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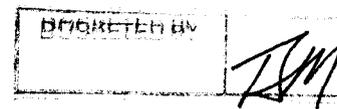
Arizona Corporation Commission  
DOCKETED

JUL 08 2013

July 3, 2013

Via hand delivery

Mr. Steven M. Olea  
Director, Utilities Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007



Re: TEP Rate Case Decision Compliance Filing  
Notice of Clarification of Tariffs and Alternative Request for Approval  
Decision No. 73912, Docket No. E-01933A-12-0291

Dear Mr. Olea:

Pursuant to Arizona Corporation Commission ("Commission") Decision No. 73912, June 27, 2013 ("Decision") Tucson Electric Power Company's ("TEP" or "Company") was required to file "revised rates and charges . . . consistent with Exhibit A as modified and the findings herein." (Decision at page 73, lines 6-7). While preparing the compliance filing, TEP discovered that that the LGS - 85 tariff attached to the Decision (as part of the Settlement Agreement) inadvertently included certain text from an earlier version of the proposed tariff. Changes to the Company's initially proposed ratchets were discussed during the settlement processes and changes were ultimately agreed to by the settling parties. While this change was reflected in the billing demand component contained in Proof of Revenue for LGS-85F, LGS-85AF, and LGS-85N that the Commission expressly approved in the Decision, the language to reflect this change was not carried through to the most recent version of the LGS-85 tariff attached to the Decision, and therefore may result in an unintended higher charge to certain Rate 85 customers. If TEP does not remove and clarify this language, certain Rate 85 customers would have to pay a higher level of demand charges that would be inconsistent with the Commission approved Settlement Agreement, Revenue Requirement and Proof of Revenue. A copy of the relevant pages of the Commission-approved Proof of Revenue (reflecting the tariffs) and the revised tariff language reflecting the conforming changes to the Proof of Revenue approved in the Decision are attached hereto as Attachments A and B, respectively.

Additionally, during the preparation of compliance filing, TEP became aware that two frozen lifeline tariffs (R 06-201AF and R 06-201BF) had inadvertently been excluded and therefore not contained in the Decision. TEP's original application had proposed removal of all

ROSHKA DEWULF & PATTEN

Mr. Steven M. Olea

July 3, 2013

Page 2

current or frozen lifeline rates, and therefore no tariffs for lifeline rates were initially included or proposed. However, the Settlement Agreement continued all existing lifeline rates as set forth in Attachment I to the Settlement Agreement. All of the lifeline rates also were expressly reflected in the Proof of Revenue and were intended to be attached to the Settlement Agreement as part of Attachment J. During this process, tariffs for R 06-201AF and R 06-201BF were inadvertently not included with the other lifeline tariffs, despite their inclusion in the Proof of Revenue, Revenue Requirement and Settlement Agreement that were approved by the Commission in the Decision. A copy of the relevant pages of the Commission-approved Proof of Revenue reflecting the Commission's approval of the tariffs and the missing tariff pages themselves are attached hereto as Attachments C and D, respectively.

Because the above-quoted language from the Decision requires and authorizes the Company to make final conforming revisions to the approved rates and charges so such rates and charges will be consistent with the Decision, TEP has included the necessary revisions the LGS 85 tariff, and included the missing tariffs for the R 06-201AF and R 06-201BF lifeline rates in its compliance filing. Accordingly, TEP does not believe that further action by the Commission is necessary. If however, the Commission believes that it must take separate action to approve these changes, TEP hereby requests such approval pursuant to Section 15.2 of the Settlement Agreement approved in the Decision.<sup>1</sup> Counsel for TEP has discussed this matter with counsel for the Commission's Utilities Division and Staff has indicated its support for this filing.

If you have any questions, please do not hesitate to contact me.

Sincerely,



Michael W. Patten

Attorney for Tucson Electric Power Company

MWP/da

Original and 13 copies filed with Docket Control

Copies provided electronically to Parties to Docket

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<sup>1</sup> Section 15.2 of the Settlement provides: *"The rate design portion of this Agreement shall remain open and until July 1, 2014, to allow for the possible adjustment 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."*

# Attachment

"A"

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

GI

| LINE NO.   | Test Year Adjusted                        |               | Test Year Adjusted Revenue | Proposed Adjusted Billing |                | F                 |
|--|---|---------------|----------------------------|---------------------------|----------------|-------------------|
|  | Billing Determinants                      | Current Rates |                            | 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          |
| 2  | Summer On-Peak kW                         | 19,345        | \$17.32                    | 335,057.12                | 16,153         | \$14.55           |
| 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           |
| 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        |
| 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        |
| 10   | Winter On-peak kWh                        | 1,381,684     | \$0.053910                 | 74,486.59                 | 2,613,835      | \$0.003000        |
| 11   | Winter Off-peak kWh                       | 5,266,449     | \$0.005693                 | <u>29,981.90</u>          | 5,247,350      | <u>\$0.000500</u> |
| 12   | <b>Subtotal Delivery (Margin) Revenue</b> |               |                            | <b>\$802,338.15</b>       |                |                   |
| <b>Base Power</b>  |   |               |                            |                           |                |                   |
| 13   | Summer On-peak kWh                        | 1,276,087     | \$0.056452                 | 72,037.68                 | 1,698,736      | \$0.050669        |
| 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        |
| 16   | Winter On-peak kWh                        | 1,381,684     | \$0.039341                 | 54,356.84                 | 2,613,835      | \$0.032893        |
| 17   | Winter Off-peak kWh                       | 5,266,449     | \$0.019341                 | 101,858.40                | 5,247,350      | \$0.027092        |
| 18   | <b>TOTAL TOU LGS-85F REVENUE</b>          |               |                            | <b>\$1,205,715.98</b>     |                |                   |
| 19   | TOTAL SALES                               | 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          |
| 21   | Summer On-Peak kW                         | 33,507        | \$7.95                     | 266,377.21                | 28,787         | \$14.55           |
| 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           |
| 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        |
| 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        |
| 29   | Winter On-peak kWh                        | 2,874,352     | \$0.044980                 | 129,288.35                | 5,654,275      | \$0.003000        |
| 30   | Winter Off-peak kWh                       | 11,361,383    | \$0.028356                 | <u>322,163.38</u>         | 11,056,522     | <u>\$0.000500</u> |
| 31   | <b>Subtotal Delivery (Margin) Revenue</b> |               |                            | <b>\$1,644,561.64</b>     |                |                   |
| <b>Base Power</b>  |   |               |                            |                           |                |                   |
| 32   | Summer On-peak kWh                        | 2,599,727     | \$0.056452                 | 146,759.81                | 6,641,029      | \$0.050669        |
| 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        |
| 35   | Winter On-peak kWh                        | 2,874,352     | \$0.039341                 | 113,079.88                | 5,654,275      | \$0.032893        |
| 36   | Winter Off-peak kWh                       | 11,361,383    | \$0.019341                 | 219,740.51                | 11,056,522     | \$0.027092        |
| 37   | <b>TOTAL TOU LGS-85AF REVENUE</b>         |               |                            | <b>\$2,509,460.16</b>     |                |                   |
| 38   | TOTAL SALES                               | 31,671,453    |                            |                           | 31,671,453     |                   |

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

GI

| LINE NO.  | Test Year Adjusted                                   |               | Test Year Adjusted Revenue | Proposed Adjusted Billing |                | F          |
|---|--|---------------|----------------------------|---------------------------|----------------|------------|
|   | Billing Determinants                                 | Current Rates |                            | Determinants              | Proposed Rates |            |
| <b>LGS Time of Use LGS-85N Consolidated with LGS TOU 85</b> |  |               |                            |                           |                |            |
| 1   | Customer Charge                                      | 756           | \$371.88                   | \$281,141.28              | 756            | \$950.00   |
| 2   | Summer On-Peak kW                                    | 159,325       | \$11.87                    | 1,891,023.85              | 136,794        | \$14.55    |
| 3   | Summer Off-peak kW                                   | 152,908       | \$8.24                     | 1,259,813.12              | 131,265        | \$10.92    |
| 4   | Winter On-Peak kW                                    | 141,095       | \$8.91                     | 1,256,876.98              | 168,568        | \$11.59    |
| 5   | Winter Off-peak kW                                   | 140,289       | \$6.42                     | 900,376.82                | 161,933        | \$9.10     |
| 6   | Summer On-peak                                       | 14,680,576    | \$0.007500                 | 110,104.32                | 21,189,064     | \$0.008600 |
| 7   | Summer Shoulder-peak                                 | 13,087,176    | \$0.005000                 | 65,435.88                 |                | \$0.00     |
| 8   | Summer Off-peak                                      | 61,745,731    | \$0.002500                 | 154,364.33                | 55,253,420     | \$0.006000 |
| 9   | Winter On-peak kWh                                   | 23,409,799    | \$0.002500                 | 58,524.50                 | 32,576,235     | \$0.003000 |
| 10  | Winter Off-peak kWh                                  | 57,377,182    | \$0.000000                 | -                         | 61,281,744     | \$0.000500 |
| 11  | <b>Subtotal Delivery (Margin) Revenue</b>            |               |                            | <b>\$5,977,661.07</b>     |                |            |
| <b>Base Power</b>   |  |               |                            |                           |                |            |
| 12  | Summer On-peak kWh                                   | 14,680,576    | \$0.059253                 | 869,868.15                | 21,189,064     | \$0.050669 |
| 13  | Summer Shoulder-peak                                 | 13,087,176    | \$0.033588                 | 439,572.05                | -              | \$0.00     |
| 14  | Summer Off-peak kWh                                  | 61,745,731    | \$0.025299                 | 1,562,105.26              | 55,253,420     | \$0.026679 |
| 15  | Winter On-peak kWh                                   | 23,409,799    | \$0.036088                 | 844,812.82                | 32,576,235     | \$0.032893 |
| 16  | Winter Off-peak kWh                                  | 57,377,182    | \$0.027799                 | 1,595,028.28              | 61,281,744     | \$0.027092 |
| 17  | <b>TOTAL TOU LGS-85AN REVENUE</b>                    |               |                            | <b>\$11,289,047.63</b>    |                |            |
| 18  | <b>TOTAL SALES</b>                                   | 170,300,463   |                            |                           | 170,300,463    |            |
| 19  | <b>SMALL GENERAL SERVICE STANDARD</b>                |               |                            |                           |                |            |
| 20  | <b>SMALL GENERAL SERVICE TIME OF USE</b>             |               |                            |                           |                |            |
| 21  | <b>GENERAL SERVICE MOBILE HOME PARKS</b>             |               |                            |                           |                |            |
| 22  | <b>WATER PUMPING SERVICE</b>                         |               |                            |                           |                |            |
| 23  | <b>LARGE GENERAL SERVICE</b>                         |               |                            |                           |                |            |
| 24  | <b>LARGE GENERAL SERVICE CONTRACT</b>                |               |                            |                           |                |            |
| 25  | <b>LARGE GENERAL SERVICE TIME OF USE</b>             |               |                            |                           |                |            |
| 26  | <b>GENERAL SERVICE COMMUNITY SOLAR</b>               |               |                            |                           |                |            |
| 27  | <b>GENERAL SERVICE (PS-40) TRANSITION ADJUSTMENT</b> |               |                            |                           |                |            |
| 28  | <b>GENERAL SERVICE TOTAL REVENUE</b>                 |               |                            |                           |                |            |

# Attachment

"B"



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 205

Superseding:

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-phase 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

Table with 2 columns: Charge Description and Amount. Includes Customer Charge and minimum bill (\$950.00 per month), Demand Charges (includes Generation Capacity), Summer On-peak (\$14.55 per kW), Summer Off-peak (\$10.92 per kW), Winter On-peak (\$11.59 per kW), and Winter Off-peak Demand (\$ 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)

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: LGS-85
Effective: July 1, 2013
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<br>(May – September) | Winter<br>(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 maximum 15 minute measured demand during the off-peak period of the billing month; ~~The greatest of the following during the Off-peak period:~~

- ~~1. 75% of the maximum off-peak period billing demand used for billing purposes in the preceding 11 months; or~~
- ~~2. 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.

The Company may require a written contract with a minimum contract demand and a minimum term of contract.

### 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: LGS-85  
 Effective: July 1, 2013  
 Decision No.:



# Tucson Electric Power

## Tucson Electric Power Company

Original Sheet No.: 205-2

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 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 |
|   | \$950.00 per month        |
| <b>Demand Charges (\$/kW)</b>   |                           |
| <b>Generation Capacity Charges (in \$/kW):</b>                                    |                           |
| 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            |
| <b>Fixed Must-Run Charges (in \$/kW)</b>  | \$ 0.95 per kW            |
| <b>Transmission (in \$/kW)</b>  | \$ 2.67 per kW            |
| <b>Transmission - Ancillary Services System Control &amp; Dispatch (in \$/kW)</b> |                           |
| 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: July 1, 2013  
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: July 1, 2013  
Decision No.:

Attachment

"C"

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

| LINE NO.  |   | Test Year<br>Adjusted Billing<br>Determinants | Current Rates | Test Year<br>Adjusted Revenue | Proposed Adjusted<br>Billing Determinants | Proposed Rates |
|---|---|---|---------------|-------------------------------|---|----------------|
| <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         |
| 2   | Mid-Summer (all kWh)                      | 1,397,135                                     | \$0.057722    | 80,645.44                     | 1,397,135                                 | \$0.061100     |
| 3   | Remaining-Summer (all kWh)                | 1,295,488                                     | \$0.040993    | 53,105.95                     | 899,080                                   | \$0.043600     |
| 4   | Winter (all kWh)                          | 2,104,829                                     | \$0.038742    | 81,545.28                     | 2,501,237                                 | \$0.041300     |
| 5   | <b>Subtotal Delivery (Margin) Revenue</b> |   |               | <b>\$235,965.14</b>           |   |                |
| 6   | Base Power Mid Summer                     | 1,397,135                                     | \$0.033198    | 46,382.09                     | 1,397,135                                 | \$0.033198     |
| 7   | Base Power Remain-Summer                  | 1,295,488                                     | \$0.033198    | 43,007.62                     | 899,080                                   | \$0.033198     |
| 8   | Base Power Winter                         | 2,104,829                                     | \$0.025698    | 54,089.89                     | 2,501,237                                 | \$0.027198     |
| 9   | <b>TOTAL LIFELINE R-201</b>               |   |               | <b>\$379,444.75</b>           |   |                |
| 10  | <b>TOTAL SALES</b>                        | <b>4,797,453</b>                              |               |                               | <b>4,797,453</b>                          |                |
| <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        |
| 12  | Sum First 500 kWh                         | 20,197,805                                    | \$0.066139    | 1,335,862.65                  | 13,531,796                                | \$0.050600     |
| 13  | Sum 501-1,000 kWh                         |   |               | -                             | 9,105,476                                 | \$0.060500     |
| 14  | Sum 1,001-3,500 kWh                       | 18,091,714                                    | \$0.044138    | 798,532.07                    | 10,267,877                                | \$0.071800     |
| 15  | Sum>3,500 kWh                             |   |               | -                             | 165,189                                   | \$0.079400     |
| 16  | Win First 500 kWh                         | 30,745,812                                    | \$0.033803    | 1,039,300.67                  | 18,812,952                                | \$0.050600     |
| 17  | Win 501-1,000 kWh                         |   |               | -                             | 11,090,120                                | \$0.058700     |
| 18  | Win 1,001-3,500 kWh                       |   |               | -                             | 5,971,603                                 | \$0.070300     |
| 19  | Win>3,500 kWh                             |   |               | -                             | 90,319                                    | \$0.078400     |
| 20  | <b>Subtotal Delivery (Margin) Revenue</b> |   |               | <b>\$3,588,888.97</b>         |   |                |
| 21  | Base Power Mid-Summer                     | 20,197,805                                    | \$0.033198    | 670,526.74                    | 33,070,337                                | \$0.035111     |
| 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     |
| 24  | <b>TOTAL R-201A</b>                       |   |               | <b>\$5,650,130.30</b>         |   |                |
| 25  | <b>TOTAL SALES</b>                        | <b>69,035,331</b>                             |               |                               | <b>69,035,331</b>                         |                |
| <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        |
| 27  | Sum First 500 kWh                         |   |               |                               | 12,747,252                                | \$0.050600     |
| 28  | Sum 501-1,000 kWh                         | 7,410,492                                     | \$0.065598    | 486,113.44                    | 8,523,994                                 | \$0.060500     |
| 29  | Sum 1,001-3,500 kWh                       | 11,446,450                                    | \$0.085598    | 979,793.20                    | 9,612,164                                 | \$0.071800     |
| 30  | Sum>3,500 kWh                             | 107,509                                       | \$0.105598    | 11,352.70                     | 153,507                                   | \$0.079400     |
| <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     |
| 35  | Win 501-1,000 kWh                         | 12,338,852                                    | \$0.040737    | 502,647.80                    | 9,653,893                                 | \$0.058700     |
| 36  | Win 1,001-3,500 kWh                       |   |               |                               | 5,198,250                                 | \$0.070300     |
| 37  | Win>3,500 kWh                             | 70,315  | \$0.060737    | 4,270.75                      | 77,944                                    | \$0.078400     |
| 38  | <b>Subtotal Delivery (Margin) Revenue</b> |   |               | <b>\$3,306,229.01</b>         |   |                |
| 39  | Base Power Mid-Summer                     | 18,964,450                                    | \$0.043166    | 818,619.45                    | 31,036,917                                | \$0.035111     |
| 40  | Base Power Remain-Summer                  | 16,091,714                                    | \$0.033166    | 531,592.00                    |   |                |

# Attachment

"D"

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

| LINE NO.  | Test Year                      |               | Test Year Adjusted Revenue | Proposed Adjusted    |                      |
|---|--------------------------------|---------------|----------------------------|----------------------|----------------------|
|   | 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        |
| <u>Summer On-peak</u>   |                                |               |                            |                      |                      |
| 2   | First 500, kWh                 | 200,869       | \$0.091873                 | 18,454.43            | 1,112,090 \$0.066800 |
| 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 |
| 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 |
| 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 |
| 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>Base Power</b>   |                                |               |                            |                      |                      |
| 18  | Summer On-peak                 | 561,949       | \$0.058271                 | 32,745.31            | 1,112,090 \$0.050669 |
| 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 |
| 21  | Winter On-peak kWh             | 526,953       | \$0.045063                 | 23,746.09            | 1,021,079 \$0.032893 |
| 22  | Winter Off-peak kWh            | 1,600,945     | \$0.026368                 | 42,213.71            | 1,572,514 \$0.027092 |
| <b>TOTAL TIME OF USE R-70N-D REVENUE</b>                                      |                                |               |                            | <b>\$553,602.92</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           |
| <b>Summer</b>   |                                |               |                            |                      |                      |
| 26  | Mid-Summer On-peak             | 8,244         | \$0.128473                 | 1,059.11             | 8,244 \$0.136900     |
| 27  | Mid-Summer Shoulder-peak       | 3,900         | \$0.068120                 | 265.69               | 3,900 \$0.074700     |
| 28  | Mid-Summer Off-peak            | 32,255        | \$0.034962                 | 1,127.70             | 32,255 \$0.038300    |
| 29  | Remaining-Summer On-peak       | 7,834         | \$0.090717                 | 710.66               | 5,483 \$0.099500     |
| 30  | Remaining-Summer Shoulder-peak | 2,703         | \$0.044275                 | 119.66               | 2,703 \$0.048600     |
| 31  | Remaining-Summer Off-peak      | 29,775        | \$0.023038                 | 685.96               | 20,657 \$0.025300    |
| 32  | Winter On-peak                 | 15,413        | \$0.059481                 | 916.76               | 17,763 \$0.065200    |
| 33  | Winter Off-peak                | 51,295        | \$0.013975                 | 716.84               | 60,413 \$0.015300    |
| <b>Subtotal Delivery (Margin) Revenue</b>                                     |                                |               |                            | <b>\$6,683.68</b>    |                      |
| <b>Base Power</b>   |                                |               |                            |                      |                      |
| 35  | Mid-Summer On-peak             | 8,244         | \$0.055698                 | 459.16               | 8,244 \$0.055698     |
| 36  | Mid-Summer Shoulder-peak       | 3,900         | \$0.048198                 | 187.99               | 3,900 \$0.048198     |
| 37  | Mid-Summer Off-peak            | 32,255        | \$0.023198                 | 748.25               | 32,255 \$0.023198    |
| 38  | Remaining-Summer On-peak       | 7,834         | \$0.055698                 | 436.22               | 5,483 \$0.055698     |