Spinning Reserve Service	\$0.001300	\$0.001300
Supplemental Reserve Service	\$0.000200	\$0.000200
Energy Imbalance Service: Currently charged pursuant to the Company's OATT		

**Power Supply Charge:**

	Summer (May – September)	Winter (October - April)
Base Power Component	\$0.033198	\$0.025698
PPFAC	In accordance with Rider 1 - PPFAC	

Filed By: Kentton C. Grant  
 Title: Vice President of Finance and Rates  
 District: Entire Electric Service Area

Rate: R-08-01F  
 Effective: Pending  
 Decision No.:



### Residential Lifeline/Medical Life-Support Discount (R-08-21F)

AVAILABILITY

New Customers, including current Customers who move, are not eligible for service under this Rate.

APPLICABILITY

To all single phase (subject to availability at point of delivery) residential electric service in individual private dwellings and individually metered apartments when all service is supplied at one point of delivery and energy is metered through one meter.

The discount is also available to tenants of master metered mobile home parks and apartments.

Not applicable to resale, breakdown, temporary, standby, auxiliary service, or service to individual motors exceeding 40 amperes at a rating of 230 volts or which will cause excessive voltage fluctuations.

ELIGIBILITY

1. Applicant must have a combined household income at or below 150% of the federal poverty level. See Income Guidelines Chart on TEP's website at [www.tep.com](http://www.tep.com) or contact a TEP customer care representative.
2. The applicant must provide documentation to the company that the regular use of a medical life-support device is essential to maintain the life of a full-time resident of the household; or a full-time resident of the household is a paraplegic, quadriplegic or hemiplegic, or a multiple sclerosis or scleroderma patient.
3. A Physician's Verification Form must be completed by the doctor documenting the patient's critical need for electrically powered appliances and describing the needed devices.

CHARACTER OF SERVICE

The service shall be single-phase, 60 Hertz, and at one standard nominal voltage as mutually agreed and subject to availability at point of delivery

RATE

A monthly net bill at the following rate plus any adjustments incorporated herein:

BUNDLED STANDARD OFFER SERVICE - SUMMARY OF CUSTOMER AND ENERGY CHARGES

**Customer Charges:**

Standard

Customer Charge, Single Phase service and minimum bill \$ 8.86 per month

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option

Customer Charge, Single Phase with usage less than 2,000 kWh \$11.36 per month

Customer Charge, Single Phase with usage of 2,000 kWh or more \$15.36 per month

Filed By: Kentton C. Grant  
Title: Vice President of Finance and Rates  
District: Entire Electric Service Area

Rate: R-08-21F  
Effective: Pending  
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 114-1
Superseding:

Energy Charges (\$/kWh):

Table with 4 columns: Summer (May - September), Delivery Services-Energy1, Power Supply Charges2 (Base Power, PPFAC), Total3. Rows for On-Peak and Off-Peak.

Table with 4 columns: Winter (October - April), Delivery Services-Energy1, Power Supply Charges2 (Base Power, PPFAC), Total3. Rows for On-Peak and Off-Peak.

- 1. Delivery Services-Energy is a bundled charge that includes: Local Delivery-Energy (Local Delivery and/or Distribution exclusive of Transmission/Ancillaries), Generation Capacity, Fixed Must-Run, Transmission and Ancillary Services.
2. The Power Supply Charge is the sum of the Base Power Charge and the Purchased Power and Fuel Adjustment Clause (PPFAC), a per kWh adjustment in accordance with Rider-1-PPFAC. PPFAC reflects increases or decreases in the cost to the Company for energy either generated or purchased above or below the base cost per kWh sold.
3. Total is calculated above for illustrative purposes (PPFAC varies over time pursuant to Rider-1 PPFAC).

MONTHLY DISCOUNT

The following monthly discount applies to the rate incorporated herein:

Table with 2 columns: For Bills with Usage of, Monthly Discount will be applied to the total bill excluding the Customer Charge. Rows for 0-1000 kWh (35%), 1001-2000 kWh (30%), Over 2000 kWh (10%).

TIME-OF-USE TIME PERIODS

The Summer On-Peak period is 10:00 a.m. to 10:00 p.m., Monday through Friday (excluding Memorial Day, Independence Day, and Labor Day).

The Winter On-Peak periods are 7:00 a.m. - 11:00 a.m. and 6:00 p.m. - 9:00 p.m., Monday through Friday (excluding Thanksgiving Day, Christmas Day, and New Year's Day).

All other hours are Off-Peak. If a holiday falls on Saturday, the preceding Friday is designated Off-Peak; if a holiday falls on Sunday, the following Monday is designated Off-Peak.

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-08-21F
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 114-2  
Superseding:

LOST FIXED COST RECOVERY (LFCR) – RIDER 8

For those Customers who choose not to participate in the percentage based recovery of lost revenues associated with energy efficiency and distributed generation, a higher monthly Customer Charge will apply and the percentage based LFCR will not be included on the bill. All other Customers will pay the Standard monthly Customer Charge and the percentage based LFCR. Customers can choose the fixed charge option one (1) time per calendar year. Once the Customer chooses to contribute to the LFCR through a fixed charge they must pay the higher monthly Customer Charge for a complete twelve (12) month period. During the first twelve (12) months subsequent to the effective date of the LFCR, the Customer may choose to change back to the percentage based option without being on the fixed option for a full twelve (12) months. After one full year of the LFCR in effect, a Customer must remain on an option for a full twelve (12) months.

DIRECT ACCESS

A customer's Direct Access bill will include all unbundled components except those services provided by a qualified third party. Those services may include Metering (Installation, Maintenance and/or Equipment), Meter Reading, Billing and Collection, Transmission and Generation. If any of these services are not available from a third party supplier and must be obtained from the Company, the rates for Unbundled Components set forth in this tariff will be applied to the customer's bill.

FOR DIRECT ACCESS: ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AZISA) CHARGE

A charge per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AZISA in Arizona.

TEP STATEMENT OF CHARGES

For all charges and assessments approved by the Arizona Corporation Commission see the TEP Statement of Charges which is available on TEP's website at [www.tep.com](http://www.tep.com).

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the Arizona Corporation Commission shall apply where not inconsistent with this rate.

ADDITIONAL NOTES

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

BUNDLED STANDARD OFFER SERVICE CONSISTS OF THE FOLLOWING UNBUNDLED COMPONENTS:

Customer Charge Components (Unbundled):

Standard	
Description	Single Phase
Meter Services	\$1.54 per month
Meter Reading	\$1.03 per month
Billing & Collection	\$4.47 per month
Customer Delivery	\$1.82 per month
<b>Total</b>	<b>\$8.86 per month</b>

Filed By: Kentton C. Grant  
Title: Vice President of Finance and Rates  
District: Entire Electric Service Area

Rate: R-08-21F  
Effective: Pending  
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 114-3  
Superseding: \_\_\_\_\_

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option - usage less than 2,000 kWh	
Description	Single Phase
Meter Services	\$1.54 per month
Meter Reading	\$1.03 per month
Billing & Collection	\$4.47 per month
Customer Delivery	\$1.82 per month
LFCR	\$2.50 per month
<b>Total</b>	<b>\$11.36 per month</b>

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option - usage of 2,000 kWh or more	
Description	Single Phase
Meter Services	\$1.54 per month
Meter Reading	\$1.03 per month
Billing & Collection	\$4.47 per month
Customer Delivery	\$1.82 per month
LFCR	\$6.50 per month
<b>Total</b>	<b>\$15.36 per month</b>

**Energy Charge Components of Delivery Services (Unbundled):**

Summer (May – September)	On-Peak	Off-Peak
Local Delivery-Energy	\$0.011300	\$0.011300
Generation Capacity	\$0.052900	\$0.004200
Fixed Must-Run	\$0.003000	\$0.003000
Transmission	\$0.009000	\$0.009000
Transmission Ancillary Services consists of the following charges:		
System Control & Dispatch	\$0.000100	\$0.000100
Reactive Supply and Voltage Control	\$0.000500	\$0.000500
Regulation and Frequency Response	\$0.000500	\$0.000500
Spinning Reserve Service	\$0.001300	\$0.001300
Supplemental Reserve Service	\$0.000200	\$0.000200
Energy Imbalance Service: Currently charged pursuant to the Company's OATT		

**Power Supply Charge**

Summer (May – September)	On-Peak	Off-Peak
Base Power Component	\$0.053198	\$0.023198
PPFAC	In accordance with Rider 1 - PPFAC	

Filed By: Kentton C. Grant  
Title: Vice President of Finance and Rates  
District: Entire Electric Service Area

Rate: R-08-21F  
Effective: Pending  
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 114-4

Superseding:

**Energy Charge Components of Delivery Services (Unbundled):**

Winter (October – April)	On-Peak	Off-Peak
Local Delivery-Energy	\$0.011300	\$0.011300
Generation Capacity	\$0.039300	\$0.007100
Fixed Must-Run	\$0.003000	\$0.003000
Transmission	\$0.009000	\$0.009000
Transmission Ancillary Services consists of the following charges:		
System Control & Dispatch	\$0.000100	\$0.000100
Reactive Supply and Voltage Control	\$0.000500	\$0.000500
Regulation and Frequency Response	\$0.000500	\$0.000500
Spinning Reserve Service	\$0.001300	\$0.001300
Supplemental Reserve Service	\$0.000200	\$0.000200
Energy Imbalance Service: Currently charged pursuant to the Company's OATT		

**Power Supply Charge**

Winter (October – April)	On-Peak	Off-Peak
Base Power Component	\$0.040698	\$0.0020698
PPFAC	In accordance with Rider 1 - PPFAC	

Filed By: Kentton C. Grant  
 Title: Vice President of Finance and Rates  
 District: Entire Electric Service Area

Rate: R-08-21F  
 Effective: Pending  
 Decision No.:



Residential Lifeline/Medical Life-Support Discount (R-08-70F)

AVAILABILITY

New Customers, including current Customers who move, are not eligible for service under this Rate.

APPLICABILITY

To all single phase (subject to availability at point of delivery) residential electric service in individual private dwellings and individually metered apartments when all service is supplied at one point of delivery and energy is metered through one meter.

Not applicable to resale, breakdown, temporary, standby, or auxiliary service, or service to individual motors exceeding 40 amperes at a rating of 230 volts or which will cause excessive voltage fluctuations.

ELIGIBILITY

- 1. Applicant must have a combined household income at or below 150% of the federal poverty level. See Income Guidelines Chart on TEP's website at www.tep.com or contact a TEP customer care representative.
2. The applicant must provide documentation to the company that the regular use of a medical life-support device is essential to maintain the life of a full-time resident of the household; or a full-time resident of the household is a paraplegic, quadriplegic or hemiplegic, or a multiple sclerosis or scleroderma patient.
3. A Physician's Verification Form must be completed by the doctor documenting the patient's critical need for electrically powered appliances and describing the needed devices.

CHARACTER OF SERVICE

The service shall be single-phase, 60 Hertz, and at one standard nominal voltage as mutually agreed and subject to availability at point of delivery.

RATE

A monthly net bill at the following rate plus any adjustments incorporated herein:

BUNDLED STANDARD OFFER SERVICE - SUMMARY OF CUSTOMER AND ENERGY CHARGES

Customer Charges:

Standard

Customer Charge, Single Phase service and minimum bill \$8.78 per month

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option

Customer Charge, Single Phase with usage less than 2,000 kWh \$11.28 per month

Customer Charge, Single Phase with usage of 2,000 kWh or more \$15.28 per month

Energy Charges (\$/kWh):

Table with 5 columns: Summer (May - September), Delivery Services-Energy, Power Supply Charges (Base Power, PPFAC), and Total. Rows include On-Peak, Shoulder, and Off-Peak rates.

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-08-70F
Effective: Pending
DecisionNo.:



# Tucson Electric Power

## Tucson Electric Power Company

Original Sheet No.: 115-1  
Superseding: \_\_\_\_\_

Winter (October – April)	Delivery Services-Energy <sup>1</sup>	Power Supply Charges <sup>2</sup>		Total <sup>3</sup>
		Base Power	PPFAC	
On-Peak	\$0.092500	\$0.040698	<i>varies</i>	\$0.133198
Off-Peak	\$0.024900	\$0.020698	<i>varies</i>	\$0.045598

1. Delivery Services-Energy is a bundled charge that includes: Local Delivery-Energy (Local Delivery and/or Distribution exclusive of Transmission/Ancillaries), Generation Capacity, Fixed Must-Run, Transmission and Ancillary Services.
2. The Power Supply Charge is the sum of the Base Power Charge and the Purchased Power and Fuel Adjustment Clause (PPFAC), a per kWh adjustment in accordance with Rider-1-PPFAC. PPFAC reflects increases or decreases in the cost to the Company for energy either generated or purchased above or below the base cost per kWh sold.
3. Total is calculated above for illustrative purposes (PPFAC varies over time pursuant to Rider-1 PPFAC).

### MONTHLY DISCOUNT

The following monthly discount applies to the rate incorporated herein:

For Bills with Usage of:	Monthly Discount will be applied to the total bill excluding the Customer Charge:
0 – 1000 kWh	35%
1001 – 2000 kWh	30%
Over 2000 kWh	10%

### TIME-OF-USE TIME PERIODS

The **Summer On-Peak period** is 1:00 p.m. to 6:00 p.m., Monday through Friday (excluding Memorial Day, Independence Day, and Labor Day). The summer Shoulder period is 6:00 p.m. to 8:00 p.m. Monday through Friday (excluding Memorial Day, Independence Day, and Labor Day).

The **Winter On-Peak periods** are 7:00 a.m. - 11:00 a.m. and 6:00 p.m. - 9:00 p.m., Monday through Friday (excluding Thanksgiving Day, Christmas Day, and New Year's Day).

**All other hours are Off-Peak.** If a holiday falls on Saturday, the preceding Friday is designated Off-Peak; if a holiday falls on Sunday, the following Monday is designated Off-Peak.

### LOST FIXED COST RECOVERY (LFCR) – RIDER 8

For those Customers who choose not to participate in the percentage based recovery of lost revenues associated with energy efficiency and distributed generation, a higher monthly Customer Charge will apply and the percentage based LFCR will not be included on the bill. All other Customers will pay the Standard monthly Customer Charge and the percentage based LFCR. Customers can choose the fixed charge option one (1) time per calendar year. Once the Customer chooses to contribute to the LFCR through a fixed charge they must pay the higher monthly Customer Charge for a complete twelve (12) month period. During the first twelve (12) months subsequent to the effective date of the LFCR, the Customer may choose to change back to the percentage based option without being on the fixed option for a full twelve (12) months. After one full year of the LFCR in effect, a Customer must remain on an option for a full twelve (12) months.

Filed By: Kentton C. Grant  
Title: Vice President of Finance and Rates  
District: Entire Electric Service Area

Rate: R-08-70F  
Effective: Pending  
DecisionNo.:



# Tucson Electric Power

## Tucson Electric Power Company

Original Sheet No.: 115-2  
Superseding: \_\_\_\_\_

### DIRECT ACCESS

A customer's Direct Access bill will include all unbundled components except those services provided by a qualified third party. Those services may include Metering (Installation, Maintenance and/or Equipment), Meter Reading, Billing and Collection, Transmission and Generation. If any of these services are not available from a third party supplier and must be obtained from the Company, the rates for Unbundled Components set forth in this tariff will be applied to the customer's bill.

### FOR DIRECT ACCESS: ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AZISA) CHARGE

A charge per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AZISA in Arizona.

### TEP STATEMENT OF CHARGES

For all charges and assessments approved by the Arizona Corporation Commission see the TEP Statement of Charges which is available on TEP's website at [www.tep.com](http://www.tep.com).

### TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

### RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the Arizona Corporation Commission shall apply where not inconsistent with this rate.

### ADDITIONAL NOTES

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

### BUNDLED STANDARD OFFER SERVICE CONSISTS OF THE FOLLOWING UNBUNDLED COMPONENTS:

#### Customer Charge Components (Unbundled):

Standard	
Description	Single Phase
Meter Services	\$1.52 per month
Meter Reading	\$1.03 per month
Billing & Collection	\$4.43 per month
Customer Delivery	\$1.80 per month
<b>Total</b>	<b>\$8.78 per month</b>

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option - usage less than 2,000 kWh	
Description	Single Phase
Meter Services	\$1.52 per month
Meter Reading	\$1.03 per month
Billing & Collection	\$4.43 per month
Customer Delivery	\$1.80 per month
LFCR	\$2.50 per month
<b>Total</b>	<b>\$11.28 per month</b>

Filed By: Kentton C. Grant  
Title: Vice President of Finance and Rates  
District: Entire Electric Service Area

Rate: R-08-70F  
Effective: Pending  
DecisionNo.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 115-3

Superseding:

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option - usage of 2,000 kWh or more	
Description	Single Phase
Meter Services	\$1.52 per month
Meter Reading	\$1.03 per month
Billing & Collection	\$4.43 per month
Customer Delivery	\$1.80 per month
LFCR	\$6.50 per month
<b>Total</b>	<b>\$15.28 per month</b>

**Energy Charge Components of Delivery Services (Unbundled):**

Summer (May – September)	On-Peak	Shoulder-Peak	Off-Peak
Local Delivery-Energy	\$0.011300	\$0.011300	\$0.011300
Generation Capacity	\$0.113400	\$0.048100	\$0.012000
Fixed Must-Run	\$0.003000	\$0.003000	\$0.003000
Transmission	\$0.009000	\$0.009000	\$0.009000
Transmission Ancillary Services consists of the following charges:			
System Control & Dispatch	\$0.000100	\$0.000100	\$0.000100
Reactive Supply and Voltage Control	\$0.000500	\$0.000500	\$0.000500
Regulation and Frequency Response	\$0.000500	\$0.000500	\$0.000500
Spinning Reserve Service	\$0.001300	\$0.001300	\$0.001300
Supplemental Reserve Service	\$0.000200	\$0.000200	\$0.000200
Energy Imbalance Service: Currently charged pursuant to the Company's OATT			

**Power Supply Charge**

Summer (May – September)	On-Peak	Shoulder-Peak	Off-Peak
Base Power Component	\$0.055698	\$0.048198	\$0.023198
PPFAC	In accordance with Rider 1 - PPFAC		

Filed By: Kentton C. Grant  
 Title: Vice President of Finance and Rates  
 District: Entire Electric Service Area

Rate: R-08-70F  
 Effective: Pending  
 DecisionNo.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 115-4
Superseding:

Energy Charge Components of Delivery Services (Unbundled):

Table with 3 columns: Winter (October - April), On-Peak, Off-Peak. Rows include Local Delivery-Energy, Generation Capacity, Fixed Must-Run, Transmission, and various ancillary services like System Control & Dispatch, Reactive Supply, etc.

Power Supply Charge

Table with 3 columns: Winter (October - April), On-Peak, Off-Peak. Rows include Base Power Component and PPFAC.

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-08-70F
Effective: Pending
DecisionNo.:



**Residential Lifeline/Medical Life-Support Discount (R-08-201AF)**

AVAILABILITY

New Customers, including current Customers who move, are not eligible for service under this Rate.

APPLICABILITY

To single phase (subject to availability at point of delivery) electric service in individual residences as described in current program details when all service is supplied at one point of delivery and energy is metered through one meter. Additionally, this rate requires that the customer use exclusively the Company's service for all space heating and all water heating energy requirements except as provided below and that the customer's home conform to the standards of the Heating, Cooling and Comfort Guarantee program as in effect at the time of subscription to this rate. The customer's use of solar energy for any purpose shall not preclude subscription to this rate. The discount is also available to tenants of master metered mobile home parks and apartments.

Not applicable to resale, breakdown, temporary, standby, auxiliary service, or service to individual motors exceeding 40 amperes at a rating of 230 volts or which will cause excessive voltage fluctuations.

ELIGIBILITY

1. Applicant must have a combined household income at or below 150% of the federal poverty level. See Income Guidelines Chart on TEP's website at [www.tep.com](http://www.tep.com) or contact a TEP customer care representative.
2. The applicant must provide documentation to the company that the regular use of a medical life-support device is essential to maintain the life of a full-time resident of the household; or a full-time resident of the household is a paraplegic, quadriplegic or hemiplegic, or a multiple sclerosis or scleroderma patient.
3. A Physician's Verification Form must be completed by the doctor documenting the patient's critical need for electrically powered appliances and describing the needed devices.

CHARACTER OF SERVICE

The service shall be single-phase, 60 Hertz, and at one standard nominal voltage as mutually agreed and subject to availability at point of delivery.

RATE

A monthly bill at the following rate plus any adjustments incorporated herein:

BUNDLED STANDARD OFFER SERVICE-SUMMARY OF CUSTOMER AND ENERGY CHARGES

**Customer Charge of Delivery Services:**

Standard

Customer Charge, Single Phase service and minimum bill \$ 6.90 per month

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option

Customer Charge, Single Phase with usage less than 2,000 kWh \$ 9.40 per month

Customer Charge, Single Phase with usage of 2,000 kWh or more \$13.40 per month

Filed By: Kentton C. Grant  
Title: Vice President of Finance and Rates  
District: Entire Electric Service Area

Rate: R-08-201AF  
Effective: Pending  
Decision No.:



# Tucson Electric Power

# Tucson Electric Power Company

Original Sheet No.: 116-1

Superseding: \_\_\_\_\_

### Energy Charges (\$/kWh)

	Delivery Services-Energy <sup>1</sup>	Power Supply Charges <sup>2</sup>		Total <sup>3</sup>
		Base Power	PPFAC <sup>2</sup>	
Mid-Summer (June-August)	\$0.061100	\$0.033198	<i>varies</i>	\$0.094298
Remaining-summer (May & September)	\$0.043600	\$0.033198	<i>varies</i>	\$0.076798
Winter (October – April)	\$0.041300	\$0.027198	<i>varies</i>	\$0.068498

1. Delivery Services-Energy is a bundled charge that includes: Local Delivery-Energy (Local Delivery and/or Distribution exclusive of Transmission/Ancillaries), Generation Capacity, Fixed Must-Run, Transmission and Ancillary Services.
2. The Power Supply Charge is the sum of the Base Power Charge and the Purchased Power and Fuel Adjustment Clause (PPFAC), a per kWh adjustment in accordance with Rider-1-PPFAC. PPFAC reflects increases or decreases in the cost to the Company for energy either generated or purchased above or below the base cost per kWh sold.
3. Total is calculated above for illustrative purposes (PPFAC varies over time pursuant to Rider-1 PPFAC).

### MONTHLY DISCOUNT

The following monthly discount applies to the rate incorporated herein:

For Bills with Usage of:	Monthly Discount will be applied to the total bill excluding the Customer Charge:
0 – 1000 kWh	35%
1001 – 2000 kWh	30%
Over 2000 kWh	10%

### LOST FIXED COST RECOVERY (LFCR) – RIDER 8

For those Customers who choose not to participate in the percentage based recovery of lost revenues associated with energy efficiency and distributed generation, a higher monthly Customer Charge will apply and the percentage based LFCR will not be included on the bill. All other Customers will pay the Standard monthly Customer Charge and the percentage based LFCR. Customers can choose the fixed charge option one (1) time per calendar year. Once the Customer chooses to contribute to the LFCR through a fixed charge they must pay the higher monthly Customer Charge for a complete twelve (12) month period. During the first twelve (12) months subsequent to the effective date of the LFCR, the Customer may choose to change back to the percentage based option without being on the fixed option for a full twelve (12) months. After one full year of the LFCR in effect, a Customer must remain on an option for a full twelve (12) months.

### DIRECT ACCESS

A customer's Direct Access bill will include all unbundled components except those services provided by a qualified third party. Those services may include Metering (Installation, Maintenance and/or Equipment), Meter Reading, Billing and Collection, Transmission and Generation. If any of these services are not available from a third party supplier and must be obtained from the Company, the rates for Unbundled Components set forth in this tariff will be applied to the customer's bill.

Filed By: Kentton C. Grant  
 Title: Vice President of Finance and Rates  
 District: Entire Electric Service Area

Rate: R-08-201AF  
 Effective: Pending  
 Decision No.:



# Tucson Electric Power

## Tucson Electric Power Company

Original Sheet No.: 116-2  
Superseding: \_\_\_\_\_

### FOR DIRECT ACCESS: ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AZISA) CHARGE

A charge per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AZISA in Arizona.

### TEP STATEMENT OF CHARGES

For all charges and assessments approved by the Arizona Corporation Commission see the TEP Statement of Charges which is available on TEP's website at [www.tep.com](http://www.tep.com).

### AUTOMATED METER OPT-OUT

Residential rate class Customers may request, and have installed, meters that do not transmit data wirelessly. A one-time automated meter opt-out change-out fee, as specified in TEP's Statement of Charges, will apply for the installation of each analog meter that replaces a meter currently in service at the customer's premises that transmits data wirelessly. For a Customer choosing the Automated Meter Opt-out, an additional monthly customer charge as specified in the TEP Statement of Charges will be added to the applicable Customer Charge for as long as the analog meter is left in service.

The Customer may choose to self-read the analog meter. The terms and conditions for self reading of the meter shall be in accordance with Section 10 of the TEP Rules and Regulations.

### TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

### RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the Arizona Corporation Commission shall apply where not inconsistent with this rate.

### ADDITIONAL NOTES

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

### BUNDLED STANDARD OFFER SERVICE CONSISTS OF THE FOLLOWING UNBUNDLED COMPONENTS:

#### Customer Charge Components (Unbundled):

Standard	
Description	Single Phase
Meter Services	\$1.20 per month
Meter Reading	\$0.81 per month
Billing & Collection	\$3.48 per month
Customer Delivery	\$1.41 per month
<b>Total</b>	<b>\$6.90 per month</b>

Filed By: Kentton C. Grant  
Title: Vice President of Finance and Rates  
District: Entire Electric Service Area

Rate: R-08-201AF  
Effective: Pending  
Decision No.:



**Tucson Electric Power**

**Tucson Electric Power Company**

Original Sheet No.: 116-3  
 Superseding: \_\_\_\_\_

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option - usage of 2,000 kWh or more	
Description	Single Phase
Meter Services	\$1.20 per month
Meter Reading	\$0.81 per month
Billing & Collection	\$3.48 per month
Customer Delivery	\$1.41 per month
LFCR	\$6.50 per month
<b>Total</b>	<b>\$13.40 per month</b>

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option - usage less than 2,000 kWh	
Description	Single Phase
Meter Services	\$1.20 per month
Meter Reading	\$0.81 per month
Billing & Collection	\$3.48 per month
Customer Delivery	\$1.41 per month
LFCR	\$2.50 per month
<b>Total</b>	<b>\$9.40 per month</b>

**Energy Charge Components of Delivery Services (Unbundled):**

Component	Mid Summer (June -August)	Remaining Summer (May & September)	Winter (October - April)
Local Delivery-Energy	\$0.020600	\$0.003100	\$0.006800
Generation Capacity	\$0.025900	\$0.025900	\$0.019900
Fixed Must-Run	\$0.003000	\$0.003000	\$0.003000
Transmission	\$0.009000	\$0.009000	\$0.009000
Transmission Ancillary Services consists of the following charges:			
System Control & Dispatch	\$0.000100	\$0.000100	\$0.000100
Reactive Supply and Voltage Control	\$0.000500	\$0.000500	\$0.000500
Regulation and Frequency Response	\$0.000500	\$0.000500	\$0.000500
Spinning Reserve Service	\$0.001300	\$0.001300	\$0.001300
Supplemental Reserve Service	\$0.000200	\$0.000200	\$0.000200
Energy Imbalance Service: Currently charged pursuant to the Company's OATT			

**Power Supply Charge:**

	Mid Summer (June -August)	Remaining Summer (May & September)	Winter (October - April)
Base Power Component	\$0.033198	\$0.033198	\$0.027198
PPFAC	In accordance with Rider 1 - PPFAC		

Filed By: Kentton C. Grant  
 Title: Vice President of Finance and Rates  
 District: Entire Electric Service Area

Rate: R-08-201AF  
 Effective: Pending  
 Decision No.:



**Special Residential Electric Service (R-201AN)**

AVAILABILITY

Available throughout the Company's entire electric service area where the facilities of the Company are of adequate capacity and are adjacent to the premises.

APPLICABILITY

To single phase (subject to availability at point of delivery) electric service in individual residences when all service is supplied at one point of delivery and energy is metered through one meter. Additionally, this Rate requires that the Customer use exclusively the Company's service for all space heating and all water heating energy requirements except as provided below. New homes must conform to the standards of the Company's approved efficiency program for new construction as in effect at the time of subscription to this Rate. Existing homes must conform to certain standards of the Company's approved efficiency program for existing homes as in effect at the time of subscription to this Rate. Company accredited testing and inspection is required for verification. Notwithstanding the above, the Customer's use of solar energy for any purpose shall not preclude subscription to this Rate.

Not applicable to resale, breakdown, temporary, standby, or auxiliary service or service to individual motors exceeding 40 amperes at a rating of 230 volts or which will cause excessive voltage fluctuations.

CHARACTER OF SERVICE

The service shall be single phase, 60 Hertz, and at one standard nominal voltage as mutually agreed and subject to availability at point of delivery.

RATE

A monthly bill at the following rate plus any adjustments incorporated herein:

BUNDLED STANDARD OFFER SERVICE – SUMMARY OF CUSTOMER AND ENERGY CHARGES

**Customer Charges:**

Standard

Customer Charge, Single Phase service and minimum bill \$10.00 per month

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option

Customer Charge, Single Phase with usage less than 2,000 kWh \$12.50 per month

Customer Charge, Single Phase with usage more of 2,000 or more kWh \$16.50 per month

**Energy Charges:**

Summer (May – September)	Delivery Services-Energy <sup>1</sup>	Power Supply Charges <sup>2</sup>		Total <sup>3</sup>
		Base Power	PPFAC <sup>2</sup>	
0 – 500 kWh	\$0.050600	\$0.035111	<i>varies</i>	\$0.085711
501 – 1,000 kWh	\$0.060500	\$0.035111	<i>varies</i>	\$0.095611
1,001 – 3,500 kWh	\$0.071800	\$0.035111	<i>varies</i>	\$0.106911
Over 3,500 kWh	\$0.079400	\$0.035111	<i>varies</i>	\$0.114511

Filed By: Kentton C. Grant  
Title: Vice President of Finance and Rates  
District: Entire Electric Service Area

Rate: R-201AN  
Effective: Pending  
Decision No.:



# Tucson Electric Power

## Tucson Electric Power Company

Original Sheet No.: 117-1  
Superseding: \_\_\_\_\_

Winter (October - April)	Delivery Services-Energy <sup>1</sup>	Power Supply Charges <sup>2</sup>		Total <sup>3</sup>
		Base Power	PPFAC <sup>2</sup>	
0 – 500 kWh	\$0.050600	\$0.031532	<i>varies</i>	\$0.082132
501 – 1,000 kWh	\$0.058700	\$0.031532	<i>varies</i>	\$0.090232
1,001 – 3,500 kWh	\$0.070300	\$0.031532	<i>varies</i>	\$0.101832
Over 3,000 kWh	\$0.078400	\$0.031532	<i>varies</i>	\$0.109932

1. Delivery Services-Energy is a bundled charge that includes: Local Delivery-Energy (Local Delivery and/or Distribution exclusive of Transmission/Ancillaries), Generation Capacity, Fixed Must-Run, Transmission and Ancillary Services.
2. The Power Supply Charge is the sum of the Base Power Charge and the Purchased Power and Fuel Adjustment Clause (PPFAC), a per kWh adjustment in accordance with Rider-1-PPFAC. PPFAC reflects increases or decreases in the cost to the Company for energy either generated or purchased above or below the base cost per kWh sold.
3. Total is calculated above for illustrative purposes (PPFAC varies over time pursuant to Rider-1 PPFAC).

### LOST FIXED COST RECOVERY (LFCR) – RIDER 8

For those Customers who choose not to participate in the percentage based recovery of lost revenues associated with energy efficiency and distributed generation, a higher monthly Customer Charge will apply and the percentage based LFCR will not be included on the bill. All other Customers will pay the Standard monthly Customer Charge and the percentage based LFCR. Customers can choose the fixed charge option one (1) time per calendar year. Once the Customer chooses to contribute to the LFCR through a fixed charge they must pay the higher monthly Customer Charge for a complete twelve (12) month period. During the first twelve (12) months subsequent to the effective date of the LFCR, the Customer may choose to change back to the percentage based option without being on the fixed option for a full twelve (12) months. After one full year of the LFCR in effect, a Customer must remain on an option for a full twelve (12) months.

### MONTHLY LIFELINE DISCOUNT:

This discount is only available to new and eligible Lifeline Customers whose monthly bill shall be in accordance to the rate above except that a discount of \$9.00 per month shall be applied. No Lifeline discount will be applied that will reduce the volumetric charges to less than zero.

### DIRECT ACCESS

A Customer's Direct Access bill will include all unbundled components except those services provided by a qualified third party. Those services may include Metering (Installation, Maintenance and/or Equipment), Meter Reading, Billing and Collection, Transmission and Generation. If any of these services are not available from a third party supplier and must be obtained from the Company, the rates for Unbundled Components set forth in this tariff will be applied to the customer's bill.

### FOR DIRECT ACCESS: ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AZISA) CHARGE

A charge per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AZISA in Arizona.

### TEP STATEMENT OF CHARGES

For all additional charges and assessments approved by the Arizona Corporation Commission see the TEP Statement of Charges which is available on TEP's website at [www.tep.com](http://www.tep.com).

Filed By: Kentton C. Grant  
Title: Vice President of Finance and Rates  
District: Entire Electric Service Area

Rate: R-201AN  
Effective: Pending  
Decision No.:



# Tucson Electric Power

## Tucson Electric Power Company

Original Sheet No.: 117-2

Superseding: \_\_\_\_\_

### AUTOMATED METER OPT-OUT

Residential rate class Customers may request, and have installed, meters that do not transmit data wirelessly. A one-time automated meter opt-out change-out fee, as specified in TEP's Statement of Charges, will apply for the installation of each analog meter that replaces a meter currently in service at the customer's premises that transmits data wirelessly. For a Customer choosing the Automated Meter Opt-out, an additional monthly customer charge as specified in the TEP Statement of Charges will be added to the applicable Customer Charge for as long as the analog meter is left in service.

The Customer may choose to self-read the analog meter. The terms and conditions for self reading of the meter shall be in accordance with Section 10 of the TEP Rules and Regulations.

### TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

### RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the Arizona Corporation Commission shall apply where not inconsistent with this rate.

### ADDITIONAL NOTES

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

### BUNDLED STANDARD OFFER SERVICE CONSISTS OF THE FOLLOWING UNBUNDLED COMPONENTS:

#### Customer Charge Components (Unbundled):

Standard	
Description	Single Phase
Meter Services	\$1.74 per month
Meter Reading	\$1.17 per month
Billing & Collection	\$5.04 per month
Customer Delivery	\$2.05 per month
<b>Total</b>	<b>\$10.00 per month</b>

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option - usage less than 2,000 kWh	
Description	Single Phase
Meter Services	\$1.74 per month
Meter Reading	\$1.17 per month
Billing & Collection	\$5.04 per month
Customer Delivery	\$2.05 per month
LFCR	\$2.50 per month
<b>Total</b>	<b>\$12.50 per month</b>

Filed By: Kentton C. Grant  
Title: Vice President of Finance and Rates  
District: Entire Electric Service Area

Rate: R-201AN  
Effective: Pending  
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 117-3

Superseding: \_\_\_\_\_

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option - usage of 2,000 kWh or more	
Description	Single Phase
Meter Services	\$1.74 per month
Meter Reading	\$1.17 per month
Billing & Collection	\$5.04 per month
Customer Delivery	\$2.05 per month
LFCR	\$6.50 per month
<b>Total</b>	<b>\$16.50 per month</b>

**Energy Charge Components of Delivery Services (Unbundled):**

Component	Summer (May - September)	Winter (October - April)
Local Delivery-Energy		
Sum First 500 kWh	\$0.003400	\$0.004100
Sum 501-1,000 kWh	\$0.013300	\$0.012200
Sum 1,001-3,500 kWh	\$0.024600	\$0.023800
Sum >3,500 kWh	\$0.032200	\$0.031900
Generation Capacity	\$0.032600	\$0.031900
Fixed Must-Run	\$0.003000	\$0.003000
Transmission	\$0.009000	\$0.009000
Transmission Ancillary Services consists of the following charges:		
System Control & Dispatch	\$0.000100	\$0.000100
Reactive Supply and Voltage Control	\$0.000500	\$0.000500
Regulation and Frequency Response	\$0.000500	\$0.000500
Spinning Reserve Service	\$0.001300	\$0.001300
Supplemental Reserve Service	\$0.000200	\$0.000200
Energy Imbalance Service: Currently charged pursuant to the Company's OATT		

**Power Supply Charges:**

Base Power Component	Summer (May - September)	Winter (October - April)
0 - 500 kWh	\$0.035111	\$0.031532
PPFAC	In accordance with Rider 1 - PPFAC	

Filed By: Kentton C. Grant  
 Title: Vice President of Finance and Rates  
 District: Entire Electric Service Area

Rate: R-201AN  
 Effective: Pending  
 Decision No.:



**Special Residential Electric Service  
Time-of-Use Program (R-201BN)**

AVAILABILITY

Available throughout the Company's entire electric service area where the facilities of the Company are of adequate capacity and are adjacent to the premises.

APPLICABILITY

To single phase (subject to availability at point of delivery) electric service in individual residences when all service is supplied at one point of delivery and energy is metered through one meter. Additionally, this Rate requires that the Customer use exclusively the Company's service for all space heating and all water heating energy requirements except as provided below. New homes must conform to the standards of the Company's approved efficiency program for new construction as in effect at the time of subscription to this Rate. Existing homes must conform to certain standards of the Company's approved efficiency program for existing homes as in effect at the time of subscription to this Rate. Company accredited testing and inspection is required for verification. Notwithstanding the above, the customer's use of solar energy for any purpose shall not preclude subscription to this Rate.

Not applicable to resale, breakdown, temporary, standby, or auxiliary service or service to individual motors exceeding 40 amperes at a rating of 230 volts or which will cause excessive voltage fluctuations.

Customers must stay on this rate for a minimum period of one (1) year.

CHARACTER OF SERVICE

The service shall be single phase, 60 Hertz, and at one nominal voltage as mutually agreed and subject to availability at point of delivery.

RATE

A monthly bill at the following rate plus any adjustments incorporated herein:

BUNDLED STANDARD OFFER SERVICE – SUMMARY OF CUSTOMER AND ENERGY CHARGES

**Customer Charges:**

Standard

Customer Charge, Single Phase service and minimum bill \$11.50 per month

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option

Customer Charge, Single Phase with usage less than 2,000 kWh \$14.00 per month

Customer Charge, Single Phase with usage more than 2,000 kWh \$18.00 per month

**Energy Charges:**

Summer (May – September)	Delivery Services-Energy <sup>1</sup>	Power Supply Charges <sup>2</sup>		Total <sup>3</sup>
		Base Power	PPFAC <sup>2</sup>	
On-peak	\$0.056800	\$0.050669	varies	\$0.107469
Off-peak	\$0.044000	\$0.026679	varies	\$0.070679

Filed By: Kentton C. Grant  
Title: Vice President of Finance and Rates  
District: Entire Electric Service Area

Rate: R-201BN  
Effective: Pending  
Decision No.:



# Tucson Electric Power Company

Original Sheet No.: 118-1  
Superseding: \_\_\_\_\_

## Tucson Electric Power

Winter (October - April)	Delivery Services-Energy <sup>1</sup>	Power Supply Charges <sup>2</sup>		Total <sup>3</sup>
		Base Power	PPFAC <sup>2</sup>	
On-peak	\$0.048300	\$0.032893	varies	\$0.081193
Off-peak	\$0.035500	\$0.027092	varies	\$0.062592

1. Delivery Services-Energy is a bundled charge that includes: Local Delivery-Energy (Local Delivery and/or Distribution exclusive of Transmission/Ancillaries), Generation Capacity, Fixed Must-Run, Transmission and Ancillary Services.
2. The Power Supply Charge is the sum of the Base Power Charge and the Purchased Power and Fuel Adjustment Clause (PPFAC), a per kWh adjustment in accordance with Rider-1-PPFAC. PPFAC reflects increases or decreases in the cost to the Company for energy either generated or purchased above or below the base cost per kWh sold.
3. Total is calculated above for illustrative purposes (PPFAC varies over time pursuant to Rider-1 PPFAC).

### TIME-OF-USE TIME PERIODS

The Summer On-Peak period is 2:00 p.m. to 8:00 p.m., Monday through Friday (excluding Memorial Day, Independence Day, and Labor Day).

The Winter On-Peak periods are 6:00 a.m. - 10:00 a.m. and 5:00 p.m. - 9:00 p.m., Monday through Friday (excluding Thanksgiving Day, Christmas Day, and New Year's Day).

All other hours are Off-Peak. If a holiday falls on Saturday, the preceding Friday is designated Off-Peak; if a holiday falls on Sunday, the following Monday is designated Off-Peak.

### ELECTRIC VEHICLES

Customers who own and operate Electric Vehicles will receive a 5% discount to the Base Fuel during the off-peak period and the PPFAC. Customers must provide documentation for highway approved Electric Vehicles.

### LOST FIXED COST RECOVERY (LFCR) – RIDER 8

For those Customers who choose not to participate in the percentage based recovery of lost revenues associated with energy efficiency and distributed generation, a higher monthly Customer Charge will apply and the percentage based LFCR will not be included on the bill. All other Customers will pay the Standard monthly Customer Charge and the percentage based LFCR. Customers can choose the fixed charge option one (1) time per calendar year. Once the Customer chooses to contribute to the LFCR through a fixed charge they must pay the higher monthly Customer Charge for a complete twelve (12) month period. During the first twelve (12) months subsequent to the effective date of the LFCR, the Customer may choose to change back to the percentage based option without being on the fixed option for a full twelve (12) months. After one full year of the LFCR in effect, a Customer must remain on an option for a full twelve (12) months.

### MONTHLY LIFELINE DISCOUNT

This discount is only available to new and eligible Lifeline customers whose monthly bill shall be in accordance to the rate above except that a discount of \$9.00 per month shall be applied. No Lifeline discount will be applied that will reduce the volumetric charges to less than zero.

### DIRECT ACCESS

A Customer's Direct Access bill will include all unbundled components except those services provided by a qualified third party. Those services may include Metering (Installation, Maintenance and/or Equipment), Meter Reading, Billing and Collection, Transmission and Generation. If any of these services are not available from a third party supplier and must be obtained from the Company, the rates for Unbundled Components set forth in this tariff will be applied to the customer's bill.

Filed By: Kentton C. Grant  
Title: Vice President of Finance and Rates  
District: Entire Electric Service Area

Rate: R-201BN  
Effective: Pending  
Decision No.:



# Tucson Electric Power Company

Original Sheet No.: 118-2  
Superseding: \_\_\_\_\_

## Tucson Electric Power

### FOR DIRECT ACCESS: ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AZISA) CHARGE

A charge per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AZISA in Arizona.

### TEP STATEMENT OF CHARGES

For all additional charges and assessments approved by the Arizona Corporation Commission see the TEP Statement of Charges which is available on TEP's website at [www.tep.com](http://www.tep.com).

### TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

### RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the Arizona Corporation Commission shall apply where not inconsistent with this rate.

### ADDITIONAL NOTES

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

### BUNDLED STANDARD OFFER SERVICE CONSISTS OF THE FOLLOWING UNBUNDLED COMPONENTS:

#### Customer Charge Components (Unbundled):

Standard	
Description	Single Phase
Meter Services	\$2.00 per month
Meter Reading	\$1.34 per month
Billing & Collection	\$5.80 per month
Customer Delivery	\$2.36 per month
<b>Total</b>	<b>\$11.50 per month</b>

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option - usage less than 2,000 kWh	
Description	Single Phase
Meter Services	\$2.00 per month
Meter Reading	\$1.34 per month
Billing & Collection	\$5.80 per month
Customer Delivery	\$2.36 per month
LFCR	\$2.50 per month
<b>Total</b>	<b>\$14.00 per month</b>

Filed By: Kentton C. Grant  
Title: Vice President of Finance and Rates  
District: Entire Electric Service Area

Rate: R-201BN  
Effective: Pending  
Decision No.:



**Tucson Electric Power Company**

Original Sheet No.: 118-3  
 Superseding: \_\_\_\_\_

**Tucson Electric Power**

<b>Lost Fixed Cost Recovery (LFCR) Fixed Charge Option - usage of 2,000 kWh or more</b>	
<b>Description</b>	<b>Single Phase</b>
Meter Services	\$2.00 per month
Meter Reading	\$1.34 per month
Billing & Collection	\$5.80 per month
Customer Delivery	\$2.36 per month
LFCR	\$6.50 per month
<b>Total</b>	<b>\$18.00 per month</b>

**Energy Charge Components (Unbundled)**

<b>Summer (May – September)</b>	<b>On-Peak</b>	<b>Off-Peak</b>
Delivery-Energy	\$0.011300	\$0.011300
Generation Capacity	\$0.030900	\$0.018100
Fixed Must-Run	\$0.003000	\$0.003000
Transmission	\$0.009000	\$0.009000
Transmission Ancillary Services consists of the following charges:		
System Control & Dispatch	\$0.000100	\$0.000100
Reactive Supply and Voltage Control	\$0.000500	\$0.000500
Regulation and Frequency Response	\$0.000500	\$0.000500
Spinning Reserve Service	\$0.001300	\$0.001300
Supplemental Reserve Service	\$0.000200	\$0.000200
Energy Imbalance Service: Currently charged pursuant to the Company's OATT		
Base Power Supply Charge	\$0.050669	\$0.026679
PPFAC	In accordance with Rider 1 – PPFAC	

<b>Winter (October - April)</b>	<b>On-Peak</b>	<b>Off-Peak</b>
Delivery-Energy	\$0.011300	\$0.011300
Generation Capacity	\$0.022400	\$0.009600
Fixed Must-Run	\$0.003000	\$0.003000
Transmission	\$0.009000	\$0.009000
Transmission Ancillary Services consists of the following charges:		
System Control & Dispatch	\$0.000100	\$0.000100
Reactive Supply and Voltage Control	\$0.000500	\$0.000500
Regulation and Frequency Response	\$0.000500	\$0.000500
Spinning Reserve Service	\$0.001300	\$0.001300
Supplemental Reserve Service	\$0.000200	\$0.000200
Energy Imbalance Service: Currently charged pursuant to the Company's OATT		
Base Power Supply Charge	\$0.032893	\$0.027092
PPFAC	In accordance with Rider 1 – PPFAC	

Filed By: Kentton C. Grant  
 Title: Vice President of Finance and Rates  
 District: Entire Electric Service Area

Rate: R-201BN  
 Effective: Pending  
 Decision No.:



**Small General Service (GS-10)**

AVAILABILITY

Available throughout the Company's entire electric service area where the facilities of the Company are of adequate capacity and are adjacent to the premises. To all general power and lighting service unless otherwise addressed by specific Rates.

APPLICABILITY

When all energy is supplied at one point of delivery and through one metered service. Not applicable to resale, breakdown, temporary, standby, or auxiliary service.

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 rate will be applied.

For Customers who were previously on Municipal Service Rate (PS-40), a monthly transitional adjustment of 16.5% will be applied to the total bill excluding the Customer Charge.

CHARACTER OF SERVICE

The service shall be single or three phase, 60 Hertz, and at one standard nominal voltage as mutually agreed and subject to availability at point of delivery. Primary metering may be used by mutual agreement.

RATE

A monthly bill at the following rate, plus any adjustments incorporated herein:

BUNDLED STANDARD OFFER SERVICE – SUMMARY OF CUSTOMER AND ENERGY CHARGES

**Customer Charges:**

Customer Charge, Single Phase service and minimum bill \$15.50 per month  
Customer Charge, Three Phase service and minimum bill \$20.50 per month

**Energy Charges:** All energy charges below are charged per kWh basis.

**Delivery Charges:**

Description	Summer (May – September)	Winter (October – April)
First 500 kWh	\$0.076800	\$0.056800
All remaining kWh	\$0.097600	\$0.078800

**Base Power Supply Charges:**

Summer \$0.035111 per kWh  
Winter \$0.031532 per kWh

Filed By: Kentton C. Grant  
Title: Vice President of Finance and Rates  
District: Entire Electric Service Area

Rate: GS-10  
Effective: Pending  
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 201-1
Superseding:

Purchased Power and Fuel Adjustment Clause (PPFAC): The Base Power Supply Charge shall be subject to a per kWh adjustment in accordance with Rider-1 PPFAC to reflect any increase or decrease in the cost to the Company for energy either generated or purchased above or below the base cost per kWh sold.

DIRECT ACCESS

A Customer's Direct Access bill will include all unbundled components except those services provided by a qualified third party. Those services may include Metering (Installation, Maintenance and/or Equipment), Meter Reading, Billing and Collection, Transmission and Generation. If any of these services are not available from a third party supplier and must be obtained from the Company, the rates for Unbundled Components set forth in this tariff will be applied to the customer's bill.

FOR DIRECT ACCESS: ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AZISA) CHARGE

A charge per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AZISA in Arizona.

TEP STATEMENT OF CHARGES

For all additional charges and assessments approved by the Arizona Corporation Commission see the TEP Statement of Charges which is available on TEP's website at www.tep.com.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the Arizona Corporation Commission shall apply where not inconsistent with this rate.

ADDITIONAL NOTES

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

BUNDLED STANDARD OFFER SERVICE CONSISTS OF THE FOLLOWING UNBUNDLED COMPONENTS:

Customer Charge Components (Unbundled):

Table with 3 columns: Description, Single Phase, Three Phase. Rows include Meter Services, Meter Reading, Billing & Collection, Customer Delivery, and Total.

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: GS-10
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 201-2

Superseding:

Energy Charge Components (Unbundled):

Component	Summer (May - September)	Winter (October - April)
Delivery-Energy		
First 500 kWh	\$0.021700	\$0.021700
All remaining kWh	\$0.022600	\$0.022600
Generation Capacity		
First 500 kWh	\$0.042700	\$0.022700
All remaining kWh	\$0.062600	\$0.043800
Fixed Must-Run	\$0.003500	\$0.003500
Transmission	\$0.006800	\$0.006800
Transmission Ancillary Services consists of the following charges:		
System Control & Dispatch	\$0.000100	\$0.000100
Reactive Supply and Voltage Control	\$0.000400	\$0.000400
Regulation and Frequency Response	\$0.000400	\$0.000400
Spinning Reserve Service	\$0.001000	\$0.001000
Supplemental Reserve Service	\$0.000200	\$0.000200
Energy Imbalance Service: Currently charged pursuant to the Company's OATT		
Base Power Supply Charge	\$0.035111	\$0.031532
PPFAC	In accordance with Rider 1 - PPFAC	

Filed By: Kentton C. Grant  
Title: Vice President of Finance and Rates  
District: Entire Electric Service Area

Rate: GS-10  
Effective: Pending  
Decision No.:



Mobile Home Park Electric Service (GS-11F)

AVAILABILITY

New Customers, including current Customers who move, are not eligible for service under this Rate.

APPLICABILITY

To mobile home parks for service through a master meter to two or more mobile homes, provided each mobile home served through such master meter will be individually metered and billed by the park operator in accordance with applicable Orders of the Arizona Corporation Commission. Electric service to the park's facilities used by its residents may be supplied under this schedule only if such facilities are served through a master meter which serves two or more mobile homes.

Not applicable to resale, breakdown, temporary, standby, or auxiliary service.

CHARACTER OF SERVICE

The service shall be single or three phase, 60 Hertz, and at one standard nominal voltage as mutually agreed and subject to availability at point of delivery. Primary metering may be used by mutual agreement.

RATE

A monthly bill at the following rate, plus any adjustments incorporated herein:

BUNDLED STANDARD OFFER SERVICE – SUMMARY OF CUSTOMER AND ENERGY CHARGES

Customer Charges:

Customer Charge, Single Phase service and minimum bill	\$15.50 per month
Customer Charge, Three Phase service and minimum bill	\$20.50 per month

Energy Charges:

Delivery Charge	
Summer (May – September), all kWh	\$0.082000 per kWh
Winter (October – April), all kWh	\$0.062000 per kWh

Base Power Charges:

Delivery Charge	\$0.035111 per kWh
Summer (May – September), all kWh	\$0.031532 per kWh
Winter (October – April), all kWh	

Purchased Power and Fuel Adjustment Clause ("PPFAC"): The Base Power Supply Charge shall be subject to a per kWh adjustment in accordance with Rider-1 PPFAC to reflect any increase or decrease in the cost to the Company for energy either generated or purchased above or below the base cost per kWh sold.

ADJUSTMENT FOR TRANSFORMER OWNERSHIP AND METERING

When Customer owns transformers and energy is metered on primary side of transformers, the demand shall be metered and the above schedule subject to a discount of 20.6¢ per kW per month of the demand each month.

Filed By: Kentton C. Grant  
Title: Vice President of Finance and Rates  
District: Entire Electric Service Area

Rate: GS-11F  
Effective: Pending  
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 202-1

Superseding:

DIRECT ACCESS

A Customer's Direct Access bill will include all unbundled components except those services provided by a qualified third party. Those services may include Metering (Installation, Maintenance and/or Equipment), Meter Reading, Billing and Collection, Transmission and Generation. If any of these services are not available from a third party supplier and must be obtained from the Company, the rates for Unbundled Components set forth in this tariff will be applied to the customer's bill.

FOR DIRECT ACCESS: ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AZISA) CHARGE

A charge per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AZISA in Arizona.

TEP STATEMENT OF CHARGES

For all additional charges and assessments approved by the Arizona Corporation Commission see the TEP Statement of Charges which is available on TEP's website at [www.tep.com](http://www.tep.com).

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the Arizona Corporation Commission shall apply where not inconsistent with this rate.

ADDITIONAL NOTES

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

BUNDLED STANDARD OFFER SERVICE CONSISTS OF THE FOLLOWING UNBUNDLED COMPONENTS:

**Customer Charge Components (Unbundled):**

Description	Single Phase	Three Phase
Meter Services	\$5.78 per month	\$7.65 per month
Meter Reading	\$0.74 per month	\$0.98 per month
Billing & Collection	\$3.19 per month	\$4.21 per month
Customer Delivery	\$5.79 per month	\$7.66 per month
<b>Total</b>	<b>\$15.50 per month</b>	<b>\$20.50 per month</b>

Filed By: Kentton C. Grant  
Title: Vice President of Finance and Rates  
District: Entire Electric Service Area

Rate: GS-11F  
Effective: Pending  
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 202-2

Superseding:

Energy Charge Components (Unbundled):

Component	Summer (May - September)	Winter (October - April)
Local Delivery-Energy	\$0.021700	\$0.021700
Generation Capacity	\$0.047900	\$0.027900
Fixed Must-Run	\$0.003500	\$0.003500
Transmission	\$0.006800	\$0.006800
Transmission Ancillary Services consists of the following charges:		
System Control & Dispatch	\$0.000100	\$0.000100
Reactive Supply and Voltage Control	\$0.000400	\$0.000400
Regulation and Frequency Response	\$0.000400	\$0.000400
Spinning Reserve Service	\$0.001000	\$0.001000
Supplemental Reserve Service	\$0.000200	\$0.000200
Energy Imbalance Service: Currently charged pursuant to the Company's OATT		
Base Power Supply Charge	\$0.035111	\$0.031532
PPFAC	In accordance with Rider 1 - PPFAC	

Filed By: Kentton C. Grant  
Title: Vice President of Finance and Rates  
District: Entire Electric Service Area

Rate: GS-11F  
Effective: Pending  
Decision No.:



Small General Service
Time-of-Use Program (GS-76)

AVAILABILITY

Available throughout the Company's entire electric service area where the facilities of the Company are of adequate capacity and are adjacent to the premises.

APPLICABILITY

To all general power and lighting service unless otherwise addressed by specific Rate schedules, when all energy is supplied at one point of delivery and through one metered service.

Not applicable to resale, breakdown, temporary, standby, or auxiliary service. Service under this Rate will commence when the appropriate meter has been installed.

Customers must stay on this Rate for a minimum period of one (1) year.

CHARACTER OF SERVICE

The service shall be single or three phase, 60 Hertz, and at one standard nominal voltage as mutually agreed and subject to availability at point of delivery.

RATE

A monthly bill at the following rate plus any adjustments incorporated herein:

BUNDLED STANDARD OFFER SERVICE - SUMMARY OF CUSTOMER AND ENERGY CHARGES

Customer Charge:

Customer Charge, single or three phase service and minimum bill \$17.50 per month

Energy Charges:

Table with 3 columns: Description, Summer (May - September), Winter (October - April). Rows include On-Peak kWh and Off-Peak kWh with corresponding rates.

Base Power Supply Charges:

Summer On-Peak \$0.050669 per kWh
Summer Off-Peak \$0.026679 per kWh
Winter On-Peak \$0.032893 per kWh
Winter Off-Peak \$0.027092 per kWh

Purchased Power and Fuel Adjustment Clause ("PPFAC"): The Base Power Supply Charge shall be subject to a per kWh adjustment in accordance with Rider-1 PPFAC to reflect any increase or decrease in the cost to the Company for energy either generated or purchased above or below the base cost per kWh sold.



# Tucson Electric Power

## Tucson Electric Power Company

Original Sheet No.: 203-1

Superseding: \_\_\_\_\_

### TIME-OF-USE TIME PERIODS

The Summer On-Peak period is 2:00 p.m. to 8:00 p.m., Monday through Friday (excluding Memorial Day, Independence Day, and Labor Day).

The Winter On-Peak periods are 6:00 a.m. - 10:00 a.m. and 5:00 p.m. - 9:00 p.m., Monday through Friday (excluding Thanksgiving Day, Christmas Day, and New Year's Day).

All other hours are Off-Peak. If a holiday falls on Saturday, the preceding Friday is designated Off-Peak; if a holiday falls on Sunday, the following Monday is designated Off-Peak.

### ADJUSTMENT FOR TRANSFORMER OWNERSHIP AND METERING

When Customer owns transformers and energy is metered on primary side of transformers, the demand shall be metered and the above schedule subject to a discount of 20.6¢ per kW per month of the billing demand each month.

### DIRECT ACCESS

A Customer's Direct Access bill will include all unbundled components except those services provided by a qualified third party. Those services may include Metering (Installation, Maintenance and/or Equipment), Meter Reading, Billing and Collection, Transmission and Generation. If any of these services are not available from a third party supplier and must be obtained from the Company, the rates for Unbundled Components set forth in this tariff will be applied to the customer's bill.

### FOR DIRECT ACCESS: ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AZISA) CHARGE

A charge per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AZISA in Arizona.

### PRIMARY SERVICE

The Rates contained in this Schedule are designed to reflect secondary service but where service is taken at primary voltage will be subject to a primary discount of 20.6 cents per kW per month (on the bundled rate, with the discount taken from the unbundled kW delivery charge) on the billing demand each month.

### TEP STATEMENT OF CHARGES

For all additional charges and assessments approved by the Arizona Corporation Commission see the TEP Statement of Charges which is available on TEP's website at [www.tep.com](http://www.tep.com).

### TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

### RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the Arizona Corporation Commission shall apply where not inconsistent with this rate.

### ADDITIONAL NOTES

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

Filed By: Kentton C. Grant  
Title: Vice President of Finance and Rates  
District: Entire Electric Service Area

Rate: GS-76  
Effective: Pending  
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 203-2

Superseding:

BUNDLED STANDARD OFFER SERVICE CONSISTS OF THE FOLLOWING UNBUNDLED COMPONENTS:

**Customer Charge Components (Unbundled):**

Description	Customer Charge
Meter Services	\$6.53 per month
Meter Reading	\$0.83 per month
Billing & Collection	\$3.60 per month
Customer Delivery	\$6.54 per month
<b>Total</b>	<b>\$17.50 per month</b>

**Energy Charge Components (Unbundled)**

Summer (May - September)	On-Peak	Off-Peak
Local Delivery-Energy <sup>1</sup>	\$0.022300	\$0.022300
Generation Capacity	\$0.064000	\$0.049800
Fixed Must-Run	\$0.003500	\$0.003500
Transmission	\$0.006800	\$0.006800
Transmission Ancillary Services consists of the following charges:		
System Control & Dispatch	\$0.000100	\$0.000100
Reactive Supply and Voltage Control	\$0.000400	\$0.000400
Regulation and Frequency Response	\$0.000400	\$0.000400
Spinning Reserve Service	\$0.001000	\$0.001000
Supplemental Reserve Service	\$0.000200	\$0.000200
Energy Imbalance Service: Currently charged pursuant to the Company's OATT.		
Base Power Supply Charge	\$0.050669	\$0.026679
PPFAC	In accordance with Rider 1 - PPFAC	

Filed By: Kentton C. Grant  
Title: Vice President of Finance and Rates  
District: Entire Electric Service Area

Rate: GS-76  
Effective: Pending  
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 203-3

Superseding: \_\_\_\_\_

Energy Charge Components (Unbundled)

Winter (October - April)	On-Peak	Off-Peak
Delivery-Energy	\$0.022300	\$0.022300
Generation Capacity	\$0.046300	\$0.029800
Fixed Must-Run	\$0.003500	\$0.003500
Transmission	\$0.006800	\$0.006800
Transmission Ancillary Services consists of the following charges:		
System Control & Dispatch	\$0.000100	\$0.000100
Reactive Supply and Voltage Control	\$0.000400	\$0.000400
Regulation and Frequency Response	\$0.000400	\$0.000400
Spinning Reserve Service	\$0.001000	\$0.001000
Supplemental Reserve Service	\$0.000200	\$0.000200
Energy Imbalance Service: Currently charged pursuant to the Company's OATT		
Base Power Supply Charge	\$0.032893	\$0.027092
PPFAC	In accordance with Rider 1 - PPFAC	

Filed By: Kentton C. Grant  
Title: Vice President of Finance and Rates  
District: Entire Electric Service Area

Rate: GS-76  
Effective: Pending  
Decision No.:



Large General Service (LGS-13)

AVAILABILITY

Available throughout the Company's entire electric service area where the facilities of the Company are of adequate capacity and are adjacent to the premises.

APPLICABILITY

To all general power and lighting service on an optional basis when all energy is supplied at one point of delivery and through one metered service. The minimum monthly billing demand hereunder is 200 kW.

Not applicable to resale, breakdown, temporary, standby, or auxiliary service.

CHARACTER OF SERVICE

The service shall be single or three phase, 60 Hertz, and at one standard nominal voltage as mutually agreed and subject to availability at point of delivery. Primary metering shall be required for new installations with service requirements in excess of 2,500 kW.

RATE

A monthly bill at the following rate plus any adjustments incorporated herein:

BUNDLED STANDARD OFFER SERVICE – SUMMARY OF CUSTOMER AND ENERGY CHARGES

<b>Customer Charge:</b>	\$775.00 per month
<b>Demand Charge:</b>	\$15.25 per kW
<b>Energy Charges:</b>	
Summer (May – September)	\$0.019200 per kWh
Winter (October – April)	\$0.013400 per kWh
<b>Base Power Charges:</b>	
Summer (May – September)	\$0.035111 per kWh
Winter (October – April)	\$0.031532 per kWh

Purchased Power and Fuel Adjustment Clause (PPFAC): The Base Power Supply Charge shall be subject to a per kWh adjustment in accordance with Rider-1 PPFAC to reflect any increase or decrease in the cost to the Company for energy either generated or purchased above or below the base cost per kWh sold.

BILLING DEMAND

The monthly billing demand shall be the greatest of the following:

1. The maximum 15 minute measured demand in the billing month;
2. 75 % of the maximum demand used for billing purposes in the preceding 11 months; or
3. The contract demand amount, not to be less than 200 kW.

ADJUSTMENT FOR PRIMARY SERVICE AND METERING

When Customer owns transformers and energy is metered on primary side of transformers, the demand shall be metered and the above schedule subject to a discount of 20.6¢ per kW per month of the billing demand each month.

The Company may require a written contract with a minimum contract demand and a minimum term of contract.

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Filed By:	Kentton C. Grant	Rate:	LGS-13
Title:	Vice President of Finance and Rates	Effective:	Pending
District:	Entire Electric Service Area	Decision No.:	



# Tucson Electric Power

## Tucson Electric Power Company

Original Sheet No.: 204-1

Superseding: \_\_\_\_\_

### DIRECT ACCESS

A Customer's Direct Access bill will include all unbundled components except those services provided by a qualified third party. Those services may include Metering (Installation, Maintenance and/or Equipment), Meter Reading, Billing and Collection, Transmission and Generation. If any of these services are not available from a third party supplier and must be obtained from the Company, the rates for Unbundled Components set forth in this tariff will be applied to the customer's bill.

### FOR DIRECT ACCESS: ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AZISA) CHARGE

A charge per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AZISA in Arizona.

### TEP STATEMENT OF CHARGES

For all additional charges and assessments approved by the Arizona Corporation Commission see the TEP Statement of Charges which is available on TEP's website at [www.tep.com](http://www.tep.com).

### TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

### RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the Arizona Corporation Commission shall apply where not inconsistent with this rate.

### ADDITIONAL NOTES

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

### BUNDLED STANDARD OFFER SERVICE CONSISTS OF THE FOLLOWING UNBUNDLED COMPONENTS:

<b>Customer Charges:</b>	
Meter Services	\$211.38 per month
Meter Reading	\$ 32.43 per month
Billing & Collection	\$140.81 per month
Customer Delivery	<del>\$390.38</del> per month
<b>Total</b>	<b>\$775.00 per month</b>
<b>Demand Charge (in \$/kW):</b>	
Delivery Charge	\$1.71 per kW
Generation Capacity	\$9.17 per kW
Fixed Must-Run	\$0.95 per kW
Transmission	\$2.67 per kW
Transmission Ancillary Services	
System Control & Dispatch	\$0.04 per kW
Reactive Supply and Voltage Control	\$0.14 per kW
Regulation and Frequency Response	\$0.14 per kW
Spinning Reserve Service	\$0.37 per kW

Filed By: Kentton C. Grant  
 Title: Vice President of Finance and Rates  
 District: Entire Electric Service Area

Rate: LGS-13  
 Effective: Pending  
 Decision No.:



# Tucson Electric Power

## Tucson Electric Power Company

Original Sheet No.: 204-2

Superseding: \_\_\_\_\_

Supplemental Reserve Service \$0.06 per kW  
Energy Imbalance Service: Currently charged pursuant to the Company's OATT

### Energy Charges (kWh): (in \$/kWh)

#### Delivery Charge

Summer \$0.005800 per kWh  
Winter \$0.004000 per kWh

#### Generation Capacity

Summer \$0.013400 per kWh  
Winter \$0.009400 per kWh

#### Base Power Supply Charge

Summer \$0.035111 per kWh  
Winter \$0.031532 per kWh

Filed By: Kentton C. Grant  
Title: Vice President of Finance and Rates  
District: Entire Electric Service Area

Rate: LGS-13  
Effective: Pending  
Decision No.:



**Large General Service  
Time-of-Use Program (LGS-85)**

AVAILABILITY

Available throughout the Company's entire electric service area where the facilities of the Company are of adequate capacity and are adjacent to the premises. To all general power and lighting service unless otherwise addressed by specific rate schedules.

APPLICABILITY

When all energy is supplied at one point of delivery and through one metered service. Not applicable to resale, breakdown, temporary, standby, or auxiliary service. Service under this Rate will commence when the appropriate meter has been installed.

The minimum monthly billing demand hereunder is 200 kW.

Customers must stay on this Rate for a minimum period of one (1) year.

CHARACTER OF SERVICE

The service shall be single or three phase, 60 Hertz, and at one standard nominal voltage as mutually agreed and subject to availability at point of delivery. Primary metering shall be required for new installations with service requirements in excess of 2,500 kW.

RATE

A monthly bill at the following rate plus any adjustments incorporated herein:

BUNDLED STANDARD OFFER SERVICE - SUMMARY OF CUSTOMER AND ENERGY CHARGES

<b>Customer Charge and minimum bill</b>	<b>\$950.00 per month</b>
<b>Demand Charges (includes Generation Capacity):</b>	
Summer On-peak	\$14.55 per kW
Summer Off-peak (applies to all off-peak demand bill determinates)	\$10.92 per kW
Winter On-peak	\$11.59 per kW
Winter Off-peak Demand (applies to all off-peak demand bill determinates)	\$ 9.10 per kW

*Note:*

1. For demand billing, "on-peak demand" shall be based on demand measured during peak periods.
2. For demand billing, "off-peak demand" shall be based on demand measured during the off- peak periods.
3. Unlike Schedule LLP Rate 90 the demand charges above are NOT excess demand charges; they apply to all Off-Peak kW, not just Off-Peak kW in excess of 150% of Peak kW.

**Energy Charges:** All energy charges below are charged on a per kWh basis.

**Delivery Charges (\$/kWh)**

	Summer (May - September)	Winter (October - April)
On-Peak	\$0.008600	\$0.003000
Off-Peak	\$0.006000	\$0.000500

Filed By: Kentton C. Grant  
Title: Vice President of Finance and Rates  
District: Entire Electric Service Area

Rate: LGS-85  
Effective: Pending  
Decision No.:



# Tucson Electric Power

## Tucson Electric Power Company

Original Sheet No.: 205-1  
Superseding: \_\_\_\_\_

### TIME-OF-USE TIME PERIODS

The Summer On-Peak period is 2:00 p.m. to 8:00 p.m., Monday through Friday (excluding Memorial Day, Independence Day, and Labor Day).

The Winter On-Peak periods are 6:00 a.m. - 10:00 a.m. and 5:00 p.m. - 9:00 p.m., Monday through Friday (excluding Thanksgiving Day, Christmas Day, and New Year's Day).

All other hours are Off-Peak. If a holiday falls on Saturday, the preceding Friday is designated Off-Peak; if a holiday falls on Sunday, the following Monday is designated Off-Peak.

### Base Power Supply Charges (\$/kWh)

	Summer (May - September)	Winter (October - April)
On-Peak	\$0.050669	\$0.032893
Off-Peak	\$0.026679	\$0.027092

Purchased Power and Fuel Adjustment Clause (PPFAC): The Base Power Supply Charge shall be subject to a per kWh adjustment in accordance with Rider-1 PPFAC to reflect any increase or decrease in the cost to the Company for energy either generated or purchased above or below the base cost per kWh sold.

### DETERMINATION OF BILLING DEMAND

The monthly billing demand shall be the combination of the following;

The greatest of the following during the On-Peak period:

1. The maximum 15 minute measured demand during the on-peak period of the billing month;
2. 75% of the maximum on-peak period billing demand used for billing purposes in the preceding 11 months; or
3. The contract demand amount, not to be less than 200 kW, and

The greatest of the following during the Off-peak period:

1. The maximum 15 minute measured demand during the off-peak period of the billing month;
2. 75% of the maximum off-peak period billing demand used for billing purposes in the preceding 11 months; or
3. The contract demand amount, not to be less than 200 kW.

### PRIMARY SERVICE

The Rates contained in this Schedule are designed to reflect secondary service but where service is taken at a primary voltage discount of 20.6 cents per kW per month (on the bundled rate, with the discount taken from the unbundled kW delivery charge) will be applied to the billing demand each month.

### DIRECT ACCESS

A Customer's Direct Access bill will include all unbundled components except those services provided by a qualified third party. Those services may include Metering (Installation, Maintenance and/or Equipment), Meter Reading, Billing and Collection, Transmission and Generation. If any of these services are not available from a third party supplier and must be obtained from the Company, the rates for Unbundled Components set forth in this tariff will be applied to the customer's bill.

### FOR DIRECT ACCESS: ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AZISA) CHARGE

A charge per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AZISA in Arizona.

Filed By: Kentton C. Grant  
Title: Vice President of Finance and Rates  
District: Entire Electric Service Area

Rate: LGS-85  
Effective: Pending  
Decision No.:



# Tucson Electric Power

## Tucson Electric Power Company

Original Sheet No.: 205-2  
Superseding: \_\_\_\_\_

### TEP STATEMENT OF CHARGES

For all additional charges and assessments approved by the Arizona Corporation Commission see the TEP Statement of Charges which is available on TEP's website at [www.tep.com](http://www.tep.com).

### TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

### RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the Arizona Corporation Commission shall apply where not inconsistent with this rate.

### ADDITIONAL NOTES

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

### BUNDLED STANDARD OFFER SERVICE CONSISTS OF THE FOLLOWING UNBUNDLED COMPONENTS:

<b>Customer Charges:</b>	
Meter Services	\$259.11 per month
Meter Reading	\$ 39.75 per month
Billing & Collection	\$172.61 per month
Customer Delivery	<u>\$478.53</u> per month
	<b>\$950.00 per month</b>
<b>Demand Charges (\$/kW)</b>	
Generation Capacity Charges (in \$/kW)	
Summer On-peak	\$10.18 per kW
Summer Off-peak	\$ 6.55 per kW
Winter On-peak	\$ 7.22 per kW
Winter Off-peak	\$ 4.73 per kW
Fixed Must-Run Charges (in \$/kW)	\$ 0.95 per kW
Transmission (in \$/kW)	\$ 2.67 per kW
Transmission - Ancillary Services System Control & Dispatch (in \$/kW)	
System Control & Dispatch	\$ 0.04 per kW
Reactive Supply and Voltage Control	\$ 0.14 per kW
Regulation and Frequency Response	\$ 0.14 per kW
Spinning Reserve Service	\$ 0.37 per kW
Supplemental Reserve Service	\$ 0.06 per kW
Energy Imbalance Service: Currently charged pursuant to the Company's OATT	

Filed By: Kentton C. Grant  
Title: Vice President of Finance and Rates  
District: Entire Electric Service Area

Rate: LGS-85  
Effective: Pending  
Decision No.:



# Tucson Electric Power

## Tucson Electric Power Company

Original Sheet No.: 205-3

Superseding: \_\_\_\_\_

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### Energy Charges (\$/kWh):

#### Delivery Charges

Summer On-peak	\$0.002600 per kWh
Summer Off-peak	\$0.001800 per kWh
Winter On-peak	\$0.000900 per kWh
Winter Off-peak	\$0.000150 per kWh

#### Generation Capacity

Summer On-peak	\$0.006000 per kWh
Summer Off-peak	\$0.004200 per kWh
Winter On-peak	\$0.002100 per kWh
Winter Off-peak	\$0.000350 per kWh

#### Base Power Supply Charge

Summer On-peak	\$0.050669 per kWh
Summer Off-peak	\$0.026679 per kWh
Winter On-peak	\$0.032893 per kWh
Winter Off-peak	\$0.027092 per kWh

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Filed By: Kentton C. Grant  
Title: Vice President of Finance and Rates  
District: Entire Electric Service Area

Rate: LGS-85  
Effective: Pending  
Decision No.:



Large Light and Power Service (LLP-14)

AVAILABILITY

Available throughout the Company's entire electric service area where the facilities of the Company are of adequate capacity and are adjacent to the premises.

APPLICABILITY

To all large general power and lighting service on an optional basis when all energy is supplied at one point of delivery and through one metered service. The minimum monthly billing demand hereunder is 3,000 kW.

Not applicable to resale, breakdown, temporary, standby, or auxiliary service.

CHARACTER OF SERVICE

Service shall be three phase, 60 Hertz, Primary Service, and shall be supplied directly from any 46,000 volt, or higher voltage, system at a delivery voltage of not less than 13,800 volts and delivered at a single point of delivery unless otherwise specified in the contract.

RATE

A monthly bill at the following rate plus any adjustments incorporated herein:

BUNDLED STANDARD OFFER SERVICE – SUMMARY OF CUSTOMER AND ENERGY CHARGES

Customer Charge:	\$1,800 per month
Demand Charge:	\$21.98 per kW
Energy Charges:	
Summer (May – September)	\$0.003200 per kWh
Winter (October – April)	\$0.002100 per kWh
Base Power Charges:	
Summer (May – September)	\$0.031611 per kWh
Winter (October - April)	\$0.028388 per kWh

Purchased Power and Fuel Adjustment Clause (PPFAC): The Base Power Supply Charge shall be subject to a per kWh adjustment in accordance with Rider-1 PPFAC to reflect any increase or decrease in the cost to the Company for energy either generated or purchased above or below the base cost per kWh sold.

BILLING DEMAND

The monthly billing demand shall be the greatest of the following:

1. The maximum 15 minute measured demand in the billing month;
2. 75 % of the maximum demand used for billing purposes in the preceding 11 months; or
3. The contract demand amount, not to be less than 3,000 kW.

PRIMARY SERVICE

The above Rate is subject to Primary Service and Metering. The Customer will provide the entire distribution system (including transformers) from the point of delivery to the load. The energy and demand shall be metered on primary side of the transformer.

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: LLP-14
Effective: Pending
Decision No.:



# Tucson Electric Power

## Tucson Electric Power Company

Original Sheet No.: 301-1

Superseding: \_\_\_\_\_

### POWER FACTOR ADJUSTMENT

The above rate is subject to a charge of 1.3¢ per kW of billing demand for each 1% the average monthly power factor is below 100%

### DIRECT ACCESS

A Customer's Direct Access bill will include all unbundled components except those services provided by a qualified third party. Those services may include Metering (Installation, Maintenance and/or Equipment), Meter Reading, Billing and Collection, Transmission and Generation. If any of these services are not available from a third party supplier and must be obtained from the Company, the rates for Unbundled Components set forth in this tariff will be applied to the customer's bill.

### FOR DIRECT ACCESS: ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AZISA) CHARGE

A charge per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AZISA in Arizona.

### TEP STATEMENT OF CHARGES

For all additional charges and assessments approved by the Arizona Corporation Commission see the TEP Statement of Charges which is available on TEP's website at [www.tep.com](http://www.tep.com).

### TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

### RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the Arizona Corporation Commission shall apply where not inconsistent with this rate.

### ADDITIONAL NOTES

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

### BUNDLED STANDARD OFFER SERVICE CONSISTS OF THE FOLLOWING UNBUNDLED COMPONENTS:

#### **Customer Charges:**

Meter Services	\$ 449.66 per month
Meter Reading	\$ 74.29 per month
Billing & Collection	\$ 323.56 per month
Customer Delivery	\$ <u>952.49</u> per month
<b>Total</b>	<b>\$1,800.00 per month</b>

#### **Demand Charges:**

Delivery Charge (in \$/kW)	\$ 1.69 per kW
Generation Capacity Charges (in \$/kW)	\$14.40 per kW
Fixed Must-Run Charges (in \$/kW)	\$ 0.97 per kW
Transmission (in\$/kW)	\$ 3.84 per kW
Transmission Ancillary Services (in \$/kW)	
System Control & Dispatch	\$ 0.05 per kW
Reactive Supply and Voltage Control	\$ 0.20 per kW

Filed By: Kentton C. Grant  
Title: Vice President of Finance and Rates  
District: Entire Electric Service Area

Rate: LLP-14  
Effective: Pending  
Decision No.:



# Tucson Electric Power

## Tucson Electric Power Company

Original Sheet No.: 301-2

Superseding: \_\_\_\_\_

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Regulation and Frequency Response	\$ 0.20 per kW
Spinning Reserve Service	\$ 0.54 per kW
Supplemental Reserve Service	\$ 0.09 per kW
Energy Imbalance Service: Currently charged pursuant to the Company's OATT	

### Energy Charges: (in \$/kWh)

#### Delivery Charges

Summer	\$0.003200 per kWh
Winter	\$0.002100 per kWh

#### Base Power Supply Charges

Summer	\$0.031611 per kWh
Winter	\$0.028388 per kWh

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Filed By: Kentton C. Grant  
Title: Vice President of Finance and Rates  
District: Entire Electric Service Area

Rate: LLP-14  
Effective: Pending  
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 302

Superseding:

Large Light and Power Service
Time of Use Program (LLP-90)

AVAILABILITY

Available throughout the Company's entire electric service area where the facilities of the Company are of adequate capacity and are adjacent to the premises.

APPLICABILITY

To all large general power and lighting service on an optional basis when all energy is supplied at one point of delivery and through one metered service. The minimum monthly billing demand hereunder is 3000 kW.

Not applicable to resale, breakdown, temporary, standby, or auxiliary service.

CHARACTER OF SERVICE

Service shall be three phase, 60 Hertz, Primary Service, and shall be supplied directly from any 46,000 volt, or higher voltage, system at a delivery voltage of not less than 13,800 volts and delivered at a single point of delivery unless otherwise specified in the contract.

Customers must stay on this Rate for a minimum period of one (1) year.

RATE

A monthly bill at the following rate plus any adjustments incorporated herein:

BUNDLED STANDARD OFFER SERVICE - SUMMARY OF CUSTOMER AND ENERGY CHARGES

Table with 2 columns: Charge Description and Rate. Includes Customer Charge and minimum bill (\$2,000.00 per month), Demand Charges (includes Generation Capacity) with sub-categories for Summer and Winter On-peak and Excess Demand.

Note:

- 1. For demand billing, "on-peak demand" shall be based on demand measured during peak periods.
2. For demand billing, "off-peak demand" shall be based on demand measured during the off-peak periods.

Energy Charges: All energy charges below are charged on a per kWh basis.

Delivery Charges (\$/kWh):

Table with 3 columns: Charge Type, Summer (May - September), and Winter (October - April). Rows include On-Peak and Off-Peak charges.

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: LLP-90
Effective: Pending
Decision No.:



# Tucson Electric Power

## Tucson Electric Power Company

Original Sheet No.: 302-1  
Superseding: \_\_\_\_\_

### TIME-OF-USE TIME PERIODS

The **Summer On-Peak** period is 2:00 p.m. to 8:00 p.m., Monday through Friday (excluding Memorial Day, Independence Day, and Labor Day).

The **Winter On-Peak** periods are 6:00 a.m. - 10:00 a.m. and 5:00 p.m. - 9:00 p.m., Monday through Friday (excluding Thanksgiving Day, Christmas Day, and New Year's Day).

All other hours are **Off-Peak**. If a holiday falls on Saturday, the preceding Friday is designated Off-Peak; if a holiday falls on Sunday, the following Monday is designated Off-Peak.

### Base Power Supply Charges (\$/kWh)

	Summer (May – September)	Winter (October – April)
On-Peak	\$0.045568	\$0.029581
Off-Peak	\$0.023985	\$0.024352

**Purchased Power and Fuel Adjustment Clause (PPFAC):** The Base Power Supply Charge shall be subject to a per kWh adjustment in accordance with Rider-1 PPFAC to reflect any increase or decrease in the cost to the Company for energy either generated or purchased above or below the base cost per kWh sold.

### DETERMINATION OF BILLING DEMAND

The greatest of the following:

1. The maximum 15 minute measured demand during the on-peak period of the billing month;
2. 75% of the maximum on-peak period billing demand used for billing purposes in the preceding 11 months; or
3. The contract demand amount, not to be less than 3,000 kW, and

Additionally, the maximum 15 minute measured demand during the off-peak period of the billing month that is in excess (i.e. positive incremental amount above) of 150% of that billing month's on-peak measured billing demand.

### PRIMARY SERVICE

The above rate is subject to Primary Service and Metering. The Customer will provide the entire distribution system (including transformers) from the point of delivery to the load. The energy and demand shall be metered on primary side of transformers.

### POWER FACTOR ADJUSTMENT

The above rate is subject to charge of 1.3¢ per kW of billing demand for each 1% the average monthly power factor is below 100%.

### DIRECT ACCESS

A Customer's Direct Access bill will include all unbundled components except those services provided by a qualified third party. Those services may include Metering (Installation, Maintenance and/or Equipment), Meter Reading, Billing and Collection, Transmission and Generation. If any of these services are not available from a third party supplier and must be obtained from the Company, the rates for Unbundled Components set forth in this tariff will be applied to the customer's bill.

### FOR DIRECT ACCESS: ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AZISA) CHARGE

A charge per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AZISA in Arizona.

Filed By: Kentton C. Grant  
Title: Vice President of Finance and Rates  
District: Entire Electric Service Area

Rate: LLP-90  
Effective: Pending  
Decision No.:



# Tucson Electric Power

## Tucson Electric Power Company

Original Sheet No.: 302-2

Superseding: \_\_\_\_\_

### TEP STATEMENT OF CHARGES

For all additional charges and assessments approved by the Arizona Corporation Commission see the TEP Statement of Charges which is available on TEP's website at [www.tep.com](http://www.tep.com).

### TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

### RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the Arizona Corporation Commission shall apply where not inconsistent with this rate.

### ADDITIONAL NOTES

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

### BUNDLED STANDARD OFFER SERVICE CONSISTS OF THE FOLLOWING UNBUNDLED COMPONENTS:

#### **Customer Charges:**

Meter Services	\$499.63 per month
Meter Reading	\$82.53 per month
Billing & Collection	\$359.51 per month
Customer Delivery	<u>\$1,058.33</u> per month
	\$2,000.00 per month

#### **Demand Charges (\$/kW)**

<b>Delivery Charges</b>	
Summer & Winter On-peak	\$1.69 per kW
Summer & Winter Excess Demand	\$1.61 per kW
<b>Generation Capacity Charges (in \$/kW)</b>	
Summer On-peak	\$12.91 per kW
Summer Excess Demand	\$ 6.27 per kW
Winter On-peak	\$ 7.91 per kW
Winter Excess Demand	\$ 3.77 per kW
<b>Fixed Must Run Charges (in \$/kW)</b>	
Summer & Winter On-peak	\$ 0.97 per kW
Summer & Winter Off-peak Excess Demand	\$ 0.92 per kW
<b>Transmission (in \$/kW)</b>	
Summer & Winter On-peak	\$ 3.84 per kW
Summer & Winter Excess Demand (kW)	\$ 2.88 per kW
<b>Transmission - Ancillary System Control</b>	
Summer & Winter On-peak	\$ 0.05 per kW
Summer & Winter Excess Demand (kW)	\$ 0.04 per kW

Filed By: Kentton C. Grant  
Title: Vice President of Finance and Rates  
District: Entire Electric Service Area

Rate: LLP-90  
Effective: Pending  
Decision No.:



# Tucson Electric Power

## Tucson Electric Power Company

Original Sheet No.: 302-3

Superseding: \_\_\_\_\_

Transmission – Ancillary Reactive Supply	
Summer & Winter On-peak	\$ 0.20 per kW
Summer & Winter Excess Demand (kW)	\$ 0.15 per kW

Transmission - Ancillary Frequency Response	
Summer & Winter On-peak	\$ 0.20 per kW
Summer & Winter Excess Demand (kW)	\$ 0.15 per kW

Transmission - Ancillary Spinning Reserve	
Summer & Winter On-peak	\$ 0.54 per kW
Summer & Winter Excess Demand (kW)	\$ 0.40 per kW

Transmission - Ancillary Supplemental Reserve	
Summer & Winter On-peak	\$ 0.09 per kW
Summer & Winter Excess Demand (kW)	\$ 0.07 per kW

Energy Imbalance Service: Currently charged pursuant to the Company's OATT

### Energy Charges (\$/kWh)

Delivery Charges (in \$/kWh)	
Summer On-peak	\$0.006900 per kWh
Summer Off-peak Excess Demand	\$0.006500 per kWh
Winter On-peak	\$0.007500 per kWh
Winter Off-peak Excess Demand	\$0.007100 per kWh

### Base Power Supply Charges

Summer	
On-Peak	\$0.045568 per kWh
Off-Peak	\$0.023985 per kWh

Winter	
On-Peak	\$0.029581 per kWh
Off-Peak	\$0.024352 per kWh

Filed By: Kentton C. Grant  
Title: Vice President of Finance and Rates  
District: Entire Electric Service Area

Rate: LLP-90  
Effective: Pending  
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 501  
Superseding:

Traffic Signal and Street Lighting Service (PS-41)

AVAILABILITY

Available for service to the State, a county, city, town, political subdivision, improvement district, or a responsible person or persons for unincorporated communities for Traffic Signal and Street Lighting purposes where the facilities of the Company are of adequate capacity and are adjacent to the premises.

APPLICABILITY

Applicable to Customer owned and maintained traffic signals and public street and highway lighting.

Not applicable to resale, breakdown, temporary, standby, or auxiliary service.

CHARACTER OF SERVICE

Service shall be single or three phase, 60 Hertz, and at one standard nominal voltage as mutually agreed and subject to availability at point of delivery approved by the Company.

RATE

A monthly bill at the following rate plus any adjustments incorporated herein.

BUNDLED STANDARD OFFER SERVICE – SUMMARY OF CUSTOMER AND ENERGY CHARGES

Energy Charges: All energy charges below are charged on a per kWh basis.

Delivery Charge	\$0.047600 per kWh
Base Power Charges:	
Summer (May – September)	\$0.035111 per kWh
Winter (October – April)	\$0.031532 per kWh

Purchased Power and Fuel Adjustment Clause ("PPFAC"): The Base Power Supply Charge shall be subject to a per kWh adjustment in accordance with Rider-1 PPFAC to reflect any increase or decrease in the cost to the Company for energy either generated or purchased above or below the base cost per kWh sold.

DIRECT ACCESS

A Customer's Direct Access bill will include all unbundled components except those services provided by a qualified third party. Those services may include Metering (Installation, Maintenance and/or Equipment), Meter Reading, Billing and Collection, Transmission and Generation. If any of these services are not available from a third party supplier and must be obtained from the Company, the rates for Unbundled Components set forth in this rate will be applied to the customer's bill.

FOR DIRECT ACCESS: ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AZISA) CHARGE

A charge per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AZISA in Arizona.

TEP STATEMENT OF CHARGES

For all additional charges and assessments approved by the Arizona Corporation Commission see the TEP Statement of Charges which is available on TEP's website at [www.tep.com](http://www.tep.com).

Filed By: Kentton C. Grant  
Title: Vice President of Finance and Rates  
District: Entire Electric Service Area

Rate: PS-41  
Effective: Pending  
Decision No.:



# Tucson Electric Power

## Tucson Electric Power Company

Original Sheet No.: 501-1

Superseding: \_\_\_\_\_

### TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

### RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the Arizona Corporation Commission shall apply where not inconsistent with this rate.

### ADDITIONAL NOTES

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

### BUNDLED STANDARD OFFER SERVICE CONSISTS OF THE FOLLOWING UNBUNDLED COMPONENTS:

Energy Charges: All energy charges below are charged on a per kWh basis.

Delivery Charge (in \$/kWh)	
Summer	\$0.003400 per kWh
Winter	\$0.003400 per kWh
Generation Capacity (in \$/kWh)	
Summer	\$0.010200 per kWh
Winter	\$0.010200 per kWh
Fixed Must-Run (in \$/kWh)	\$0.014300 per kWh
Transmission (in \$/kWh)	\$0.015300 per kWh
Transmission Ancillary Services (in \$/kWh)	
System Control & Dispatch	\$0.000200 per kWh
Reactive Supply and Voltage Control	\$0.000800 per kWh
Regulation and Frequency Response	\$0.000800 per kWh
Spinning Reserve Service	\$0.002200 per kWh
Supplemental Reserve Service	\$0.000400 per kWh
Energy Imbalance Service: Currently charged pursuant to the Company's OATT.	
Base Power Supply Charge	
Summer	\$0.035111 per kWh
Winter	\$0.031532 per kWh

Filed By: Kentton C. Grant  
Title: Vice President of Finance and Rates  
District: Entire Electric Service Area

Rate: PS-41  
Effective: Pending  
Decision No.:



Lighting Service (PS-50)

AVAILABILITY

At any point where the Company in its judgment has facilities of adequate capacity and suitable voltage available.

APPLICABILITY

Applicable to any Customer for private and public street lighting or outdoor area lighting where this service can be supplied from existing facilities of the Company.

The Company will install, own, operate, and maintain the complete lighting installation including lamp and globe replacements. Not applicable to resale service.

CHARACTER OF SERVICE

Multiple or series street lighting system at option of Company and at one standard nominal voltage.

RATE

A monthly bill at the following rate plus any adjustments incorporated herein.

BUNDLED STANDARD OFFER SERVICE – SUMMARY OF CUSTOMER AND ENERGY CHARGES

Delivery Charge:

Service	55OH, 55P, 55UG	70UG	100 Watt	250 Watt	400 Watt	Underground Service	Pole
Per unit Per month	\$8.19	\$8.19	\$8.19	\$12.29	\$18.70	\$15.53	\$2.86

Note:

The watt high pressure sodium lamps are charged per unit per month.

Per one pole addition and an extension of up to 100 feet of overhead service are charged per pole.

Underground Service is per 100 watt or less high pressure sodium lamp unit per month mounted on standard pole.

Base Power Supply Charge:

Service	55OH, 55P, 55UG	70UG	100 Watt	250 Watt	400 Watt	Underground Service	Pole
Per unit Per month	\$0.85	\$0.94	\$1.34	\$3.36	\$5.38	\$0.00	\$0.00

Purchased Power and Fuel Adjustment Clause ("PPFAC"): The Base Power Supply Charge shall be subject to a per kWh adjustment in accordance with Rider-1 PPFAC to reflect any increase or decrease in the cost to the Company for energy either generated or purchased above or below the base cost per kWh sold.

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: PS-50
Effective: Pending
Decision No.:



STANDARD LAMP UNITS, OVERHEAD SERVICE

1. The standard 100 watt lamp unit for overhead service is a 9,500 lumen high pressure sodium unit, mounted on a six (6) foot mast arm and controlled by a photoelectric cell. This unit will be mounted on a pole approximately twenty-five (25) feet above ground level and is for public and private street lighting and area lighting.
2. The standard 250 watt lamp unit for overhead service is a 27,500 lumen high pressure sodium unit, mounted on a twelve (12) foot mast arm and controlled by a photoelectric cell. This unit will be mounted on a pole approximately twenty-seven (27) feet above ground level and is for public and private street lighting.
3. The standard 400 watt lamp unit for overhead service is a 50,000 lumen high pressure sodium unit, mounted on an eighteen (18) foot mast arm and controlled by a photoelectric cell. This unit will be mounted on a pole approximately thirty-five (35) feet above ground level and is for public and private street lighting.
4. The standard 100 watt lamp unit for underground service is a 9,500 lumen high pressure sodium post top unit mounted on a pole approximately fifteen (15) feet above ground level and is for public and private street lighting and area lighting.

DIRECT ACCESS

A Customer's Direct Access bill will include all unbundled components except those services provided by a qualified third party. Those services may include Metering (Installation, Maintenance and/or Equipment), Meter Reading, Billing and Collection, Transmission and Generation. If any of these services are not available from a third party supplier and must be obtained from the Company, the rates for Unbundled Components set forth herein will be applied to the Customer's bill.

FOR DIRECT ACCESS: ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AZISA) CHARGE

A charge per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AZISA in Arizona.

TEP STATEMENT OF CHARGES

For all additional charges and assessments approved by the Arizona Corporation Commission see the TEP Statement of Charges which is available on TEP's website at [www.tep.com](http://www.tep.com).

SPECIAL PROVISIONS

1. Installation of a light on an existing pole is subject to prior approval of Company.
2. For underground service up to ten (10) feet from the electrical source, the Customer shall be billed at the rates for overhead service.
3. Extensions beyond 100 feet and all installations other than those addressed in this rate will require specific agreements providing adequate revenue or arrangements for construction financing.
4. The Customer is not authorized to make connections to this lighting circuit or to make attachments or alterations to the Company owned pole.
5. If a Customer requests a relocation of a lighting installation, the costs of such relocation must be borne by the Customer.
6. The Customer is expected to notify the Company when lamp outages occur.

Filed By: Kentton C. Grant  
Title: Vice President of Finance and Rates  
District: Entire Electric Service Area

Rate: PS-50  
Effective: Pending  
Decision No.:



# Tucson Electric Power

## Tucson Electric Power Company

Original Sheet No.: 502-2  
Superseding: \_\_\_\_\_

7. The Company will use diligence in maintaining service; however, monthly bills will not be reduced because of lamp outages.
8. After the minimum contract period, if any, has expired, this agreement shall be extended from year to year unless written notice of desire to terminate is given by the Customer at least thirty (30) days prior to the end of any such annual extension date. The Company reserves the right not to extend or cancel the lighting agreement at any time after the initial minimum contract period has expired.
9. Light installation is subject to the governmental agency approval process.
10. The Customer is responsible for all civil installation requirements as specified by the Company in accordance with the Electrical Service Requirements.
11. In the event a public improvement project conflict(s) with existing lighting facilities, the impacted facilities will be removed.

### TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

### RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the Arizona Corporation Commission shall apply where not inconsistent with this rate.

### ADDITIONAL NOTES

Additional charges may be directly assigned to a Customer based on the type of facilities (e.g., metering) dedicated to the Customer or pursuant to the Customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

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Filed By: Kentton C. Grant  
Title: Vice President of Finance and Rates  
District: Entire Electric Service Area

Rate: PS-50  
Effective: Pending  
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 502-3
Superseding:

BUNDLED STANDARD OFFER SERVICE CONSISTS OF THE FOLLOWING UNBUNDLED COMPONENTS:

Delivery Components:

50, 70, 100 Watt (\$/Unit) \$ 0.71 Per Unit
250 Watt (\$/Unit) \$ 4.81 Per Unit
400 Watt (\$/Unit) \$ 11.22 Per Unit

Generation Capacity (\$/Unit) \$ 1.50 Per Unit
Fixed Must Run (\$/Unit) \$ 2.84 Per Unit

Transmission (in \$/kWh) \$ 2.45 Per Unit

Transmission Ancillary Services (kn \$/kWh)

System Control & Dispatch \$ 0.0300 Per Unit
Reactive Supply and Voltage Control \$ 0.1300 Per Unit
Regulation and Frequency Response \$ 0.1300 Per Unit
Spinning Reserve Service \$ 0.3400 Per Unit
Supplemental Reserve Service \$ 0.0600 Per Unit
Energy Imbalance Service: currently charged pursuant to the Company's OATT

Base Power Supply Charge

Table with 6 columns: Service, 55OH, 55P, 55UG, 70UG, 100 Watt, 250 Watt, 400 Watt. Row 1: Per unit Per month, \$0.85, \$0.94, \$1.34, \$3.36, \$5.38

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: PS-50
Effective: Pending
Decision No.:



**Water Pumping Service (GS-43)**

AVAILABILITY

Available for service to the City of Tucson Water Utility and private water Companies where the facilities of the Company are of adequate capacity and are adjacent to the premises.

Available for interruptible service agricultural pumping customers throughout the entire area where the facilities of the Company are of adequate capacity and are adjacent to the premises.

The service points being billed under the PS-43 and GS-31 rate classes as of the effective date of this tariff, but do not meet the above criteria, will be allowed to stay on this rate as long as they meet all other requirements specified in the tariff.

APPLICABILITY

Applicable for service to booster stations and wells used for domestic water supply. For Interruptible service this is applicable to separately metered interruptible agricultural water pumping service for irrigation purposes of the Customer only. Not applicable to resale, breakdown, temporary, standby, or auxiliary service.

CHARACTER OF SERVICE

Single and three phase, 60 Hertz, and at one standard nominal voltage as mutually agreed and subject to availability at point of delivery approved by the Company. Primary metering may be used by mutual agreement.

RATE

A monthly bill at the following rate plus any adjustments incorporated herein.

BUNDLED STANDARD OFFER SERVICE – SUMMARY OF CUSTOMER AND ENERGY CHARGES

Customer Charge: \$15.50 per month

Energy Charges:

Firm Service

Delivery Charge  
Summer (May – September) \$0.068000 per kWh  
Winter (October – April) \$0.048000 per kWh

Interruptible Service

Delivery Charge  
Summer (May – September) \$0.042000 per kWh  
Winter (October – April) \$0.027000 per kWh

Base Power Supply Charges:

	Summer (May-September)	Winter (October – April)
Firm Service	\$0.035111	\$0.031532
Interruptible Service	\$0.031310	\$0.028420

Purchased Power and Fuel Adjustment Clause ("PPFAC"): The Base Power Supply Charge shall be subject to a per kWh adjustment in accordance with Rider-1 PPFAC to reflect any increase or decrease in the cost to the Company for energy either generated or purchased above or below the base cost per kWh sold.

Filed By: Kentton C. Grant  
Title: Vice President of Finance and Rates  
District: Entire Electric Service Area

Rate: GS-43  
Effective: Pending  
Decision No.:



# Tucson Electric Power

## Tucson Electric Power Company

Original Sheet No.: \_\_\_\_\_ 601-1 \_\_\_\_\_

Superseding: \_\_\_\_\_

### Primary Voltage Discount

A discount of 5% will be allowed from the above rates where Customer owns the transformers and service is metered at primary voltage.

### DIRECT ACCESS

A Customer's Direct Access bill will include all unbundled components except those services provided by a qualified third party. Those services may include Metering (Installation, Maintenance and/or Equipment), Meter Reading, Billing and Collection, Transmission and Generation. If any of these services are not available from a third party supplier and must be obtained from the Company, the rates for Unbundled Components set forth in this tariff will be applied to the Customer's bill.

### FOR DIRECT ACCESS: ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AZISA) CHARGE

A charge per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AZISA in Arizona.

### TEP STATEMENT OF CHARGES

For all additional charges and assessments approved by the Arizona Corporation Commission see the TEP Statement of Charges which is available on TEP's website at [www.tep.com](http://www.tep.com).

### TERMS AND CONDITIONS OF INTERRUPTIBLE SERVICE

1. Customer must furnish, install, own, and maintain at each point of delivery all necessary Company approved equipment which will enable the Company to interrupt service with its master control station.
2. Service may be interrupted by Company during certain periods of the day not exceeding six hours in any 24-hour period.
3. Company will endeavor to give Customer one hour notice of impending interruption; however, service may be interrupted without notice should Company deem such action necessary.
4. The interruptible load shall be separately served and metered and shall at no time be connected to facilities serving Customer's firm load. Conversely, the firm load shall be separately served and metered and shall at no time be connected to facilities serving Customer's interruptible load.
5. Company shall not be liable for any loss or damage caused by or resulting from any interruption of service.

### TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

### RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the Arizona Corporation Commission shall apply where not inconsistent with this rate.

### ADDITIONAL NOTES

Additional charges may be directly assigned to a Customer based on the type of facilities (e.g., metering) dedicated to the Customer or pursuant to the Customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

Filed By: Kentton C. Grant  
Title: Vice President of Finance and Rates  
District: Entire Electric Service Area

Rate: GS-43  
Effective: Pending  
Decision No.:



# Tucson Electric Power

## Tucson Electric Power Company

Original Sheet No.: 601-2

Superseding: \_\_\_\_\_

**BUNDLED STANDARD OFFER SERVICE CONSISTS OF THE FOLLOWING UNBUNDLED COMPONENTS:**

**Firm Service**

**Customer Charge Components (Unbundled):**

Description	Customer Charge
Meter Services	\$5.78 per month
Meter Reading	\$0.74 per month
Billing & Collection	\$3.19 per month
Customer Delivery	\$5.79 per month
<b>Total</b>	<b>\$15.50 per month</b>

**Energy Charge Components (Unbundled):**

Component	Summer (May - September)	Winter (October - April)
Local Delivery-Energy	\$0.021700	\$0.021700
Generation Capacity	\$0.033900	\$0.013900
Fixed Must-Run	\$0.003500	\$0.003500
Transmission	\$0.006800	\$0.006800
Transmission Ancillary Services consists of the following charges:		
System Control & Dispatch	\$0.000100	\$0.000100
Reactive Supply and Voltage Control	\$0.000400	\$0.000400
Regulation and Frequency Response	\$0.000400	\$0.0004
Spinning Reserve Service	\$0.001000	\$0.001000
Supplemental Reserve Service	\$0.000200	\$0.000200
Energy Imbalance Service: Currently charged pursuant to the Company's OATT		
Base Power Supply Charge	\$0.035111	\$0.031532
PPFAC	In accordance with Rider 1 - PPFAC	

Filed By: Kentton C. Grant  
 Title: Vice President of Finance and Rates  
 District: Entire Electric Service Area

Rate: GS-43  
 Effective: Pending  
 Decision No.:



# Tucson Electric Power

## Tucson Electric Power Company

Original Sheet No.: 601-3  
Superseding: \_\_\_\_\_

### Interruptible Service

#### Customer Charge Components (Unbundled):

Description	Customer Charge
Meter Services	\$5.78 per month
Meter Reading	\$0.74 per month
Billing & Collection	\$3.19 per month
Customer Delivery	\$5.79 per month
<b>Total</b>	<b>\$15.50 per month</b>

#### Energy Charge Components (Unbundled):

Component	Summer (May - September)	Winter (October - April)
Local Delivery-Energy	\$0.021700	\$0.007900
Generation Capacity	\$0.007900	\$0.006700
Fixed Must-Run	\$0.003500	\$0.003500
Transmission	\$0.006800	\$0.006800
Transmission Ancillary Services consists of the following charges:		
System Control & Dispatch	\$0.000100	\$0.000100
Reactive Supply and Voltage Control	\$0.000400	\$0.000400
Regulation and Frequency Response	\$0.000400	\$0.000400
Spinning Reserve Service	\$0.001000	\$0.001000
Supplemental Reserve Service	\$0.000200	\$0.000200
Energy Imbalance Service: Currently charged pursuant to the Company's OATT		
Base Power Supply Charge	\$0.031310	\$0.028420
PPFAC	In accordance with Rider 1 - PPFAC	

Filed By: Kentton C. Grant  
Title: Vice President of Finance and Rates  
District: Entire Electric Service Area

Rate: GS-43  
Effective: Pending  
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 701  
Superseding: \_\_\_\_\_

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**Rider R-1  
Purchased Power and Fuel Adjustment Clause (PPFAC)**

**APPLICABILITY**

The Purchased Power and Fuel Adjustment Clause (PPFAC) will be applied to all Customers taking Standard Offer service from the Company pursuant to the Arizona Corporation Commission (ACC) Decision No. XXXXX dated XXXXXX XX, 2013 and as updated and defined in the Company's PPFAC Plan of Administration approved in ACC Decision No. XXXXX.

**RATE**

The Customer monthly bill shall consist of the applicable Rate, charges and adjustments in addition to the PPFAC. The PPFAC adjustor Rate, as shown in the TEP Statement of Charges, is an amount expressed as a Rate per kWh charge to reflect the cost to the Company for energy either generated or purchased.

**TEP STATEMENT OF CHARGES**

For all additional charges and assessments approved by the ACC see the TEP Statement of Charges which is available on TEP's website at [www.tep.com](http://www.tep.com).

**TAX CLAUSE**

To the charges computed under the above Rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

**RULES AND REGULATIONS**

This standard Rules and Regulations of the Company as on file with the ACC shall apply where not inconsistent with this Rider.

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Filed By: Kentton C. Grant  
Title: Vice President of Finance and Rates  
District: Entire Electric Service Area

Rate: R-1  
Effective: PENDING  
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 702  
Superseding: \_\_\_\_\_

**Rider R-2  
Demand Side Management Surcharge (DSMS)**

APPLICABILITY

The Demand Side Management Surcharge (DSMS) will be applied to all Customers taking Standard Offer service from the Company pursuant to the Arizona Corporation Commission (ACC) Decision No. XXXXX dated XXXXXX XX, 2013

RATE

The DSMS shall be applied to all monthly bills. The DSMS will be assessed on a per kWh basis for residential Customers and on a percentage of bill basis for non-residential Customers. The Rates are shown in the TEP Statement of Charges.

REQUIREMENTS

The 2013 TEP DSMS is effective XXXX, XX, 2013 and will remain in effect until further order by the ACC.

TEP STATEMENT OF CHARGES

For all additional charges and assessments approved by the ACC see the TEP Statement of Charges which is available on TEP's website at [www.tep.com](http://www.tep.com).

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the ACC shall apply where not inconsistent with this Rider

Filed By: Kentton C. Grant  
Title: Vice President of Finance and Rates  
District: Entire Electric Service Area

Rate: R-2  
Effective: PENDING  
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 703

Superseding: \_\_\_\_\_

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**Rider R-3**  
**Market Cost of Comparable Conventional Generation (MCCCG)**  
**Calculation as Applicable to Rider-4 NM-PRS**

AVAILABILITY

The Market Cost of Comparable Conventional Generation (MCCCG) calculation, Rider-3, is restricted solely to Rider-4, Net Metering for Certain Partial Requirements Service (NM-PRS). If for a billing month a Rider-4 NM-PRS Customer's generation facility's energy production exceeds the energy supplied by the Company, the Customer's bill for the next billing period shall be credited for the excess generation as described in Rider-4 NM-PRS. The excess kWh during the billing period shall be used to reduce the kWh supplied (not kW or kVA demand or customer/facilities charges) and billed by the Company during the following billing period. Each calendar year, for the customer bills produced in October (September usage) or a customer's "Final" bill - the Company shall credit the Customer for the positive balance of excess kWhs (if any) after netting against billing period usage. The payment for the purchase of the excess kWhs will be at the Company's applicable avoided cost, which for purposes of Rider-4 NM-PRS shall be the simple average of the hourly MCCCG as described below for the applicable year.

The Arizona Corporation Commission (ACC) provided guidance on defining MCCCG in the context of its REST Rules and identified the MCCCG as "the Affected Utility's energy and capacity cost of producing or procuring the incremental electricity that would be avoided by the resources used to meet the Annual Renewable Energy Requirement, taking into account hourly, seasonal and long term supply and demand circumstances. Avoided costs include any avoided transmission and distribution costs and any avoided environmental compliance costs." R14-2-1801.11.

CALCULATION/METHODOLOGY

For purposes of calculating credits to the Customer for Excess Generation, the unit price paid (Credit for Excess Generation) shall be the simple average of the MCCCG over the 8,760 hours (8,784 in a leap year) hours in the forecasted year. The MCCCG in each hour is based on whether native load requirements will be met by internally owned or contracted generation resources or if market purchases will be required to meet native load requirements. The following table provides a description of the MCCCG methodology. The hourly MCCCG cost determination criteria is based on the Market Condition and Dispatch Type. This method of cost determination is very data intensive and will be calculated annually by running TEP's "Planning and Risk" modeling software, and the rate will be filed with the Commission by February 1 of each year and its applicability will coincide with the next Purchased Power and Fuel Adjustment Clause ("PPFAC") rate effective period.

RATE

The customer monthly bill shall consist of the applicable Rate, charges and adjustments in addition to the Credit for Excess Generation based on the MCCCG. The MCCCG is an amount expressed as a rate per kWh charge that is approved by the ACC on or before April 1 of each year and effective with the first billing cycle in April, as shown in the TEP Statement of Charges.

TEP STATEMENT OF CHARGES

For all additional charges and assessments approved by the ACC see the TEP Statement of Charges which is available on TEP's website at [www.tep.com](http://www.tep.com).

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Filed By: Kentton C. Grant  
Title: Vice President of Finance and Rates  
District: Entire Electric Service Area

Rate: R-3  
Effective: PENDING  
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 703-1  
 Superseding: \_\_\_\_\_

MCCCG Cost Determination Matrix

Market Condition and Dispatch Type	Selling to Market from In House Real and Contracted Generation Sources	MCCCG Cost Based on Incremental Production/Purchase Cost of Base Load Generation for that hour
	No Market Transactions from/to In House and Contracted Generation Sources	
	Purchasing from Day Ahead Market but not Spot Market, to meet Native Load Requirements	MCCCG Cost Based on Average Day Ahead Market Price of Purchased Power for that hour
	Purchasing from Spot Market to meet Native Load Requirements	MCCCG Cost Based on Average Spot Market Price of Purchased Power for that hour

Incremental Production / Purchase of Base Load - The cost of the next kWh (incremental) amount of load that has to be provided by TEP generation sources and/or purchased power. This will be dependent on the season, month and time of day.

If Day Ahead Market or Spot Market purchases are being used to provide for reliability support capacity to meet native load requirements by freeing up in house or contracted generation resources for regulation or spinning reserve purposes for support of native load requirements, that would still represent a Market Purchase for purposes of determining which matrix box is applicable.

Filed By: Kentton C. Grant  
 Title: Vice President of Finance and Rates  
 District: Entire Electric Service Area

Rate: R-3  
 Effective: PENDING  
 Decision No.:



Rider R-4
Net Metering for Certain
Partial Requirements Service (NM-PRS)

AVAILABILITY

Available throughout the Company's entire electric service area to any Customer with a facility for the production of electricity on its premises using Renewable Resources 1, a Fuel Cell 2 or Combined Heat and Power (CHP) 3 to generate electricity, which is operated by or on behalf of the Customer, is intended to provide all or part of the Customer's electricity requirements, has a generating capacity less than or equal to 125% of the Customer's total connected load at the metered premise, or in the absence of load data, has capacity less than the Customer's electric service drop capacity, and is interconnected with and can operate in parallel and in phase with the Company's existing distribution system. Customer shall comply with all applicable federal, state, and local laws, regulations, ordinances and codes governing the production and/or sale of electricity.

For purposes of this Rate, the following notes and/or definitions apply:

1Renewable Resources means natural resources that can be replenished by natural process. Renewable Resources include biogas, biomass, geothermal, hydroelectric, solar, or wind.

2Fuel Cell means a device that converts the chemical energy of a fuel directly into electricity without intermediate combustion or thermal cycles. The source of the chemical reaction must be derived from Renewable Resources.

3Combined Heat and Power (CHP) also known as cogeneration means a system that generates electricity and useful thermal energy in a single integrated system such that the useful power output of the facility plus one-half the useful thermal energy output during any 12-month period must be no less than 42.5 percent of the total energy input of fuel to the facility.

CHARACTER OF SERVICE

The service shall be single- or three-phase, 60 Hertz, at one standard nominal voltage as mutually agreed and subject to availability at the point of delivery. Primary metering will be used by mutual agreement between the Company and the Customer.

RATE

Customer Charges shall be billed pursuant to the Customer's standard offer Rate otherwise applicable under full requirements of service.

Power sales and special services supplied by the Company to the Customer in order to meet the Customer's supplemental or interruptible electric requirements will be priced pursuant to the Customer's standard offer Rate otherwise applicable under full requirements service.

Non-Time-of-Use Rates: For Customers taking service under a Standard Retail Rate that is not a time-of-use rate, the Customer Supplied kWh shall be credited against the Company Supplied kWh. The Customer's monthly bill shall be based on this net kWh amount. Any monthly Excess Generation will be treated in accordance with the provisions outlined below.

Time-of-Use Rates: For Customers taking service under a Standard Retail Rate that is a time-of-use rate, the Customer Supplied kWh during on-peak hours shall be credited against the Company Supplied kWh during on-peak hours. All Customer Supplied kWh during off-peak hours shall be credited against the Company Supplied kWh during off-peak hours. The Customer's monthly bill shall be based on this net kWh amount. Any monthly Excess Generation will be treated in accordance with the provisions outlined below.



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 704-1  
Superseding: \_\_\_\_\_

**EXCESS GENERATION**

If for a billing month the Customer's generation facility's energy production exceeds the energy supplied by the Company, the Customer's bill for the next billing period shall be credited for the excess generation. That is, the excess kWh during the billing period shall be used to reduce the kWh supplied (not kW or kVA demand or customer/facilities charges) and billed by the Company during the following billing period. Customers taking service under a time-of-use rate who are to receive credit in a subsequent billing period for excess kWh generated shall receive such credit in the next billing period for the on-peak or off-peak periods in which the kWh were generated by the Customer. Time-of-Use Customer's taking service in the billing month of April shall receive a credit to summer on-peak and summer off-peak usage in the billing month of May for any winter on-peak and/or winter off-peak excess generation for April.

Each calendar year, for the customer bills produced in October (September usage) or a customer's "Final" bill - the Company shall credit the Customer for the balance of excess kWhs after netting. The payment for the purchase of the excess kWhs will be at the Company's applicable avoided cost, which for purposes of this rate shall be the simple average of the hourly Market Cost of Comparable Conventional Generation (MCCCG) Rider-3 for the applicable year. The MCCCG, as it applies to this rate, is specified in Rider-3 MCCCG - Market Cost of Comparable Conventional Generation (MCCCG) Calculation as Applicable to Rider-4 NM-PRS (Net Metering for Certain Partial Requirements Service).

**METERING**

The Company will install a bi-directional meter at the point of delivery to the customer and meter at the point of output from each of the Customer's generators. At the Company's request a dedicated phone line will be provided by the customer to the metering to allow remote interregation of the meters at each site. If by mutal agreement between company and customer that a phone line is impractical or can not be provided - the customer will work with company to allow for the installation of equipment, on or with customer facilities or equipment to allow remote acces to each meter. Any additional cost of communication, such as but not limited too, cell phone service fees will be the responsibility of the customer.

**TEP STATEMENT OF CHARGES**

For all additional charges and assessments approved by the Arizona Corporation Commission (ACC) see the TEP Statement of Charges which is available on TEP's website at [www.tep.com](http://www.tep.com).

**TAX CLAUSE**

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

**RULES AND REGULATIONS**

The standard Rules and Regulations of the Company as on file with the ACC shall apply where not inconsistent with this Rider.

Filed By: Kentton C. Grant  
Title: Vice President of Finance and Rates  
District: Entire Electric Service Area

Rate: R-4  
Effective: Pending  
Decision No.:



**Rider R-5  
Electric Service Solar Rider  
(Bright Tucson Community Solar™)**

APPLICABILITY

Rider-5 is for individually metered Customers who wish to participate in the Bright Tucson Community Solar Program. Under Rider-5, Customers will be able to purchase blocks of electricity from solar generation sources. Participation in Rider-5 is limited in the Company's sole discretion to the amount of solar generation available and subscription will be made on a first come, first served basis. In order to maximize subscription under Rider-5, TEP may limit the amount of solar block energy purchased by individual Customers. Rider-5 available prior to XXXXXX XX, 2013 is further restricted to Customers being served under one of the following Rates:

- 1) Residential Lifeline Discount, Rate R-06-01
- 2) Residential Electric Service, Rate R-01
- 3) Small General Service, Rate GS-10
- 4) Large General Service, Rate LGS-13
- 5) Municipal Service, Rate PS-40

Rider-5 effective XXXXXX XX, 2013 is further restricted to Customers being served under one of the following Rates:

- 1) Residential Electric Service, Rate R-01
- 2) Small General Service, Rate GS-10
- 3) Large General Service, Rate LGS-13

Customers being served under self-generation riders or plans may not purchase power under Rider-5 (including, but not limited to Net Metering for Certain Partial Requirements Service Rider-4 and Non-Firm Power Purchase from Renewable Energy Resources and Qualifying Cogeneration Facilities of 100 kilowatts (kW) or Less Capacity Rider-101).

RATE

Customers can contract for a portion or up to their average annual usage in solar blocks of 150 kilowatt hours (kWh) each. Transmission and distribution charges will be applied to all energy delivered, including energy delivered under Rider-5. The Customer is responsible for paying (each month) all charges incurred under their applicable rate schedule, and the total solar energy contracted for multiplied by the applicable solar block energy rate. Any demand based charges under the Customer's current Rate will not be affected by elections under Rider-5.

TEP STATEMENT OF CHARGES

For all additional charges and assessments approved by the Arizona Corporation Commission (ACC) see the TEP Statement of Charges which is available on TEP's website at [www.tep.com](http://www.tep.com).



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 705-1

Superseding: \_\_\_\_\_

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the ACC shall apply where not inconsistent with this rate.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

TERMS AND CONDITIONS

- 1) Customers may contract for a portion or up to their average annual usage in solar blocks of 150 kWh. If Customer's annual average usage is not available, TEP will apply the appropriate class average. This limit can be reviewed annually at the request of the Customer.
- 2) Each solar block's energy rate will be maintained for twenty years from the date of purchase. For the purposes of the twenty year energy rate, solar blocks will be attributed to the Customer's original service address. Transfer of service under Rider-5 is prohibited. Should the Customer cancel service for any reason, his or her subscription under Rider-5 will expire.
- 3) Customers may add or delete solar blocks once within a twelve month period. Any addition of solar blocks will be at the then offered solar block energy rate.
- 4) Solar blocks will be applied to the actual energy usage each month. Electricity used in excess of the purchased solar blocks will be billed at the Customer's regular energy rate. If electricity usage is below the amount covered by the solar block(s), then the excess kWhs will be rolled forward and credited again the Customer's usage in the following month. The Customer will still be responsible for the full cost of the block(s) each month.

Customers will be credited for the balance of any excess kWhs annually, or on their final bill should the Customer terminate service under Rider-5. Each year, for the bills produced in October (September usage), TEP will credit Customers their excess kWhs after netting and reset their balance to zero. Credit for excess kWhs will be at the energy rate of the oldest solar block.

- 5) All contracted solar block kWhs and associated charges in a billing month will be excluded from the calculation of PPFAC and REST charges and/or credits.

Filed By: Kentton C. Grant  
Title: Vice President of Finance and Rates  
District: Entire Electric Service Area

Rate: R-5  
Effective: PENDING  
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 706

Superseding: \_\_\_\_\_

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**Rider R-6**  
**Renewable Energy Standard and Tariff (REST) Surcharge**  
**REST-TS1 Renewable Energy Program Expense Recovery**

**APPLICABILITY**

Mandatory, non-bypassable surcharge applied to all energy consumed by all Customers throughout Company's entire electric service area.

**RATES**

For all energy billed which is supplied by the Company to the Customer. The REST surcharge shall be applied to all monthly bills. The REST rates are shown in the TEP Statement of Charges.

**Notes:**

- 1) A Large Commercial Customer is one with monthly demand greater or equal to 200 kW but less than 3,000 kW.
- 2) An Industrial Customer is one with monthly demand equal to or greater than 3,000 kW.
- 3) For non-metered services, the lesser of the load profile or otherwise estimated kWh required to provide the service in question, or the service's contract
- 4) kWh shall be used in the calculation of the surcharge.

This charge will be a line item on customer bills reading "Renewable Energy Standard Tariff."

Per Decision No. 73637 effective February 1, 2013, any Customer who has received incentives under the REST Rules, shall pay the average of the REST surcharge paid by members of their Customer class. This requirement shall apply to renewable systems reserved on and after January 1, 2012. The average price by class is shown in the TEP Statement of Charges

**TEP STATEMENT OF CHARGES**

For all additional charges and assessments approved by the Arizona Corporation Commission (ACC) see the TEP Statement of Charges which is available on TEP's website at [www.tep.com](http://www.tep.com).

**RULES AND REGULATIONS**

The standard Rules and Regulations of the Company as on file with the ACC shall apply where not inconsistent with this Rider.

**TAX CLAUSE**

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

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Filed By: Kentton C. Grant  
Title: Vice President of Finance and Rates  
District: Entire Electric Service Area

Rate: R-6  
Effective: PENDING  
Decision No.:

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**Rider R-7**  
**Customer Self-Directed Renewable Energy Option**  
**REST-TS2 Renewable Energy Standard Tariff**

AVAILABILITY

Open to all Eligible Customers as defined at A.A.C. R14-02-1801.H.

APPLICABILITY

Any Eligible Customer that applies to the Company under this program and receives approval shall participate at its option.

PARTICIPATION PROCESS

An Eligible Customer seeking to participate shall submit to the Company a written application that describes the Distributed Renewable Energy (DRE) resources or facilities that it proposes to install and the estimated costs of the project. The Company shall have sixty (60) calendar days to evaluate and respond in writing to the Eligible Customer, either accepting or declining the project. If accepted, the Customer shall be reimbursed up to the actual dollar amounts of customer surcharge paid under the REST-TS1 Tariff in any calendar year in which DRE facilities are installed as part of the accepted project. To qualify for such funds, the Customer shall provide at least half of the funding necessary to complete the project described in the accepted application, and shall provide the Company with sufficient and reasonable written documentation of the project's costs. Customer shall submit their application prior to May 1 of a given year to apply for funding in the following calendar year.

FACILITIES INSTALLED

The maintenance and repair of the facilities installed by a Customer under this program shall be the responsibility of the Customer following completion of the project. In order to be accepted by the Company for reimbursement purposes, the project shall, at a minimum, conform to the Company's System Qualification standards on file with the Commission. (REST Implementation Plan, Renewable Energy Credit Purchase Program – RECPP, Distributed Generation Interconnection Requirements, Net Metering Tariff, Company's Interconnection Manual)

PAYMENTS AND CREDITS

All funds reimbursed by the Company to the Customer for installation of approved DRE facilities shall be paid on an annual basis no later than March 30<sup>th</sup> of each calendar year. All Renewable Energy Credits derived from a project, including generation and Extra Credit Multipliers, shall become the property of the Company and shall be applied towards the Company's Annual Renewable Energy Requirement as defined in A.A.C. R14-2-1801.B.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the Arizona Corporation Commission shall apply where not inconsistent with this Rider.

RELATED SCHEDULES

- REST-TS1 - Renewable Energy Program Expense Recovery



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 708

Superseding: \_\_\_\_\_

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**Rider R-8  
Lost Fixed Cost Recovery (LFCR)**

**APPLICABILITY**

The Lost Fixed Cost Recovery (LFCR) will be applied to all Customers taking service from the Company other than traffic signal and street lighting service, lighting service, water pumping service, and large light and power service as defined in the Company's LFCR Plan of Administration (POA). As provided for in the POA, in the event a residential Customer chooses to contribute to this program by paying a fixed charge option, the monthly Customer Charge specified on the appropriate Standard Offer tariff will be charged in lieu of the percentage rate shown in the TEP Statement of Charges.

**CHANGE IN RATE**

The LFCR recovers a portion of the authorized margin approved in the Company's most recent rate case that has been lost as the result of implementing ACC-mandated Energy Efficiency and Distributed Generation programs. Each year, a percentage charge will be placed in effect and charged to the participating Rate classes for the 12-month period the LFCR adjustment is applicable. The total year-on-year adjustment cannot exceed 2% of the Company's most recent total combined retail calendar year revenues for all participating Rate classes.

The LFCR adjustment shall be applied to all monthly bills as a percentage of the total bill and is anticipated to become effective on or around July 1, 2014.

**TEP STATEMENT OF CHARGES**

For all additional charges and assessments approved by the Arizona Corporation Commission (ACC) see the TEP Statement of Charges which is available on TEP's website at [www.tep.com](http://www.tep.com).

**TAX CLAUSE**

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

**RULES AND REGULATIONS**

The standard Rules and Regulations of the Company as on file with the ACC shall apply where not inconsistent with this rate.

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Filed By: Kentton C. Grant  
Title: Vice President of Finance and Rates  
District: Entire Electric Service Area

Rate: R-8  
Effective: PENDING  
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 709  
Superseding: \_\_\_\_\_

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**Rider R-9  
Environmental Compliance Adjustor (ECA)**

**APPLICABILITY**

The Environmental Compliance Adjustor (ECA) will be applied to all Customers taking Standard Offer service from the Company pursuant to the Arizona Corporation Commission (ACC) Decision No. XXXX dated XXX, 2013 and as defined in the Company's ECA Plan of Administration.

**RATE**

The Customer monthly bill shall consist of the applicable Rate charges and adjustments including the ECA. The ECA adjustor Rate is an amount expressed as a Rate per kWh charge, as shown in the TEP Statement of Charges.

**TEP STATEMENT OF CHARGES**

For all additional charges and assessments approved by the ACC see the TEP Statement of Charges which is available on TEP's website at [www.tep.com](http://www.tep.com).

**TAX CLAUSE**

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

**RULES AND REGULATIONS**

This standard Rules and Regulations of the Company as on file with the ACC shall apply where not inconsistent with this Rider.

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Filed By: Kentton C. Grant  
Title: Vice President of Finance and Rates  
District: Entire Electric Service Area

Rate: R-9  
Effective: PENDING  
Decision No.:



**Rider R-10  
MGC-1 Market Generation Credit (MGC) Calculation**

INTRODUCTION

There are two purposes of the Market Generation Credit (MGC). The first purpose is to establish a price to which TEP's energy customers can compare to the prices of competitors. The second purpose is to enable the calculation of the variable or "floating" component of TEP's stranded cost recovery. Shown below are the terms of the MGC methodology per TEP's Settlement Agreement, Section 2.1(d), as amended March 20, 2003:

The monthly MGC amount shall be calculated in advance and stated as both an on-peak value and an off-peak value. The monthly on-peak MGC component shall be equal to the Market Price multiplied by one plus the appropriate line loss (including unaccounted for energy ("UFE")) amount. The Market Price shall be equal to the Tullett Liberty Long-Term Forward Assessment for the Palo Verde Forward price, except when adjusted for the variable cost of TEP's must-run generation. The Market Price shall be determined thirty (30) days prior to each calendar month using the average of the most recent three (3) business days of Tullett Liberty Long-Term Forward Assessment for Palo Verde settlement prices. The off-peak MGC component shall be determined in the same manner as the on-peak component, except that the Tullett Liberty Long-Term Forward Assessment for the Palo Verde Forward price will be adjusted by the ratio of off-peak to on-peak prices from the Dow Jones Palo Verde Index of the same month from the preceding year. The MGC shall be equal to the hours-weighted average of the on-peak and off-peak pricing components and shall reflect the cost of serving a one hundred percent (100%) load factor customer.

To reflect the cost of serving a 100% load factor customer, the actual MGC used for billing calculations will be a loss adjusted average price that is weighted by the ratio of on-peak and off-peak hours. This process is illustrated in equations 4 and 5 below and will be posted to TEP's website <http://partners.tucsonelectric.com> thirty (30) days prior to each calendar month. This composite price will be credited to all energy consumption, regardless of the time period in which it is consumed.

CALCULATIONS

Five steps are outlined below for the calculation of the MGC. None of the steps are excludable for any customer type. Acronyms are defined in the Glossary at the end of this document.

**1. Calculating the on-peak MGC**

Thirty (30) days prior to each calendar estimation month, the Tullet Prebon Long-Term Forward Assessment for Palo Verde Forward prices for the three (3) most recent business days are used. The simple average (or arithmetic mean) is calculated for these three (3) days for the estimation month.

$$MGC_{ON,i} = \frac{\sum (TULLETT)_i}{3} \quad \text{(Equation 1)}$$



# Tucson Electric Power

## Tucson Electric Power Company

Original Sheet No.: 710-1  
Superseding: \_\_\_\_\_

The calculation is illustrated in the table below.

Forward Prices per MWh	Apr-2002
3/1/2002	\$25.50
2/28/2002	\$25.50
2/27/2002	\$24.75
Average	\$25.25

### 2. Calculating the off-peak MGC

The off-peak MGC is determined by multiplying the on-peak MGC value by the off-peak price weighting factor (WEIGHT). The WEIGHT is equal to the simple average of all off-peak prices from the Dow Jones Palo Verde Index in the same month of the previous year, divided by the simple average of all on-peak prices from the Dow Jones Palo Verde Index in the same month of the previous year. Off-peak, on-peak and holiday hours are defined by NERC in the estimation month.

$$MGC_{OFF,i} = MGC_{ON,i} * WEIGHT_i \quad (\text{Equation 2})$$

where

$$WEIGHT_i = \frac{DJPVI_{OFF,i}}{DJPVI_{ON,i}} \quad (\text{Equation 3})$$

### 3. Weighting the MGC for hours in the month

The on-peak and off-peak MGCs are combined to form an average MGC by computing a weighted average of the two time periods. This is done by multiplying the on-peak MGC by the percentage of on-peak hours in the same month of the previous year and then adding the product of the off-peak MGC and the percentage of off-peak hours in the same month of the previous year. Off-peak, on-peak and holiday hours are defined by NERC in the estimation month.

$$MGC_{WEIGHT,i} = MGC_{ON,i} * \left( \frac{ONHOURS}{ONHOURS + OFFHOURS} \right) + MGC_{OFF,i} * \left( \frac{OFFHOURS}{ONHOURS + OFFHOURS} \right) \quad (\text{Equation 4})$$

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Title: Vice President of Finance and Rates  
District: Entire Electric Service Area

Rate: R-10  
Effective: Pending  
Decision No.:



4. Loss-adjusting the MGC

The average MGC must be adjusted for line losses. The appropriate line loss adjustment factor (LLAF) for a large industrial customer is 1.0515. For all other customers, the appropriate factor is 1.0919.

$$MGC_{LOSS,i} = MGC_{WEIGHT,i} * LLAF \quad \text{(Equation 5)}$$

5. Adjusting the MGC for variable must-run

The MGC will be adjusted for variable must-run as defined in TEP's Stranded Cost Settlement Agreement and AISA protocols. Fifteen (15) days prior to each month, TEP forecasts a ratio of its variable must-run generation to retail system demand for the following month. The MGC is determined by adding the product of MGC<sub>LOSS</sub> and one minus the ratio of variable must-run generation to total retail system demand to the product of \$15/MWh and the variable must-run ratio.

$$MGC_i = [MGC_{LOSS,i} * (1 - VMR_i)] + (\$15 * VMR_i) \quad \text{(Equation 6)}$$

This calculation produces the final value for the Market Generation Credit.

GLOSSARY

<b>DJPVI<sub>OFF</sub></b>	Simple average of off-peak prices on the Dow Jones Palo Verde Index.
<b>DJPVI<sub>ON</sub></b>	Simple average of on-peak prices on the Dow Jones Palo Verde Index.
<b>Dow Jones Palo Verde Index</b>	Daily calculation of actual firm on-peak and firm off-peak weighted average prices for electricity traded at Palo Verde, Arizona switchyard.
<b>AISA</b>	Arizona Independent Scheduling Administrator, a temporary entity, independent of transmission-owning organizations, intended to facilitate nondiscriminatory retail direct access using the transmission system in Arizona. Required by the Arizona Corporation Commission Retail Electric Competition Rules.
<b>LLAF</b>	Line-loss adjustment factor.
<b>MGC</b>	Market Generation Credit.
<b>MGC<sub>OFF</sub></b>	MGC <sub>ON</sub> weighted by the ratio of off-peak to on-peak prices on the Dow Jones Palo Verde Index.
<b>MGC<sub>ON</sub></b>	Average of the Tullett Liberty prices on days appropriate for the calculation of the MGC.



# Tucson Electric Power

## Tucson Electric Power Company

Original Sheet No.: 710-3  
Superseding: \_\_\_\_\_

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<b>MGC<sub>LOSS</sub></b>	MGC <sub>WEIGHT</sub> adjusted for line losses (including unaccounted for energy) on TEP's generation and energy delivery systems.
<b>MGC<sub>WEIGHT</sub></b>	A weighted average of MGC <sub>CON</sub> and MGC <sub>OFF</sub> by ONHOURS and OFFHOURS.
<b>Must-run Generation</b>	The cost associated with the running of local generating units needed to maintain distribution system reliability and to meet load requirements in times of congestion on certain portions of the interconnected grid.
<b>NERC</b>	North American Electric Reliability Council. A voluntary not-for-profit organization established to promote bulk electric system reliability and security. Membership includes: investor-owned utilities; federal power agencies; rural electric cooperatives; state, municipal and provincial utilities; independent power producers; power marketers; and end-use customers.
<b>OFFHOURS</b>	Number of total monthly off-peak hours as defined by NERC. Off-peak hours are hour ending 0100 – hour ending 0600 and hour ending 2300 – hour ending 2400, Monday through Saturday, Pacific Prevailing Time (PPT). All Sunday hours are considered off-peak. PPT is defined as the current clock time in the Pacific time zone.
<b>ONHOURS</b>	Number of total monthly on-peak hours as defined by NERC. On-peak hours are hour ending 0700 – hour ending 2200 Monday through Saturday, Pacific Prevailing Time (PPT). PPT is defined as the current clock time in the Pacific time zone.
<b>TULLETT</b>	Tullett Liberty - a provider of independent real-time price information from the wholesale inter-dealer brokered commodity markets, from which the on-peak Long Term Forward Assessment of market prices of electricity at the Palo Verde, Arizona switchyard are obtained. The forward product is "6 x 16," power is for 16 hours a day for six days a week (Monday through Saturday) for the delivery period, excluding NERC holidays.
<b>Stranded Costs</b>	The difference between revenues under competition and the costs of providing service, including the inherited fixed costs from the previous regulated market.
<b>TEP</b>	Tucson Electric Power Company, a subsidiary of UNS Energy Corp.
<b>TEP Settlement Agreement</b>	An agreement between TEP, the Arizona Residential Utility Consumer Office, members of the Arizonans for Electric Choice and Competition, and Arizona Community Action Association regarding TEP's implementation of retail electric competition, implementation of unbundled tariffs, and recovery of stranded costs.
<b>VMR</b>	Ratio of variable must-run generation (MW) to total retail system demand (MW) in TEP's service territory.
<b>WEIGHT</b>	Ratio of off-peak to on-peak prices on the Dow Jones Palo Verde Index.

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Filed By: Kentton C. Grant  
Title: Vice President of Finance and Rates  
District: Entire Electric Service Area

Rate: R-10  
Effective: Pending  
Decision No.:



**Rider R-11**  
**Schedule MGC-2 Market Generation Credit (MGC)**  
**Calculation for Partial Requirements Services**

INTRODUCTION

The purpose of the Market Generation Credit (MGC) for Partial Requirements Services is to establish a price at which TEP's partial requirements customers will purchase backup/standby and supplemental energy for applicable Partial Requirements Service tariff customers. The Market Generation Credit for Partial Requirements Services is consistent with the MGC methodology per TEP's Settlement Agreement, Section 2.1(d), as amended March 20, 2003.

The monthly MGC amount shall be calculated in advance and stated as both an on-peak value and an off-peak value. The monthly on-peak MGC component shall be equal to the Market Price multiplied by one plus the appropriate line loss (including unaccounted for energy ("UFE")) amount. The Market Price shall be equal to the Tullett Liberty Long-Term Forward Assessment for the Palo Verde Forward price, except when adjusted for the variable cost of TEP's must-run generation. The Market Price shall be determined fifteen (15) days prior to each calendar month using the average of the most recent three (3) business days of Tullett Liberty Long-Term Forward Assessment for Palo Verde settlement prices. The off-peak MGC component shall be determined in the same manner as the on-peak component, except that the Tullett Liberty Long-Term Forward Assessment for the Palo Verde Forward price will be adjusted by the ratio of off-peak to on-peak prices from the Dow Jones Palo Verde Index of the same month from the preceding year.

CALCULATIONS

The Customer will be charged adjusted on-peak MGC multiplied by kWh consumption for On-peak hours, and adjusted off-peak MGC multiplied by kWh consumption for Off-peak hours. Three steps are outlined below for the calculation of the MGC. None of the steps are excludable for any customer type. Acronyms are defined in the Glossary at the end of this document.

**1. Calculating the on-peak MGC**

Fifteen (15) days prior to each calendar estimation month, the Platts Long-Term Forward Assessment for Palo Verde Forward prices for the three (3) most recent business days are used. The simple average (or arithmetic mean) is calculated for these three (3) days for the estimation month.

$$MGC_{ON,i} = \frac{\sum (TULLETT)_i}{3} \quad \text{(Equation 1)}$$



# Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 711-1

Superseding: \_\_\_\_\_

The calculation is illustrated in the table below.

Forward Prices per MWh	Apr 2002
3/13/2002	\$25.80
3/14/2002	\$26.90
3/15/2002	\$27.75
Average	\$26.82

## 2. Calculating the off-peak MGC

The off-peak MGC is determined by multiplying the on-peak MGC value by the off-peak price weighting factor (WEIGHT). The WEIGHT is equal to the simple average of all off-peak prices from the Dow Jones Palo Verde Index in the same month of the previous year, divided by the simple average of all on-peak prices from the Dow Jones Palo Verde Index in the same month of the previous year. Off-peak, on-peak and holiday hours are defined by NERC in the estimation month.

$$MGC_{OFF,i} = MGC_{ON,i} * WEIGHT_i \quad \text{(Equation 2)}$$

where

$$WEIGHT_i = \frac{DJPVI_{OFF,i}}{DJPVI_{ON,i}} \quad \text{(Equation 3)}$$

## 3. Loss-adjusting the MGC

The on-peak MGC and the off-peak MGC must be adjusted for line losses. The appropriate line loss adjustment factor (LLAF) for the large industrial customer class is 1.0515; for all other customer classes, the appropriate factor is 1.0919.

$$MGC_{LOSS-ON,i} = MGC_{ON,i} * LLAF \quad \text{(Equation 4)}$$

$$MGC_{LOSS-OFF,i} = MGC_{OFF,i} * LLAF \quad \text{(Equation 5)}$$

This calculation produces the final value for the on-peak and off-peak Market Generation Credits.

### GLOSSARY

DJPVI <sub>OFF</sub>	Simple average of off-peak prices on the Dow Jones Palo Verde Index.
DJPVI <sub>ON</sub>	Simple average of on-peak prices on the Dow Jones Palo Verde Index.
Dow Jones Palo Verde Index	Daily calculation of actual firm on-peak and firm off-peak weighted average prices for electricity traded at Palo Verde, Arizona switchyard.

Filed By: Kentton C. Grant  
 Title: Vice President of Finance and Rates  
 District: Entire Electric Service Area

Rate: R-11  
 Effective: Pending  
 Decision No.:



# Tucson Electric Power

## Tucson Electric Power Company

Original Sheet No.: 711-2  
Superseding: \_\_\_\_\_

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<b>LLAF</b>	Line-loss adjustment factor.
<b>MGC</b>	Market Generation Credit.
<b>MGC<sub>OFF</sub></b>	MGC <sub>ON</sub> weighted by the ratio of off-peak to on-peak prices on the Dow Jones Palo Verde Index.
<b>MGC<sub>ON</sub></b>	Average of the Tullett Liberty prices on days appropriate for the calculation of the MGC.
<b>MGC<sub>LOSS-ON</sub></b>	MGC <sub>ON</sub> adjusted for line losses (including unaccounted for energy) on TEP's generation and energy delivery systems.
<b>MGC<sub>LOSS-OFF</sub></b>	MGC <sub>OFF</sub> adjusted for line losses (including unaccounted for energy) on TEP's generation and energy delivery systems.
<b>NERC</b>	North American Electric Reliability Council. A voluntary not-for-profit organization established to promote bulk electric system reliability and security. Membership include investor-owned utilities; federal power agencies; rural electric cooperatives; state, municipal and provincial utilities; independent power producers; power marketers; and end-use customers.
<b>Off-Peak Hours</b>	Number of total monthly off-peak hours as defined by NERC. Off-peak hours are hour ending 0100 – hour ending 0600 and hour ending 2300 – hour ending 2400, Monday through Saturday, Pacific Prevailing Time (PPT). All Sunday hours are considered off-peak. PPT is defined as the current clock time in the Pacific time zone.
<b>On-Peak Hours</b>	Number of total monthly on-peak hours as defined by NERC. On-peak hours are hour ending 0700 – hour ending 2200 Monday through Saturday, Pacific Prevailing Time (PPT). PPT is defined as the current clock time in the Pacific time zone.
<b>TULLETT</b>	Tullett Liberty - a provider of independent real-time price information from the wholesale inter-dealer brokered commodity markets, from which the on-peak Long Term Forward Assessment of market prices of electricity at the Palo Verde, Arizona switchyard are obtained. The forward product is "6 x 16," power is for 16 hours a day for six days a week (Monday through Saturday) for the delivery period, excluding NERC holidays.
<b>Stranded Costs</b>	The difference between revenues under competition and the costs of providing service, including the inherited fixed costs from the previous regulated market.
<b>TEP</b>	Tucson Electric Power Company, a subsidiary of UNS Energy Corp.
<b>TEP Settlement Agreement</b>	An agreement between TEP, the Arizona Residential Utility Consumer Office, members of the Arizonans for Electric Choice and Competition, and Arizona Community Action Association regarding TEP's implementation of retail electric competition, implementation of unbundled tariffs, and recovery of stranded costs.
<b>WEIGHT</b>	Ratio of off-peak to on-peak prices on the Dow Jones Palo Verde Index.

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Filed By: Kentton C. Grant  
Title: Vice President of Finance and Rates  
District: Entire Electric Service Area

Rate: R-11  
Effective: Pending  
Decision No.:



### Bill Estimation Methodologies

Tucson Electric Power Company (TEP) regularly encounters situations in which TEP cannot obtain a complete and valid meter read. No matter the cause of the need to estimate the read, the following methods are used depending on the circumstances.

#### PREVIOUS YEAR FORMULA

##### **SAME CUSTOMER WITH AT LEAST ONE YEAR OF HISTORY**

TEP would generate a bill based on customer usage from the previous year using the "PREVIOUS YEAR" formula as follows:

If last year's usage was estimated, see Previous Month Formula:

$$\text{LAST YEAR'S USAGE FOR SAME MONTH / NUMBER OF DAYS IN BILLING PERIOD} = \text{PER DAY USAGE}$$

(FOR "TIME OF USE" (TOU) THIS WOULD BE APPLIED TO EACH PERIOD)

$$\text{PER DAY USAGE} \times \text{NUMBER OF DAYS IN THIS MONTH'S CYCLE} = \text{ESTIMATED USAGE}$$

(FOR TOU THIS WOULD BE APPLIED TO EACH PERIOD)

#### PREVIOUS MONTH FORMULA

##### **SAME CUSTOMER AT SAME PREMISE WITH LESS THAN ONE YEAR OF HISTORY**

TEP would generate a bill based on customer usage from the previous month using the "PREVIOUS MONTH" formula as follows:

If last month's usage was estimated, see Trend Formula:

$$\text{LAST MONTHS USAGE / NUMBER OF DAYS IN BILLING PERIOD} = \text{PER DAY USAGE}$$

(FOR TOU THIS WOULD BE APPLIED TO EACH PERIOD)

$$\text{PER DAY USAGE} \times \text{NUMBER OF DAYS IN THIS MONTH'S CYCLE} = \text{ESTIMATED USAGE}$$

(FOR TOU THIS WOULD BE APPLIED TO EACH PERIOD)

#### TREND FORMULA

##### **NEW CUSTOMER AT SAME PREMISE**

TEP would generate a bill using the "TREND" formula, based on customer's usage trend as described below:

TEP's customer information system (CIS) would generate a bill based on trend. Customers are assigned to a Trend area which differentiate consumption based on different geographic areas. Secondly, the customer is assigned to a Trend class which is used to differentiate consumption trends based on the type of service and type of property. An example of this would be residential, commercial, and industrial usage. Thirdly, all consumption is identified using unit of measure code and a time of use code. Within TEP's CIS, a trend record is created from each billed service. This record becomes part of a trend table. During estimation, consumption from three prior bill cycles is compared to the consumption from the same cycle in the previous month to determine a trend. This trend, plus a tolerance, is used to create a usage amount for bill estimation.

$$\text{CUSTOMER'S USAGE IN PREVIOUS PERIOD / AVERAGE CUSTOMER'S USAGE IN PREVIOUS PERIOD} \times \text{AVERAGE CUSTOMER'S USAGE IN CURRENT PERIOD} = \text{ESTIMATED CONSUMPTION FOR REGISTER READ}$$

#### NO HISTORY

TEP would not generate a bill until a good meter read was acquired then use known consumption to estimate previous bills.

Filed By: Kentton C. Grant  
Title: Vice President of Finance and Rates  
District: Entire Electric Service Area

Rate: Bill Estimation - 1  
Effective: Pending  
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 802-1  
Superseding: \_\_\_\_\_

### Demand Estimate

For accounts that have a demand billing component TEP collects interval data. This interval data is used to manually estimate demands using the following methodologies:

**SAME CUSTOMER AT SAME PREMISE WITH AT LEAST ONE YEAR OF HISTORY**

TEP would generate a bill based on customer usage from the previous year using the following formula:

$$\text{LAST YEAR'S DEMAND FOR SAME MONTH} = \text{ESTIMATED DEMAND}$$

**NEW CUSTOMER AT SAME PREMISE WITH AT LEAST ONE YEAR OF HISTORY**

TEP would generate a bill based on customer usage from the previous month using the following formula:

$$\text{LAST MONTHS DEMAND} = \text{ESTIMATED DEMAND}$$

**SAME CUSTOMER AT SAME PREMISE WITH LESS THAN ONE YEAR OF HISTORY**

TEP would generate a bill based on customer usage from the previous month using the following formula:

$$\text{LAST MONTHS DEMAND} = \text{ESTIMATED DEMAND}$$

**NEW CUSTOMER AT SAME PREMISE WITH LESS THAN ONE YEAR OF HISTORY**

TEP would generate a bill based on customer usage from the previous month using the following formula:

$$\text{LAST MONTHS DEMAND} = \text{ESTIMATED DEMAND}$$

**NO HISTORY**

TEP would not generate a bill until a good demand read was acquired then use known demand to estimate previous bills.

Filed By: Kentton C. Grant  
Title: Vice President of Finance and Rates  
District: Entire Electric Service Area

Rate: Bill Estimation - 1  
Effective: Pending  
Decision No.:

**ATTACHMENT  
"K"**



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 801

Superseding:

TEP STATEMENT OF CHARGES

Fee No.	Description	Rate	Effective Date	Decision No.
1.	Service Transfer Fee	\$ 20.00	PENDING	PENDING
2.	Customer-Requested Meter Re-read	\$ 20.00	PENDING	PENDING
3.	Special Meter Reading Fee	\$ 20.00	PENDING	PENDING
4.	Automated Meter Opt-Out Meter Change-Out Fee	\$ 20.00	PENDING	PENDING
5.	Additional Customer Charge for Automated Meter-Opt Out Customers	\$ 10.00	PENDING	PENDING
6.	Additional Customer Charge for Self-Read Automated Meter Opt-Out Customers	\$ 5.00	PENDING	PENDING
7.	Service Establishment and Reestablishment under usual operating procedures During Regulator Business Hours – Single-Phase Service	\$ 32.00	PENDING	PENDING
8.	Service Establishment and Reestablishment under usual operating procedures After Regular Business Hours (includes Saturdays, Sundays and Holidays) – Single Phase Service	\$ 57.00	PENDING	PENDING
9.	Service Establishment and Reestablishment under usual operating procedures During Regular Business Hours – Three-Phase Service	\$ 78.00	PENDING	PENDING
10.	Service Establishment and Reestablishment under usual operating procedures After Regular Business Hours (includes Saturdays, Sundays and Holidays) – Three-Phase Service	\$ 216.00	PENDING	PENDING
11.	Service Reestablishment under other than usual operating procedures -- Single-Phase Service	\$ 150.00	PENDING	PENDING
12.	Single-Phase Line Extension Charge per Foot	\$ 17.00	PENDING	PENDING
13.	Three-Phase Line Extension Charge per Foot	\$ 27.00	PENDING	PENDING
14.	Underground Differential Line Extension Charge per Foot	\$ 21.00	PENDING	PENDING
15.	PME Switchgear Cabinet	\$20,500.00	PENDING	PENDING
16.	Meter Test	\$ 186.00	PENDING	PENDING
17.	Returned Payment Fee	\$ 10.00	PENDING	PENDING
18.	Late Payment Finance Charge	1.5%	PENDING	PENDING

Filed By: Kentton C. Grant  
 Title: Vice President of Finance and Rates  
 District: Entire Electric Service Area

Rate: Statement of Charges  
 Effective: Pending  
 Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 801-1

Superseding: \_\_\_\_\_

**TEP STATEMENT OF CHARGES**

(continued)

Description	Rate	Effective Date	Decision No.
Rider R-1 – Purchased Power and Fuel Adjustment Clause (PPFAC)	\$(0.001388) per kWh	PENDING	PENDING
Rider R-2 – Demand Side Management Surcharge (DSMS) <u>RESIDENTIAL:</u> Effective Date of Order – June 2014 (or until the next DSMS ACC Decision)  <u>NON-RESIDENTIAL:</u> Effective Date of Order – June 2014 (or until the next DSMS ACC Decision)	\$0.000443 per kWh  0.5033%	PENDING	PENDING
Rider R-3 – Market Cost of Comparable Conventional Generation (MCCCG) Calculation as Applicable to Rider-4 NM-PRS	\$0.025854 per kWh	April 5, 2012	73085
Rider R-5 – Electric Service Solar Rider (Bright Tucson Community Solar™)  Solar Block Energy Rate for Residential Lifeline Discount, Rate R-06-01 Solar Block Energy Rate for Residential Electric Service, Rate R-01 Solar Block Energy Rate for General Service, Rate GS-10 Solar Block Energy Rate for Large General Service, Rate LGS-13 Solar Block Energy Rate for Municipal Service, Rate PS-40	\$0.050198 per kWh \$0.050324 per kWh \$0.048475 per kWh \$0.049371 per kWh \$0.049086 per kWh	February 1, 2011	71835*
Rider R-5 – Electric Service Solar Rider (Bright Tucson Community Solar™)  Solar Block Energy Rate for Residential Electric Service, Rate R-01 Solar Block Energy Rate for Small General Service, Rate GS-10 Solar Block Energy Rate for Large General Service, Rate LGS-13	\$0.053463 per kWh \$0.053274 per kWh \$0.053227 per kWh	PENDING	PENDING
Rider R-6 – Renewable Energy Standard and Tariff Surcharge REST-TS1 Renewable Energy Program Expense Recovery  <u>Monthly Cap</u> For Residential Customers: For Small Commercial Customers: For Large Commercial Customers: For Industrial Customers: For Public Authority: For Lighting:	\$0.008000 per kWh  <u>Monthly Cap</u> \$ 3.80 per month \$ 130.00 per month \$1,050.00 per month \$7,700.00 per month \$ 170.00 per month \$ 130.00 per month	February 1, 2013	73637

\*The Rider R-5 approved by Decision No. 71835 is closed for new enrollment as of XXXXX XX, 2013

Filed By: Kentton C. Grant  
Title: Vice President of Finance and Rates  
District: Entire Electric Service Area

Rate: Statement of Charges  
Effective: Pending  
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 801-2

Superseding:

TEP STATEMENT OF CHARGES (continued)

Table with 4 columns: Description, Rate, Effective Date, Decision No. It lists charges for Rider R-6, R-8, and R-9.

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: Statement of Charges
Effective: Pending
Decision No.: