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**BEFORE THE ARIZONA CORPORATION COMMISSION**

Arizona Corporation Commission

**COMMISSIONERS**

SUSAN BITTER SMITH - CHAIRMAN  
BOB STUMP  
BOB BURNS  
DOUG LITTLE  
TOM FORESE

DOCKETED

NOV 5 2015

DOCKETED BY	
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IN THE MATTER OF THE APPLICATION OF )  
 TUCSON ELECTRIC POWER COMPANY FOR )  
 THE ESTABLISHMENT OF JUST AND )  
 REASONABLE RATES AND CHARGES )  
 DESIGNED TO REALIZE A REASONABLE )  
 RATE OF RETURN ON THE FAIR VALUE OF )  
 THE PROPERTIES OF TUCSON ELECTRIC )  
 POWER COMPANY DEVOTED TO ITS )  
 OPERATIONS THROUGHOUT THE STATE OF )  
 ARIZONA, AND FOR RELATED APPROVALS.. )

DOCKET NO. E-01933A-15-0322

TUCSON ELECTRIC POWER COMPANY

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APPLICATION  
TESTIMONY AND EXHIBITS

VOLUME 3 of 4

NOVEMBER 5, 2015

Direct Testimony of  
Denise A. Smith

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Direct Testimony of

Denise A. Smith

on Behalf of

Tucson Electric Power Company

November 5, 2015

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**Exhibits**

Exhibit DAS-1 Clean version of Rules and Regulations  
Exhibit DAS-2 Redlined version of Rules and Regulations  
Exhibit DAS-3 Summary of Compliance Requirements to be Eliminated

1 **I. INTRODUCTION.**

2  
3 **Q. Please state your name and business address.**

4 A. My name is Denise Smith. My business address is 88 East Broadway Blvd., Tucson,  
5 Arizona 85701.

6  
7 **Q. What is your position with Tucson Electric Power Company (“TEP” or the  
8 “Company”)?**

9 A. I am employed by TEP, a wholly-owned subsidiary of UNS Energy Corporation (“UNS  
10 Energy”). I am the Director of Customer Service & Programs for all the regulated  
11 subsidiaries of UNS Energy, including TEP, UNS Electric, Inc. (“UNS Electric”) and  
12 UNS Gas, Inc.

13  
14 **Q. Please describe your background and work experience.**

15 A. I graduated from Northern Arizona University (“NAU”) earning a Bachelor of Science  
16 degree in Mathematics with an extended major in Statistics, and then completed graduate  
17 work in Statistics at NAU. After leaving NAU, I was hired by Pima Association of  
18 Governments in the Travel Reduction Program, which reduces vehicle emissions by  
19 targeting major employers to reduce employees’ travel to and from work.

20  
21 I was hired in 1996 by TEP as a Demand-Side Management (“DSM”) Analyst, developing,  
22 analyzing and researching new DSM and energy-related market programs. In 1999, I  
23 moved into the Pricing and Rates Department, where I developed cost-of-service and  
24 revenue requirement models. In 2002, I was promoted to the Director of the Pricing and  
25 Rates Department. In 2008, I accepted the position of Director of Conservation and  
26 Renewable Programs. Most recently, in 2013, I took over as the Director of Customer  
27 Service and Programs, including energy efficiency and other customer programs, as well as

1 the call center, billing services, payments, and credit and collections. During my tenure at  
2 TEP, I completed a Masters of Business Administration at the University of Phoenix.

3  
4 **Q. What is the purpose of your Direct Testimony?**

5 A. I provide an overview of the Company's improvements to Customer Service since the  
6 last rate case, review the Company's proposal for a Prepay Program and discuss proposed  
7 changes to TEP's Rules and Regulations ("Rules"). I also set forth several current  
8 compliance requirements that TEP is requesting be eliminated.

9  
10 **II. CUSTOMER SATISFACTION INITIATIVES AND ASSISTANCE PROGRAMS.**

11  
12 **Q. What improvements have been made through technology to enhance customer  
13 satisfaction since the last rate case?**

14 A. In June 2014, TEP launched a new mobile-friendly outage map featuring updates about  
15 service interruptions. The outage map (located on TEP's website at  
16 <https://www.tep.com/outage/map/>) is updated every five minutes using data collected  
17 from customer reports, TEP crews and electric system monitoring equipment. The map  
18 shows the approximate location of outages, the number of customers affected and the  
19 number of customers whose service has been restored. It also provides information about  
20 the type of outage and an estimated time of restoration for those who remain without  
21 service. The map is designed for easy use on mobile devices as well as desktop  
22 computers. The Company has also enhanced its communications with customers during  
23 power outages by proactively informing them of the restoration progress through  
24 automated return phone calls and social media.

25  
26 In 2013, the Company completed technology upgrades to enhance customer service. The  
27 first update was to the customer interactive voice response ("IVR") software which

1 increased the number of self-service options for customers. Customers can now hear  
2 billing information such as outstanding balance and due date as well as ask for payment  
3 extensions. The Company also upgraded the call-back system so that a customer can  
4 elect to receive a return phone call from a Customer Service Representative (“CSR”)  
5 rather than waiting on hold. The new call-back system holds a customer’s place in line  
6 and places the CSR on the call before dialing the customer.

7  
8 The Company is also developing an application for mobile devices including smart  
9 phones and tablets that will allow customers to report an outage, receive push  
10 notifications on outages in their area, check on an outage, pay their bill, view their recent  
11 energy usage, and find energy saving tips. In subsequent releases of the application, the  
12 customer will be able to view real-time energy usage, enroll in Company programs,  
13 connect with the customer’s thermostat and access new payment functionalities, among  
14 other options.

15  
16 **Q. What other improvements have been made to enhance the customer experience**  
17 **since the last rate case?**

18 A. In February 2014, TEP launched “Plugged In” – an electronic newsletter designed to  
19 communicate information of value directly to residential customers. The newsletter is  
20 emailed monthly to all residential customers who have opted in to email communication  
21 from TEP. Plugged In informs customers about efforts to ensure service reliability,  
22 promotes energy efficiency programs, teaches electric safety and highlights some of the  
23 Company’s community service contributions. The email also relays information about  
24 products and services, including e-bill, Budget Billing, Auto Pay and Time-of-Use  
25 programs. A new edition of Plugged In designed for TEP’s business customers was  
26 launched in July 2015.

27

1 The Company engages customers through social media utilizing Facebook, Twitter,  
2 YouTube, LinkedIn and Instagram. The Company utilizes these channels to answer  
3 customer questions; inform customers about energy efficiency programs and energy-  
4 savings tips; and promote products and services such as Auto Pay, Budget Billing and e-  
5 bill. The Company also uses social media to enhance outage communication; share  
6 changes the Company is making to improve service reliability; and share the Company's  
7 commitment to the community through volunteerism and philanthropy.

8  
9 In 2014, the Company bolstered its Quality Assurance ("QA") program in support of  
10 raising the Company's overall level of customer satisfaction. QA protocols were expanded  
11 to include monthly CSR phone call screening and evaluation for key quality standards that  
12 include first call resolution, technical execution, and approach in dealing with customer  
13 needs. CSRs are provided with an average monthly call quality score, positive feedback  
14 and performance coaching. In February 2015, the Company began utilizing transactional  
15 survey software to generate additional feedback directly from our customers.

16  
17 **Q. What recent changes have been made to customer assistance programs?**

18 A. TEP has worked with local agencies operating low income community action programs  
19 ("CAP agency") to modify the Low-Income Weatherization Program to allow additional  
20 limited income customers to benefit from energy efficient upgrades. To more effectively  
21 utilize existing weatherization funds, TEP worked with a local CAP agency to weatherize  
22 homes at a lower cost per home by deploying prescriptive measures and assisting the  
23 agency with procurement practices. Participants in the Low-Income Weatherization  
24 Program receive energy audits and recommended energy efficiency improvements that  
25 help reduce their electric bills and improve their health and safety, often at no cost. In  
26 addition, TEP is currently developing a video that will be used by the CAP agencies

27

1 during the intake phase to provide information to a household that will maximize energy  
2 savings after their home has been weatherized.  
3

4 **Q. Is the Company making any changes to its credit card transaction process?**

5 A. Yes, the Company is revising its credit card transaction policy in response to consistent  
6 feedback from customers indicating dissatisfaction with the convenience fees charged for  
7 credit card transactions. The customer is currently charged a \$3.50 per transaction fee to  
8 a third-party credit card payment processor. The Company recognizes growing customer  
9 dissatisfaction with high credit card convenience fees follows the customer experience  
10 with other purchases where credit card fees are embedded in the market price of the  
11 goods or service rather than made visible as an added fee. As the Company gains greater  
12 insights into the various customer segments in our service territories we recognize that  
13 many customers prefer to make credit card payments and some would prefer to make  
14 several smaller payments versus a larger single monthly payment. Research suggests -  
15 and our experience is - that customers have been rapidly shifting to electronic payment  
16 channels and the use of credit cards.  
17

18 The Company is proposing to transition to a hybrid approach whereby the third-party  
19 credit card payment processor would charge customers \$1.00 per credit card transaction  
20 (for the first transaction in a month) and charge the balance of the fees to the Company,  
21 which would then be included in test year operating expenses. The Company also is  
22 proposing that the maximum amount that can be charged in each transaction by the  
23 customer is \$750. Additional transactions would continue to be charged the full \$3.50  
24 convenience fee. This approach significantly reduces the credit card fees customers  
25 experience while still aligning the cost recovery with customers who choose to pay via  
26 credit card. Please refer to the Direct Testimony of Dallas J. Dukes for more information.  
27

1 **III. TEP'S PREPAY METERING PROPOSAL.**

2  
3 **Q. Why is TEP proposing an optional Prepay program?**

4 A. A Prepay or "Pay-as-you-go" tariff will give our customers a choice regarding the way  
5 they pay their electric bill. The Prepay program also provides an option to bypass certain  
6 deposits and fees that would no longer be needed to guarantee payment. A Prepay  
7 program provides for greater awareness and control over how much energy they are  
8 consuming. Prepaid energy has a well-established track record in Arizona as a popular  
9 option that has been demonstrated to yield energy savings among participants. For  
10 example, the Salt River Project ("SRP") M-Power program currently claims over 80% of  
11 participants as satisfied or very satisfied<sup>1</sup>; and a recent survey of Arizona Public Service  
12 Company's ("APS") prepay program participants yielded top satisfaction scores of 71%  
13 and 78% among two participant groups<sup>2</sup>. The Company will be filing the prepay  
14 program in the TEP Energy Efficiency docket as a part of its portfolio of programs. The  
15 Company will utilize the prepay program to encourage customers to save energy through  
16 conservation. The Company intends to count the programs toward meeting the Energy  
17 Efficiency Standard as it has proven to be cost-effective in other jurisdictions.

18  
19 **Q. Who is eligible for the TEP Prepay program?**

20 A. The TEP Prepay program would be available to most residential customers. However, it  
21 would not be available in situations where any resident at a service address depends on  
22 electrical devices for health-related reasons. The Prepay tariff is a stand-alone tariff  
23 exclusive of certain other pricing options.

24  
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27 <sup>1</sup> [http://www.srpnet.com/environment/earthwise/pdfx/spp/EPRI\\_MPower.pdf](http://www.srpnet.com/environment/earthwise/pdfx/spp/EPRI_MPower.pdf) p 4-3

<sup>2</sup> "Demand Side Management Residential Prepaid Energy Conservation Pilot Program End of Pilot Report," Arizona Public Service Company, p 15.

1 **Q. What specific benefits will TEP customers experience through the Prepay program?**

2 A. The Prepay program offers the following benefits: (i) customer residential service deposit  
3 for surety of payment will be waived; (ii) late payment fees are not assessed for non-  
4 payment; (iii) reconnection/disconnection field service charges are waived; (iv)  
5 participants will not have to pay off past due balances in order to participate when using  
6 the 75/25 debt reduction plan; (v) participants will have access to daily energy use  
7 information to help them understand and control energy usage; (vi) participants will have  
8 access to customizable low balance alerts to assist them in managing their energy use and  
9 payment scheduling; and (vii) TEP will provide energy efficiency tips and other  
10 educational materials.

11  
12 **Q. Describe the Prepay program's 75/25 payment option.**

13 A. Customers with an outstanding account balance are eligible to enroll in the Prepay program  
14 either by paying off their outstanding balance in full prior to enrollment or by electing to  
15 participate in the program's 75/25 debt reduction plan. For customers who choose the  
16 75/25 debt reduction plan, 75% of each payment will be applied to their prepaid energy  
17 balance and the remaining 25% will be applied to reducing their past due balance. For  
18 example, a \$20 payment would yield a customer \$15 in prepaid energy and \$5 in debt  
19 reduction. This feature assists customers in making measured progress towards reducing  
20 their outstanding debt while ensuring the majority of each payment is applied to meeting  
21 their current energy needs.

22  
23 **Q. Will non-participating customers benefit from the addition of a Prepay program?**

24 A. Yes, TEP customers who do not elect to participate in the Prepay program will benefit  
25 indirectly from the incremental improvement in customer-facing technology required to  
26 implement the service. In order to provide Prepay customers with daily energy usage and  
27 account balance data, TEP will need to enhance and upgrade the interface between its

1 Meter Data Management (“MDM”) hub and Customer Care and Billing (“CC&B”) system. Through a new mobile application, customers will be able to manage payments, bill pay, outage notifications and view past and present usage. These system improvements are each necessary components for bringing customers smarter, more interactive energy management tools and programming.

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7 In addition, based on experience with Prepay programs at other utilities, TEP expects the Prepay program to provide an option for customers who may accumulate a past due balance, and assist those customers in avoiding additional charges. TEP expects a reduction in customer bad debts which will translate to a reduction in debt-related carrying costs, debt collection expenses, and write-offs, each lessening the amount of costs to be recovered through rates charged to all customers.

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14 **Q. What protections will be in place for medically fragile and other vulnerable populations?**

15  
16 **A.** TEP recognizes that a series of customer protections were agreed upon among Arizona stakeholders and APS during APS’s Prepay program adjudication (Docket No. E-01345A-10-0075, Decision No. 72214). TEP proposes to adopt similar protections, including:

- 17  
18  
19
- 20 • TEP will ensure all Prepay customers are provided a Prepay Service Agreement and Welcome Packet with educational information about energy efficiency opportunities, and incentives available through TEP and other community partners.
  - 21
  - 22 • TEP will not enroll in Prepay any customers who have not acknowledged that they understand the terms and conditions of the Prepay Service Agreement.
  - 23
  - 24 • TEP will not enroll in Prepay any customers known to have significant medical conditions or who require the assistance of electrically powered medical devices.
  - 25
  - 26 • Customers enrolled in Prepay will receive balance alerts via their preferred communication channel (phone, text, or email), at the thresholds they select, and daily
  - 27

1 low balance alerts when their prefunded energy balance falls to \$19 and below.

- 2 • Disconnections will only occur after a grace period following a No Credit Disconnect  
3 alert. Disconnections will not occur during extreme weather events.  
4 • TEP will document disconnections and provide documentation of disconnection history  
5 to limited-income customers to support bill assistance applications.  
6

7 **Q. Does TEP request a waiver from Arizona Administrative Code (A.C.C.) R14-2-211**  
8 **(Termination of Service) as a component to the Prepay program?**

9 A. Yes, consistent with APS's Prepay program, TEP's Prepay customers would not receive a  
10 written notice prior to disconnection. Instead, customers would receive a No Credit  
11 Disconnect alert via their selected communication channel (phone, email, or text) no less  
12 than two hours before an actual disconnection would occur.  
13

14 **Q. What plans does TEP have for evaluating and analyzing the impacts of the Prepay**  
15 **program?**

16 A. TEP recognizes the value of third-party evaluation in gauging the effectiveness of  
17 customer products. TEP proposes to conduct a third party evaluation of the TEP Prepay  
18 tariff to provide direct feedback and provide the opportunity for comparative analytics.  
19 TEP proposes conducting the initial evaluation of the tariff not less than 24 months after;  
20 (i) the launch of customer enrollment, and (ii) two successive "high bill" seasons.  
21

22 **IV. PROPOSED MODIFICATIONS OF RULES AND REGULATIONS.**  
23

24 **Q. Why is TEP proposing changes to its Rules?**

25 A. TEP is proposing modifications to its Rules to update provisions to meet current  
26 operational needs, better align them with our customers' needs and ultimately provide  
27 better service to our customers. Many of TEP's current Rules were derived from the

1 Arizona Administrative Code (“Code”) which was adopted in 1982, more than 30 years  
2 ago. The most recent changes to the Code were made in the 1990s. Since that time there  
3 have been a number of societal and technological changes that necessitate updating the  
4 Rules to align with current business practices. TEP made significant updates to its Rules  
5 in its last rate case. However, customer needs continue to evolve and we continue to  
6 identify aspects of our Rules that are not as effective as they could be or that could use  
7 further clarification. Some of the proposed revisions are intended to clarify and reorganize  
8 certain provisions of the Rules to make them easier to read and understand and to reduce  
9 potential confusion. The clean version of the Rules is attached as **Exhibit DAS-1**. The  
10 redlined changes to the Rules are attached as **Exhibit DAS-2**.

11  
12 **Q. Will you be describing all of the proposed Rule changes redlined in Exhibit DAS-2?**

13 A. No. We consider many of the changes to be non-substantive and are intended to clean-up  
14 and clarify language in the Rules. Therefore, I am addressing those changes we consider  
15 to be more substantive.

16  
17 **Q. Please describe the specific changes to Section 2, entitled “Definitions”.**

18 A. In Subsection 2.A.26, we added the deleted language from Subsection 5.A.2 regarding the  
19 length of stay to make the definition clearer.

20  
21 In Subsection 2.A.57, a Single Family Dwelling is defined as a permanent structure. The  
22 word “Mobile” can mean a recreational vehicle (“RV”), a travel trailer and/or a  
23 manufactured home. RV’s and travel trailers are not permanent structures, so for that  
24 reason, “Mobile” was exchanged with “Manufactured” in this definition. RV’s and travel  
25 trailers are now specifically listed in Subsection 7.C.7.g of the Rules under “Unusual  
26 Loads” where they are more appropriately addressed due to the type of load.

1 **Q. Why is TEP proposing changes to Section 3, entitled “Establishment of Service”?**

2 A. When a customer calls TEP requesting assistance to pay their bill, TEP offers them a  
3 number of options including due date extensions, payment plans or, if qualified,  
4 information about the Company’s limited-income assistance programs. Because any  
5 related increased credit and collection costs are ultimately passed onto other customers  
6 through TEP’s bad debt expense, we want to minimize the need to accrue those costs.  
7 Further, modifications to Section 3 that better enable the Company’s ability to require  
8 deposits and to retain deposits until customers demonstrate creditworthiness are fair and  
9 reasonable and in the best interest of customers and the Company.

10

11 **Q. Please describe the modifications TEP is proposing regarding the establishment or**  
12 **reestablishment of customer deposits (Subsection 3.B).**

13 A. Establishment or Reestablishment of Deposits.

14 The Company currently has the ability to require a customer to establish or reestablish a  
15 deposit if the customer’s bill is delinquent three or more times over a 12 month period. Put  
16 another way, the Company cannot require a deposit unless the customer’s account is  
17 delinquent three months in a row or one out of every four months over the course of a year.  
18 This is extremely lenient, and inconsistent with commonly accepted practices of reducing  
19 bad debt expense.

20

21 The Company believes it would be more fair and reasonable if TEP had the ability to  
22 require a deposit when a customer’s bill was delinquent two times over a 12 month period.  
23 In addition, the Company should be allowed to require a deposit if, in the last 12 months, a  
24 residential customer has filed for bankruptcy or a non-residential customer’s financial  
25 condition may jeopardize their ability to pay their bill. We believe these modifications  
26 would encourage customers to remain current on their bills, protect customers from  
27 building up large unpaid balances, and help the Company recover past due balances.

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Expiration or Refund of Deposits (Residential).

The Company is proposing to retain a deposit until a customer demonstrates creditworthiness for 12 consecutive months. Currently, deposits from residential customers automatically expire or are returned, after 12 months, if the customer has not been delinquent more than two times – even if the customer has been disconnected for non-payment during this period. TEP believes this policy needs to be modified to allow TEP to retain the deposit if the residential customer has been delinquent two times over a 12 month period. A bill is delinquent after 26 days after the bill date, which gives customers a considerable amount of time to make their payment and remain in good financial standing with the Company. TEP also requests the authority to be able to retain the deposit if the residential customer has been disconnected for non-payment or has filed for bankruptcy within this 12 consecutive month period. This is consistent with APS’s Commission-approved Rules.

Expiration or Refund of Deposits (Non-Residential).

The Company is also proposing modifications to its refund requirements for non-residential customers. Currently, deposits from non-residential customers automatically expire or are returned after 24 consecutive months unless the customer was delinquent three times or was disconnected for non-payment during the most recent 12-month period. The Company is proposing to modify this requirement to automatically expire or return the non-residential customer deposit after 24 months *except when* the customer: (i) was delinquent two times over the past 24 months; (ii) has been disconnected for non-payment during the most recent 12-month period; or (iii) the customer’s financial condition may jeopardize their ability to pay their bill.

1 **Q. Please describe other specific changes to Section 3, entitled “Establishment of**  
2 **Service”.**

3 A. In Subsection 3.A.4, we changed “excessive” to “substantial” because TEP does not take  
4 part in projects that require an excessive investment in facilities, only a substantial  
5 investment.

6  
7 Subsection 3.B.2 was deleted as the payment of a deposit is reflected on a customer’s  
8 billing statement and acts as the receipt for the deposit. With the deletion of 3.B.2, the  
9 subsequent Subsections were renumbered accordingly.

10  
11 Subsection 3.C.4 was deleted and language in 3.C.5 was deleted because the need to attach  
12 a meter loop to an approved support is a universal condition and is required for any meter  
13 loop, regardless of whether it is a mobile home, temporary service, or any other meter  
14 loop. These changes simplify the Rules.

15  
16 Language has been added to Subsection 3.D.1 and Subsection 3.D.11 to address  
17 circumstances where an applicant for service has an affiliate with common ownership that  
18 has a delinquent balance from a prior account. TEP has experienced situations where  
19 service requests are manipulated in a way that increases delinquent accounts and,  
20 ultimately, bad debt. This revision is intended to mitigate the problem.

21  
22 Subsection 3.F.4 was added to be consistent with UNS Electric’s Rules regarding  
23 Temporary Service.

24  
25 Section 3.H was deleted because it is not the Company’s current practice.  
26  
27

1 In Subsection 3.I.4, the phrase “or other person benefitting from the service” has been  
2 clarified because there are times when there is no customer of record and the occupant or  
3 landlord is the responsible party.

4  
5 Language was added under Subsection 3.I ‘Access’ to include other circumstances where  
6 the Company would need access to a customer’s premises.

7  
8 Subsection 3.J has been added regarding customer-specific information. This language is  
9 consistent with the A.A.C. R14-2-203.A.2. Moreover, the section now provides how the  
10 customer authorization may be obtained.

11  
12 **Q. Please describe the changes to Section 5, entitled “Master Metering”.**

13 A. Subsection 5.A.2 was deleted because the description is listed in the definition under  
14 Subsection 2.A.26.

15  
16 **Q. Please describe the changes to Section 6, entitled “Service Lines and Establishments”.**

17 A. Subsection 6.G has been proposed to provide a rule for the circumstance where the  
18 Company discovers that a customer’s privately owned underground service cable has  
19 failed. This new language simply reflects the Company’s current practice.

20  
21 **Q. Please describe the changes to Section 7, entitled “Line Extensions”.**

22 A. In Subsection 7.C.2.a.v, we changed “mobile” to “manufactured” because a mobile home  
23 should not fall under the subdivision extension type, it should fall under Unusual Loads,  
24 Subsection 7.C.7.g, or the regular line extension requirements listed in Subsection 7.C.1, as  
25 applicable.

26

27

1 Language was added to Subsection 7.C.6, to reflect the Company's current practice. It is  
2 not a substantive change but rather, clarifies what the current practice is and that this  
3 practice is supported by other references in the Rules.

4  
5 Language was added to Subsection 7.C.7.g to clarify the definition of unusually small  
6 loads and balance the risk of unrecovered costs from customers with semi-permanent  
7 structures, such as RVs and travel trailers. The added language allows these customers an  
8 opportunity to obtain a refund if their revenue meets the minimum requirement and is  
9 consistent with the standard refund rules in Subsection 7.C.1.c of the Rules.

10  
11 Changes were made to Subsection 7.D, regarding tax gross-ups to clarify how the rules are  
12 to be applied. In addition, Subsection 7.D.4.a has been added for advances in aid of  
13 construction ("AIAC"), which is similar to 7.D.3.a for contributions in aid of construction  
14 ("CIAC").

15  
16 **Q. Please describe the changes to Section 8, entitled "Provision of Service".**

17 A. In Subsection 8.B.4, the Company proposes deleting the language, "regardless of who  
18 owns the meter", because the Company always owns the meter.

19  
20 In Subsection 8.C, the Company added "fluctuation" which is consistent with APS's  
21 Commission-approved Rules.

22  
23 The current liability limitation language in Subsection 8.F.3 is focused on limitations on  
24 the Company's liability to customers for damages arising from the Company's provision of  
25 electric service. The language does not clearly address liability limitations related to third  
26 parties. The Arizona Court of Appeals recently addressed the appropriate scope of utility  
27 liability limitations and upheld limitations on utility liability to non-customers. Such a

1 limitation acts to protect utility customers against undue expenses that may result in higher  
2 rates. Therefore, we are clarifying our liability limitation language in Section 8.F.3 to meet  
3 the ruling of the Court of Appeals and further protect our customers from potential liability  
4 to third-parties.

5  
6 **Q. Please describe the changes to Section 10, entitled “Meter Reading”.**

7 A. Subsection 10.B.4 was deleted because we no longer have meters that contain charts.

8  
9 A new Subsection 10.B.4 was added regarding the use of digital meters. The industry is  
10 moving towards replacing analog meters with digital meters that can be read remotely over  
11 a fixed network. TEP’s MDM system permits the Company to read meters remotely by  
12 using interval data. Our system can bill based on a summation of the interval data instead  
13 of separate register reads. This provides cost savings to customers through the utilization  
14 of less expensive meters. This will also save money and labor when rates change; and the  
15 meters do not need to be reprogrammed at each individual service.

16  
17 Subsection 10.H has been inserted to reference the Automated Meter Opt-Out program and  
18 the charges associated with the program. Please refer to the Direct Testimony of Craig A.  
19 Jones for more information.

20  
21 **Q. Please describe the changes to Section 11, entitled “Billing and Collection”.**

22 A. Subsection 11.A.5.f was added to describe another example of when the Company may  
23 need to estimate a bill.

24  
25 In Subsection 11.A.7, “one month” was changed to “two months” in order to be consistent  
26 with Subsection 11.A.4.

1 In Subsection 11.B.2.k, we added “Other ACC-approved charges”, which are listed on the  
2 customer’s bill.

3  
4 Subsection 11.C.5 was added to be consistent with UNS Electric’s Rules regarding late  
5 payment fees. This language simply reflects the Company’s current practice.

6  
7 In Subsection 11.F.3.b, we added another example of when we would be able to back bill  
8 to the date service was established.

9  
10 We added Subsection 11.F.3.e as an example of when the Company would be able to back  
11 bill.

12  
13 In Subsection 11.H, we added clarifying language to our Budget Billing program.

14  
15 In Subsection 11.I.2.c, we reduced the number of monthly installments from six to three  
16 months, because it is the same period allowed for corrected charges for residential under  
17 billings.

18  
19 In Subsection 11.J.3, we added language to include property owners in the case of a  
20 known landlord/tenant situation.

21  
22 **Q. Please describe changes to Section 12, entitled “Termination of Service”.**

23 **A.** TEP proposes to add a new Subsection 12.H, which describes situations where the  
24 Company may install a load-limiting meter in lieu of disconnecting service for non-  
25 payment in the case of customers who have accumulated debt equivalent to a three-month  
26 bill and who also have a medical alert designation.

27

1 **Q. Please describe changes to Section 15, entitled “Temporary Service or Cyclical**  
2 **Usage”.**

3 A. Language from Subsection 7.C.7.d was added to Subsection 15.A, which reflects the  
4 Company’s current practice.

5

6 **V. ELIMINATION OF CERTAIN COMPLIANCE REQUIREMENTS.**

7

8 **Q. Is TEP requesting that certain existing compliance requirements be eliminated as**  
9 **part of this case?**

10 A. Yes. TEP has identified several compliance requirements that are outdated or that  
11 arguably have been superseded by subsequent Commission action. For example, there  
12 are several requirements related to the Commission’s Retail Electric Competition Rules.  
13 I have set forth the list of compliance requirements that we are proposing to eliminate in  
14 **Exhibit DAS-3.**

15

16 **Q. Does this conclude your Direct Testimony?**

17 A. Yes.

18

19

20

21

22

23

24

25

26

27

**Exhibit DAS-1**



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**SECTION 1**

**APPLICABILITY OF RULES AND REGULATIONS AND DESCRIPTION OF SERVICE**

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

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**SECTION 2  
DEFINITIONS**

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

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**SECTION 2  
DEFINITIONS  
(continued)**

14. Demand: The rate at which power is delivered during any specified period of time. Demand may be expressed in kilowatts, kilovolt-amperes, or other suitable units.
15. Disabled: A person with a physical or mental condition which substantially contributes to the person's inability to manage his or her own resources, carry out daily living activities, or protect oneself from neglect or hazardous situations without assistance from others.
16. Distribution Lines: The Company's lines operated at distribution voltage, which are constructed along public roadways or other bona fide rights-of-way, including easements on Customer's property.
17. Elderly: A person who is 65 years of age or older.
18. Electronic Billing: Optional billing service whereby Customers may elect to receive, view and pay their bills electronically.
19. Energy: Electric energy, expressed in kilowatt-hours.
20. Illness: A medical ailment or sickness for which a residential Customer obtains a verified document from a licensed medical physician stating the nature of the illness and that discontinuance of service would be especially dangerous to the Customer's health.
21. Interruptible Electric Service: Electric service that is subject to interruption as specified in the Company's Rate.
22. Kilowatt ("kW"): A unit of power equal to 1,000 watts.
23. Kilowatt-Hour ("kWh"): The amount of electric energy delivered in one hour at a constant rate of one kilowatt.
24. Law: Any statute, rule, order or requirement established and enforced by government authorities.
25. Line Extension: The lines and equipment necessary to extend the electric distribution system of the Company to provide service to additional Customers.
26. Long-Term Rental Mobile Home Park: A park which is finish-graded and has permanently paved roadways, sewer and water connections, and which provides rental spaces to permanent and semi-permanent occupants, where the average length of stay is a minimum of six (6) months of mobile homes, manufactured homes, RVs, or travel trailers which are owned either by the occupant or by other persons.
27. Master Meter: A meter for measuring or recording the flow of electricity at a single location before distribution to tenants or occupants for their individual usage.
28. Megawatt ("MW"): Unit of power equal to 1,000,000 watts.

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**SECTION 2**  
**DEFINITIONS**  
(continued)

29. Meter: The instrument and any associated equipment used for measuring, indicating or recording the flow of electricity that has passed through it.
30. Meter Tampering: A situation in which a meter has been illegally altered, including, but not limited to: meter bypassing; use of magnets to slow the meter recording; and broken meter seals.
31. Minimum Charge: The amount the Customer must pay for the availability of electric service, including an amount of usage, as specified in the Company's Rates.
32. Month: The period between any two (2) regular readings of the Company's meters at approximately thirty (30) day intervals.
33. On-site Generation: Any and all power production generated on or adjacent to a Customer's property that is controlled, utilized, sold, or consumed by said Customer or its agent.
34. Pad Mounted Elbow Switchgear Cabinet ("PME Switchgear Cabinet"): A 3-phase pad mounted switchgear used within an underground distribution system.
35. Permanent Customer: A Customer who is a tenant or owner of a service location who applies for and receives permanent electric service.
36. Permanent Service: Service which, in the opinion of the Company, is of a permanent and established character. The use of electricity may be continuous, intermittent, or seasonal in nature.
37. Person: Any individual, partnership, firm, corporation, governmental agency, or other organization operating as a single entity.
38. Point of Delivery: In all cases, unless otherwise specified, "point of delivery" is the location on the Customer's building, structure, or premises where all wires, conductors, or other current-carrying devices of the Customer join or connect with wires, conductors, or other current-carrying devices of the Company. The Company will determine the point of delivery in accordance and based on the specific design specifications, relevant and appropriate technical standards and specifications, rate schedules and construction standards as applicable to the specific situation. Location and type of metering facilities will be determined by the Company and may or may not be at the same location as the point of delivery.
39. Power: The rate of generating, transferring and/or using electric energy, usually expressed in kilowatts.
40. Power Factor: The ratio of real or active power ("kW") to apparent or reactive power ("kVA").
41. Premises: All of the real property and apparatus employed in a single enterprise on an integral parcel of land undivided by public streets, alleys or railways.

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**SECTION 2**  
**DEFINITIONS**  
(continued)

42. Primary Service and Metering: Service supplied directly from the Company's high voltage distribution or transmission lines without prior transformation to a secondary level.
43. Rates: The charge(s), related term(s) and conditions of the Company's tariffs.
44. Residential Subdivision: Any platted tract of land which has been divided into six or more contiguous lots with an average size of one acre or less for use for the construction of residential buildings or permanent manufactured homes for either single or multiple occupancy.
45. Residential Use: Service to Customers using electricity for domestic purposes such as space heating, air conditioning, water heating, cooking, clothes drying, and other residential uses, including use in apartment buildings, manufactured home parks, and other multi-unit residential buildings.
46. Rules and Regulations or Company Rules: These Rules and Regulations that are part of the Company's Tariffs and Rates.
47. Secondary Service: Service supplied at secondary voltage levels from the load side of step-down transformers connected to the Company's high voltage distribution lines.
48. Service Area: The territory in which the Company has been granted a certificate of convenience and necessity and is authorized by the Commission to provide electric service.
49. Service Classifications: Service classifications will be those provided by the filed rates.
50. Service Drop: The overhead service conductors from the last Company-owned pole or other aerial support to and including the splices, if any, connecting to the Customer's service entrance conductors at a building or other structure.
51. Service Establishment Charge: The charge as specified in the Company's Rates which covers the cost of establishing a new account.
52. Service Lateral: The underground service conductors between the street main, including any risers at a pole or other structure or from transformers, and the first point of connection to the Customer's service entrance conductors in a terminal box or meter or other enclosure with adequate space, inside or outside the building wall.
53. Service Line: The last line extending from a distribution line or transformer to the Customer's premises or point of delivery.
54. Service Point: Unless otherwise stated, all references to "service point" in this agreement will refer to an installed service, identified by a Universal Node Identifier ("UNI").

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**DEFINITIONS**  
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55. Service Reconnection Charge: The charge as specified in the Company's Rates which must be paid by the Customer prior to reestablishment of electric service each time the electricity is disconnected for nonpayment or whenever service is otherwise discontinued for failure to comply with the Company's Rates or Rules and Regulations.
56. Service Reestablishment Charge: A charge as specified in the Company's Rates for service at the same location where the same Customer had ordered a service disconnection within the preceding twelve-month period.
57. Single Family Dwelling: A house, apartment, or a manufactured home permanently affixed to a lot, or any other permanent residential unit which is used as a permanent home.
58. Single-Phase Service: Two (2) or Three (3) wire service.
59. Tariffs: The terms and conditions of the services offered by the Company, including a schedule of the rates and charges for those services.
60. Temporary Service: Service to premises or enterprises which are temporary in character, or where it is known in advance that the service will be of limited duration. Service which, in the opinion of the Company, is for operations of a speculative character is also considered temporary service.
61. Three-Phase Service: Four (4) wire service.
62. Universal Node Identifier ("UNI"): A unique, permanent identification number assigned to each service Point of Delivery.
63. Weather Especially Dangerous to Health: That period of time commencing with the scheduled termination date when the local weather forecast, as predicted by the National Oceanic and Atmospheric Administration, indicates that the temperature will not exceed 32 degrees Fahrenheit for the next day's forecast.

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**SECTION 3**  
**ESTABLISHMENT OF SERVICE**

A. Information from New Applicants

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

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**SECTION 3**  
**ESTABLISHMENT OF SERVICE**  
(continued)

B. Deposits

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

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

- a. The Applicant has had service with the Company within the past two (2) years and was not delinquent in payment during the last twelve (12) consecutive months of service and was never disconnected for nonpayment; or
  - b. The Applicant can produce a letter of credit or verification from an electric utility where service of a comparable nature was last received by Applicant which states Applicant had a timely payment history at time of service discontinuation; or
  - c. Instead of a deposit, the Company receives deposit guarantee notification from a social or governmental agency acceptable to the Company. A surety bond may be provided as security for the Company in an amount equal to the required deposit.
2. Cash deposits held by the Company twelve (12) months or longer will earn interest at the established one-year Treasury Constant Maturities rate, effective on the first business day of each year, as published on the Federal Reserve website.
  3. Residential Customers – The Company may require a residential Customer to establish or reestablish a deposit if the Customer becomes delinquent in the payment of two (2) bills or has been disconnected from service during the last twelve (12) months.

Deposits or other instruments of credit will automatically expire or be refunded or credited to the Customer's account, after twelve (12) consecutive months of service following full payment of deposit during which time the Customer has not been delinquent two (2) times or has not been disconnected for non-payment, unless the Customer has filed bankruptcy in the last twelve (12) months.

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- 4. Non-Residential Customers – The Company may require a non-residential Customer to establish or reestablish a deposit if the Customer becomes delinquent in the payment of two (2) bills, or if the Customer has been disconnected for non-payment during the last twelve (12) months, or when the Customer's financial condition may jeopardize the payment of their bill.

Deposits and non-cash deposits on file with the Company will be reviewed after twenty-four (24) consecutive months of service and will be returned provided the Customer has not been delinquent two (2) times or disconnected for non-payment in the most recent twelve (12) month period, unless the Customer's financial condition warrants extension of the deposit.

**[Subsection 3.B.4 has not been deleted; it has been moved to Subsection 3.B.3.]**

- 5. The Company may review the Customer's usage after service has been connected and adjust the deposit amount based upon the Customer's actual usage.
- 6. A separate deposit may be required for each meter installed.
- 7. Residential Customer deposits will not exceed two (2) times that Customer's estimated average monthly bill. Non-residential Customer deposits will not exceed two and one-half (2.5) times that Customer's maximum estimated monthly bill. If actual usage history is available, then that usage, adjusted for normal weather, will be the basis for the estimate.
- 8. The posting of a deposit will not preclude the Company from terminating service when the termination is due to the Customer's failure to perform any obligation under the agreement for service or any of these Rules and Regulations.

C. Conditions for Supplying Service

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

- 1. Customer has wired his premises in accordance with the National Electric Code, City, County and/or State codes, whichever are applicable.
- 2. If the Company determines that there is a reasonable basis to believe that the Customer's premises poses a safety risk to Company employees, then the Company may, at its option, install a meter or facilities with remote connect and/or disconnect capabilities.

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**SECTION 3**  
**ESTABLISHMENT OF SERVICE**  
(continued)

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

D. Grounds for Refusal of Service

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

1. When the Applicant or affiliate of the Applicant with common ownership has an outstanding amount due for the same class of electric service with the Company and the Applicant is unwilling to make satisfactory arrangements with the Company for payment, in such cases, the Company shall be entitled to transfer the balance due or credit owed on the terminated service to any other active account of the Customer for the same class of service. The failure of the Customer to pay the active account shall result in the suspension or termination of service.

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**SECTION 3  
ESTABLISHMENT OF SERVICE  
(continued)**

2. A condition exists which in the Company's judgment is unsafe or hazardous to the Applicant, the general population, or the Company's personnel or facilities.
  3. The Applicant refuses to provide the Company with a deposit when the Customer has failed to meet the credit criteria for waiver of deposit requirements.
  4. Customer is known to be in violation of the Company's Rates or Rules and Regulations.
  5. Customer fails to furnish the funds, service, equipment, and/or rights-of-way necessary to serve the Customer and which have been specified by the Company as a condition for providing service.
  6. Customer fails to provide safe access to the meter that would be serving the Customer.
  7. Applicant falsifies his or her identity for the purpose of obtaining service.
  8. Service is requested by an Applicant and a prior Customer, who is either living with the Applicant, or who is an occupant of the premises who owes a debt to the Company from the same class of service from the same or a prior service address.
  9. The Applicant is acting as an agent for a prior Customer who is deriving benefits from the energy supplied and who owes a delinquent bill from the same class of service from the same or a prior service address.
  10. There is evidence of tampering or energy diversion.
  11. Where the Company has a reasonable belief that the Applicant has common ownership with an affiliate that owes a delinquent bill for the same class of service.
- E. Service Establishment, Reestablishment and Reconnection Charge
1. The Company will make a charge, as approved by the Commission for service transfer for meter reads only set forth as Fee No. 1 in the TEP Statement of Charges.
  2. The Company will make a charge, as approved by the Commission for the establishment, reestablishment or reconnection of service under usual operating procedures for single-phase service only during regular business hours. The charge is set forth as Fee No. 4 in the TEP Statement of Charges.

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**SECTION 3  
ESTABLISHMENT OF SERVICE  
(continued)**

3. Should single-phase service be established, reestablished or reconnected during a period other than regular business hours, at the Customer's request, the Customer will be required to pay an after-hours charge for the service connection set forth as Fee No. 5 in the TEP Statement of Charges. Where the Company's scheduling will not permit service establishment, reestablishment or reconnection of service on the same day as requested, the Customer may elect to pay the after-hours charge for establishment that day or service will be established on the next available business day. Even so, a Customer's request to have the Company establish service after-hours is subject to the Company having staff available; there is no guarantee that the Company will have the staffing available for service establishment, reestablishment or reconnection of service outside of regular business hours.
4. The Company will make a charge, as approved by the Commission for service establishment or reestablishment other than service reads under usual operating procedures, for three-phase service only, during regular business hours set forth as Fee No. 6 in the TEP Statement of Charges.
5. Should three-phase service be established, reestablished or reconnected during a period other than regular business hours at the Customer's request, the Customer will be required to pay an after-hours charge for the service connection set forth as Fee No. 7 in the TEP Statement of Charges. Where the Company's scheduling will not permit service establishment on the same day as requested, the Customer may elect to pay the after-hours charge for establishment, reestablishment or reconnection of service that day or service will be established on the next available business day. Even so, a Customer's request to have the Company establish service after-hours is subject to the Company having Staff available; there is no guarantee that the Company will have the staffing available for service establishment, reestablishment or reconnection of service outside of regular business hours.
6. For the purpose of this Rule, the definition of service establishment is where the Applicant's facilities are ready and acceptable to the Company, the Applicant has obtained all required permits and/or inspections indicating that the Applicant's facilities comply with local construction safety and governmental standards and regulations, and the Company needs only to install a meter, read a meter, or turn the service on.
7. Reconnection Charge: Whenever the Company has discontinued service under its usual operating procedures because of any default by the Customer as provided herein, a reconnection charge not to exceed one of the charges for the reestablishment of service set forth as Fee Nos. 4-7 in the TEP Statement of Charges will be made and may be collected by the Company before service is restored. When, due to the behavior of the Customer, it has been necessary to discontinue service utilizing other than usual operating procedures, the Company will be entitled to charge Fee No. 8 to restore service as set forth in the TEP Statement of Charges.

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**SECTION 3  
ESTABLISHMENT OF SERVICE  
(continued)**

F. Temporary Service

1. Applicants for temporary service may be required to pay Line Extension charges in accordance with Subsection 7.C.7.d. and Section 15 of the Rules.
2. Where the duration of service is to be less than one (1) month, the Applicant may also be required to advance a sum of money equal to the estimated bill for service.
3. Where the duration of service is to exceed one (1) month, the Applicant may also be required to meet the deposit requirements of the Company.
4. If at any time during the term of the agreement for service the character of a temporary Customer's operations changes so that, in the opinion of the Company, the Customer is classified as permanent, the terms of the Company's Line Extension rules will apply.

G. Identification of Load and Premises

Upon request of the Company, the electric load and premises to be served by the Company must be clearly identified by the Customer at the time of application. If the service address is not recognized in terms of commonly used identification system, the Customer may be required to provide specific written directions and/or legal descriptions before the Company will be required to act upon a request for electric service.

H. Tampering With or Damaging Company Equipment

1. The Customer agrees, when accepting service that no one except authorized Company employees or agents of the Company will be allowed to remove or replace any Company-owned equipment installed on Customer's property.
2. No person, except an employee or agent acting on behalf of the Company will alter, remove, or make any connection to the Company's meter or service equipment.
3. No meter seal may be broken or removed by anyone other than an employee or agent acting on behalf of the Company; however, the Company may give its prior consent to break the seal by an approved electrician employed by a Customer when deemed necessary by the Company.

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**SECTION 3  
ESTABLISHMENT OF SERVICE  
(continued)**

4. The Customer will be held responsible for any broken seals, tampering, or interfering with the Company's meter(s) or any other Company-owned equipment installed on the Customer's premises. In cases of tampering with meter installations, interfering with the proper working thereof, or any tampering, interfering, theft, or service diversion, including the falsification of Customer-read meter readings, Customer will be subject to immediate discontinuance of service. The Company will be entitled to collect from the Customer or other person benefiting from the service, under the appropriate Rate, for all power and energy not recorded on the meter as the result of such tampering, or other theft of service, and also additional security deposits as well as all expenses incurred by the Company for property damages, investigation of the illegal act, and all legal expenses and court costs incurred by the Company.
5. The Customer will be held liable for any loss or damage occasioned or caused by the Customer's negligence, want of proper care or wrongful act or omission on the part of any Customer's agents, employees, licensees or contractors.

I. Access

1. The Customer is responsible for providing safe access to Company facilities. The Company's authorized agents shall have satisfactory unassisted twenty-four (24) hour a day, seven (7) days a week access to the Company's equipment located on Customer's premise for the purpose of service connection, service disconnection, operation, maintenance, repair and service restoration work that the Company may need to perform.
2. If additional resources are required to gain safe access to perform service establishment, disconnection, meter reading, or routine maintenance, due to an affirmative, wrongful, and/or criminal act by the Customer, the Company will be entitled to collect from the Customer all expenses incurred by the Company for additional resources including: investigation of access, all legal expenses, and court costs.

J. Customer-Specific Information

Customer-specific information shall not be released without specific prior Customer authorization unless the information is requested by law enforcement or other public agency, or is requested by the Commission or its staff, or is reasonably required for legitimate account collection activities, or is necessary to provide safe and reliable service to the Customer. Such Customer authorization may be obtained electronically, in writing, or orally, as long as the oral authorization is recorded.

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**SECTION 4  
MINIMUM CUSTOMER INFORMATION REQUIREMENTS**

A. Information for Customers

1. The Company will make available upon Customer request not later than sixty (60) days from the date of the request, a concise summary of the rate schedule applied for by the Customer. The summary will include the following:
  - a. The monthly minimum or Customer charge, identifying the amount of the charge and the specific amount of usage included in the minimum charge, where applicable;
  - b. Rate blocks, where applicable;
  - c. Any adjustment factor(s) and method of calculation; and
  - d. Demand charge, where applicable.
2. Upon request of the Customer, either at the time of application or after, the Company will use its best efforts to assist the Customer in choosing an appropriate Rate. However, upon application for service or upon request for assistance, the Applicant or the Customer will elect the applicable Rate best suited to his requirements. The Company may assist in making this election, but will not be held responsible for notifying the Customer of the most favorable Rate and will not be required to refund the difference in charges under different Rates. The Customer is solely responsible for selecting the Rate the Customer believes is appropriate. If no Rate is selected; the Customer will be placed on the most common Rate for the class of service and the Company will not be liable to refund the difference in charges had the Customer been placed on different Rates.
3. Upon written notification of any material changes in the Customer's installation or load conditions, the Company will assist in determining if a change in Rates is desirable, but not more than one (1) such change at the Customer's request will be made within any twelve-month period.
4. The supply of electric service under a residential rate 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.

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**SECTION 4**  
**MINIMUM CUSTOMER INFORMATION REQUIREMENTS**  
(continued)

5. Upon Customer request the Company will make available within sixty (60) days from date of service commencement, a concise summary of the Company's Rates or the Commission's Rules and Regulations concerning:
    - a. Deposits;
    - b. Termination of service;
    - c. Billing and collection; and
    - d. Complaint handling.
  6. Upon request of a Customer, the Company will transmit a written statement of actual consumption for each billing period during the prior twelve (12) months unless this data is not reasonably ascertainable. But the Company will not be required to accept more than one such request from each Customer in a calendar year. Even so, the Company will charge a fee as set forth as Fee No. 17 in the TEP Statement of Charges for providing consumption, interval or other data to the Customer.
  7. The Company will inform all new Customers of their right to obtain the information specified above.
- B. Information Required Due to Changes in Rates
1. The Company will transmit to affected Customers a concise summary of any change in the Company's Rates affecting those Customers.
  2. This information will be transmitted to the affected Customer within sixty (60) days of the effective date of the change.

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**SECTION 5  
MASTER METERING**

- A. Mobile Home Parks - New Construction/Expansion
1. The Company will refuse service to all new construction and/or expansion of existing permanent residential mobile home parks unless the construction and/or expansion are individually metered by the Company. Line extensions and service connections to serve this new construction and/or expansion will be governed by these Rules and Regulations.
  2. For the purpose of this rule, expansion means the acquisition of additional real property for permanent residential spaces in excess of that existing at the effective date of this rule.
- B. Residential Apartment Complexes, Condominiums, and other Multi-unit Residential Buildings
1. Master metering will not be allowed for new construction of apartment complexes and condominiums unless the building(s) will be served by a centralized heating, ventilation and/or air conditioning system and the contractor can provide to the Company an analysis demonstrating that the central unit will result in a favorable cost/benefit relationship.
  2. At a minimum, the cost/benefit analysis will consider the following elements for a central unit as compared to individual units:
    - a. Equipment and labor costs;
    - b. Financing costs;
    - c. Maintenance costs;
    - d. Estimated kWh usage;
    - e. Estimated kW demand on a coincident demand and non-coincident demand basis (for individual units);
    - f. Cost of meters and installation; and
    - g. Customer accounting cost (one account vs. several accounts).

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**SECTION 6  
SERVICE LINES AND ESTABLISHMENTS**

A. Priority and Timing of Service Establishments

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

B. Service Lines

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

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**SECTION 6**  
**SERVICE LINES AND ESTABLISHMENTS**  
(continued)

- c. Where the meter or service line location on the Customer's premises is changed at the request of the Customer or due to alterations on the Customer's premises, the Customer, at his expense, must provide and have installed all wiring and equipment necessary for relocating the meter and service line connection. The Company will assess a charge for moving the meter and/or service line.
  - d. Customer will provide access to the main switch or breaker for disconnecting load to enable safe installation and removal of Company meters.
2. Overhead Service Connections - Secondary Service
- a. For the initial service drop where the Company's distribution pole line is located on the Customer's premises or on a street, highway, lane, alley, road or private easement immediately contiguous thereto, the Company will, at its own expense, furnish and install a single span of service drop line (up to 500 feet in total) from its pole to the Customer's point of attachment, provided such attachment is at the point of delivery and is of a type and so located that the service drop wires may be installed in a manner approved by the Company in accordance with good engineering practice, and in compliance with all applicable laws, ordinances, rules and regulations, including those governing clearance and points of attachment.
  - b. Whenever any of the clearances required by the applicable laws, ordinances, rules or regulations of public authorities or standards of the Company from the service drops to the ground or any object becomes impaired by reason of any changes made by the owner or tenant of the premises, the Customer will, at his own expense, provide a new and approved support, in a location approved by the Company, for the termination of the Company's service drop wires and will also provide all service entrance conductors and equipment necessitated by the change of location.
  - c. For each overhead service connection, the Customer will furnish, at his own expense, a set of service entrance conductors that will extend from the point of delivery at the point of termination of the Company's service drop on the Customer's support to the Customer's main disconnect switch. These service entrance conductors will be of a type and be in an enclosure which meets with the approval of the Company and any inspection authorities having jurisdiction.
  - d. The cost of any service line footage, in excess of that allowed at no charge, will be paid for by the Customer as set forth in the TEP Statement of Charges and will be treated as a contribution in aid of construction.

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SERVICE LINES AND ESTABLISHMENTS  
(continued)**

3. Underground Service Connections – Secondary Service
  - a. In areas where the Company maintains an underground distribution system, individual services will be underground.
  - b. Whenever the Company's underground distribution system is not complete to the point designated by the Company where the service lateral is to be connected to the distribution system, the system may be extended in accordance with Section 7.
  - c. For an initial underground service connection of single-phase service, the Company will install a service lateral from its distribution line to the Customer's Company-approved termination facilities under the following conditions (unless otherwise agreed to by the Company and the Applicant):
    - i. The Customer, at his expense, will provide the necessary trenching, conduit, conduit installation, backfill, landscape restoration and paving and will furnish, install, own and maintain termination facilities on or within the building to be served.
  - d. The Company, at its expense (up to 500 feet in total), will furnish, install, own, and maintain the underground single-phase service cables to the Customer's Company-approved termination facilities.
  - e. The Company will determine the minimum size and type of conduit and conductor for the single-phase service. The Customer will furnish and install the conduit system, including pull ropes. The ownership of this conduit or duct will be conveyed to the Company, and the Company will thereafter maintain this conduit or duct. The maximum length of any service conductor will be determined by the Company in accordance with accepted engineering practice in determining voltage drop, voltage flicker, and other relevant considerations.
  - f. The cost of any underground service line footage, in excess of that allowed at no charge, will be paid for by the Customer as set forth in the TEP Statement of Charges and will be treated as a contribution in aid of construction.
  - g. For three-phase service, the Customer will also provide, at his expense, all facilities, including conductors and conduit, beyond the Company-designated point of delivery

C. Easements and Rights-of-Way

1. At no cost to the Company, each Customer must grant adequate easements and rights-of-way satisfactory to the Company to ensure that Customer's proper service connection. Failure on the part of the Customer to grant adequate easements and rights-of-way will be grounds for the Company to refuse service.

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**SERVICE LINES AND ESTABLISHMENTS**  
(continued)

2. When the Company discovers that a Customer or his agent is performing work, has constructed facilities, or has allowed vegetation to grow adjacent to or within an easement or right-of-way and such work, construction, vegetation or facility poses a hazard or is in violation of federal, state or local laws, ordinances, statutes, rules or regulations, or significantly interferes with the Company's access to equipment, the Company will notify the Customer or his agent and will take whatever actions are necessary to eliminate the hazard, obstruction or violation at the Customer's expense.

D. Number of Services to be Installed

Unless otherwise provided herein, or in a rate schedule or contract, the Company will not install more than one service, either overhead or underground, for any one building or group of buildings on a single premise. Separate services may be installed for separate buildings or group of buildings where necessary for the operating convenience of the Company, where provided for in Rates, or where required by law or local ordinance.

E. Multiple Service Points

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

F. Temporary Service

For service that is temporary in nature or for operations of a speculative character or questionable permanency the Customer will be charged the cost of establishing and removing the temporary service. Refer to Section 15 of the Rules for additional information regarding temporary service.

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**SECTION 6  
SERVICE LINES AND ESTABLISHMENTS  
(continued)**

G. Customer-Owned Cable

When a residential Customer's privately owned underground service cable has failed, the Customer has two (2) options:

1. The Customer can have their cable repaired by a private electrical contractor which must comply with local governmental codes and ordinances; or
2. The Customer can bring their service entrance up to current Company standards. The Customer will be required to provide a service trench, conduit, conduit installation, backfill, landscape restoration and paving. The Company will furnish, install, own and maintain its underground single-phase cables to the Customer's Company-approved Point of Delivery.

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**SECTION 7  
LINE EXTENSIONS**

Introduction

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

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

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

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

A. General Requirements

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

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**SECTION 7  
LINE EXTENSIONS  
(continued)**

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

**B. Minimum Written Agreement Requirements**

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

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**LINE EXTENSIONS**  
(continued)

C. Line Extension Requirements

1. Overhead Extensions to Individual Applicants

a. Line Extension Allowance

Upon the Applicant's satisfactory completion of required site improvements, the Company will make extensions from its existing facilities of proper voltage and adequate capacity at the Company's expense up to five hundred (500) feet except where excluded in Section 7.C.1.d., Section 7.C.7., and Section 15. The distance of five hundred (500) feet is to be measured by the shortest feasible route along public streets, roads, highways, or suitable easements from the existing facilities to the Applicant's nearest point of delivery and inclusive of the service drop and is for initial site improvements, as determined by the Company, only.

b. Extensions in Excess of Line Extension Allowance Distance

The Company will make extensions in excess of five hundred (500) feet per Customer upon receipt of a non-interest bearing, refundable cash deposit with the Company to cover costs of construction computed at the rates shown in the TEP Statement of Charges (for voltages up to 14kV) for each foot of single-phase line extension or for each foot of three-phase line extension in excess of the allowance length and in accordance with Subsection 7.C.2.a.v. (unless otherwise agreed to by the Company and the Applicant).

The foregoing charges shown in the TEP Statement of Charges are based on the Company's current average cost of construction of 14kV distribution lines. The Company will review its costs periodically and will file a Rate revision when such costs have changed by more than ten percent (10%) since the last revision of costs. Such revisions will be subject to approval by the Commission before becoming effective.

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

c. Method of Refund

i. After a period of twelve (12) months from the date the Company is initially ready to render service from an extension, seventy-five percent (75%) of any revenue received from the Customer in excess of the footage allowance during that period will be applied toward refunding the line extension deposit.

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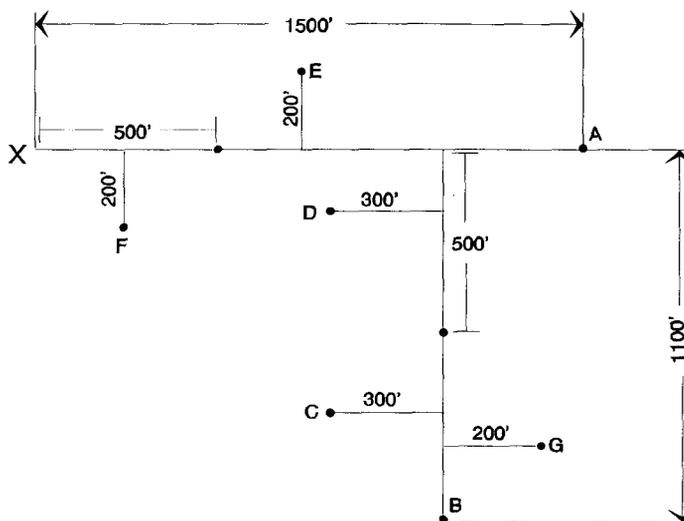
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ii. Deposit refunds will be made to a depositor when separately metered Customers are served directly from the 14kV line extension originally constructed to serve said depositor, providing the new line extension is less than five hundred (500) feet in distance, and the Customer to be served occupies a permanent structure designed for continued occupancy for either residential or business purposes, meeting established municipal, county or state codes as applicable.

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

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

A pictorial explanation of the method of refund for a single-phase line extension is as follows:





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

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

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

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

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

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

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

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

- iii. Payment of eligible refunds will be made within ninety (90) days following receipt of notification to the Company that a qualifying permanent Customer has commenced receiving service from an extension.
- iv. A Customer may request an annual survey to determine if additional Customers have been connected to and are using service from the extension.
- v. After a period of six (6) years from the date the Company is initially ready to render service from an extension, the Company will review the deposit and make appropriate refunds then due, if any. Any unrefunded amount remaining thereafter will become the property of the Company and will no longer be eligible for refund and will become a contribution in aid of construction.

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d. Extensions to Large General Service and Large Light and Power Customers

- i. For line extensions with voltages less than or equal to 14kV, the Company will install, own and maintain, on an individual project basis, the distribution facilities necessary to provide permanent service to a large general service or large light and power Customer. Prior to the installation of facilities, the Customer will be required to make a cash advance to the Company for any portion of the capital expenditures not justified by the estimated two year revenue of the new facilities. Such advance, if any, will be in the amount determined by subtracting two (2) times the estimated annual revenue from the total estimated installation costs based in the TEP Statement of Charges. If the total of such charge is less than one hundred dollars (\$100.00), the charge will be waived by the Company. Adjustments to the advance will be made after the initial twenty-four (24) month billing period, and the Company will refund to the amount by which the estimated advance exceeds the actual installation cost less the actual twenty-four (24) month billing. In no event shall the total of the refund payments made by the Company to the depositor be in excess of the deposit amount advanced.

500 foot line extension allowance does not apply.

- ii. For line extensions with voltages greater than 14kV and less than or equal to 46kV, the installation costs will be the actual costs of construction. The Company will install, own and maintain, on an individual project basis, the facilities necessary to provide permanent service. Prior to the installation of facilities, the Customer will be required to pay the estimated cost of the construction of the distribution or transmission facilities. Upon completion of construction, the Company will compare the actual cost to the estimated cost and any difference will be either billed or refunded within 60 days to the Customer.

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

LLP Customers with line voltages greater than 46kV will necessitate a special line extension agreement as required per Subsection 7.C.7.e.

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

a. General

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

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- i. The total estimated installed cost of such overhead distribution facilities, exclusive of meters, services and exclusive of other costs as may be deemed as reasonable by the Company, will be advanced to the Company as a refundable non-interest bearing cash deposit to cover the Company's cost of construction. In the event that the advance has not met the requirements for total refunding on or before the end of two (2) years from the date of installation of the Company's facilities, the advance will further be utilized for reimbursement of the Company's cost of ownership as provided in Subsection 7.C.2.b. In lieu of the refundable cash deposit, the Applicant may elect to execute a Deferred Construction Deposit Agreement, secured by a bond or letter of credit in a form acceptable to the Company, equal to the deferred cash deposit, which guarantees the posting by the Applicant of the full cash deposit one (1) to six (6) years subsequent to the completion of construction of the Company's facilities. Letters of credit and bonds will not be acceptable where the original cash deposit would be less than one thousand dollars (\$1,000).
- ii. Refundable advances will become non-refundable at such time and in such manner provided in Subsection 7.C.2.b.
- iii. The Applicant will be responsible for ownership costs at such time and in such manner as provided in Subsection 7.C.2.b.
- iv. Where applicable, if distribution facilities must be constructed in excess of an average of five hundred (500) feet per new permanent Customer within a duly recorded residential subdivision, a nonrefundable cash amount equal to that portion of the total estimated installed cost represented by those required line facilities in excess of five hundred (500) feet per Customer average will be paid to the Company.
- v. Underground Installations – Extensions of single-phase underground distribution lines necessary to furnish permanent electric service to new residential buildings or manufactured homes within a subdivision, in which facilities for electric service have not been constructed, for which applications are made by a developer will be installed underground in accordance with the provisions set forth in this regulation except where it is not feasible from an engineering, operational, or economic standpoint. Extensions of single-phase underground distribution lines necessary to furnish permanent electric service within a new single family and/or multi-family residential subdivision will be made by the Company in advance of receipt of applications for service by permanent Customers in accordance with the following provisions (unless otherwise agreed to by the Company and the Applicant):
  - 1) The subdivider or other Applicant will provide and install all of the required underground duct system (including all or a portion of the necessary trenching, backfilling, conduits, ducts, transformer and equipment pads, manholes, and pull boxes) in accordance with the Company's specifications and subject to the Company's inspection and approval. Upon acceptance and approval by the Company, the Applicant will grant to the Company the exclusive right to use and occupy said duct system or, at the option of the Company, will transfer ownership thereof to the Company.

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- 2) Underground service will be installed, owned, operated and maintained as provided in Section 6 of these Rules and Regulations.
- 3) Any underground electric distribution system requiring more than single-phase service is not governed by this Subsection 7.C.2, but rather will be constructed pursuant to Subsection 7.C.4.
- vi. Underground extensions up to the duly recorded Subdivision will be owned, operated and maintained by the Company, provided the Applicant pays a non-refundable sum equal to the estimated difference between the cost of the underground extension and an equivalent overhead extension at the rate indicated by the Underground Differential on Schedule 18.
- b. Method of Refund
  - i. For Line Extensions Within A New Duly Recorded Residential Subdivision ("Subdivision Agreements")

On or after two (2) years subsequent to the installation of the Company's facilities, and thereafter every six (6) months, the Company will review the status of a subdivision to determine the percentage ratio that the number of lots or service locations occupied by permanent Customers bears to the number of lots identified in each Subdivision Agreement specified as the basis for refund. Refunds will be made prior to the actual occupancy by a permanent Customer if the lot or service location has been substantially completed so that in the judgment of the Company permanent occupancy will occur within a reasonable time. Such periodic review will continue until either: i) the calculated ratio equals a maximum of seventy-five percent (75%) at which time the total refund will be made to the Applicant; or ii) a six (6) year period subsequent to the completion of installation of the Company's facilities elapses. For purposes of computation of all charges and refundable deposit requirements under these Rules and Regulations, the installation of the Company's facilities will be that date upon which the construction is determined to be completed and the facilities are entered into the Company records of Plant and Property. The ratio determined at the time of each review multiplied by the total refundable advance associated with the line extension agreement, less applicable cost of ownership charges previously deducted, if any, will represent that portion of the advance qualified for refund. If the foregoing calculation indicates a refund is due, an appropriate refund of cash deposit, or reduction of the cash deposit requirement at the end of the deferral period in those cases where a Deferred Construction Deposit Agreement has been executed, will be made.

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

- ii. For Line Extensions To The Perimeter of New Duly Recorded Residential Subdivisions ("Feeder Agreements")

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

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

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

- 1) that portion of the advance not qualified for refund at the time of current review, and
- 2) that portion of the advance not qualified for refund at the time of the last periodic review.

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

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

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

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

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3. Underground Extensions to Individual Applicants

a. General

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

- i. Underground extensions will be owned, operated and maintained by the Company, provided the Applicant pays in advance a non-refundable sum equal to the estimated difference between the cost, exclusive of meters and services, of the underground extension and an equivalent overhead extension at the rate indicated by the Underground Differential in the TEP Statement of Charges (for voltages up to 14kV).
- ii. In addition to the non-refundable sum, the Applicant will (unless otherwise agreed to by the Company and the Applicant) make such refundable deposit as shown in the TEP Statement of Charges (for voltages up to 14kV) and in accordance with Subsection 7.C as otherwise would have been required under these Rules and Regulations if the extension had been made by overhead construction.
- iii. The Applicant will provide and install all of the required underground duct system (including all or a portion of the necessary trenching, backfilling, conduits, ducts, transformer and equipment pads, manholes, and pull boxes) in accordance with the Company's specifications and subject to the Company's inspection and approval. Upon acceptance and approval by the Company, the Applicant will grant to the Company the exclusive right to use and occupy said duct system or, at the option of the Company, will transfer ownership thereof to the Company.
- iv. Refunds of cash deposits will be made in the same manner as provided for overhead extensions to individual Applicants for service, in accordance with the applicable provisions of Subsection 7.C.
- v. Underground services will be installed, owned, operated and maintained as provided in Section 6 of these Rules and Regulations.

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4. Replacement of Overhead with Underground Distribution Facilities

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

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

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

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

Line extensions to long term rental mobile home parks, townhouses, condominiums and apartment complexes, where the property is not platted and subdivided into individual lots containing single family dwellings, will be made by the Company under terms and conditions provided in Subsection 7.C.1. The Company will install, own and maintain internal distribution facilities and individual metering for all new or expansion of said development in accordance with the provisions of Subsection 7.C.1. and 7.C.3. Any said development meeting the definition of a Residential Subdivision will follow Subsection 7.C.2. hereof.

7. Special Conditions

a. Contracts

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

b. Primary Service and Metering

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

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c. Advances under Previous Rules and Contracts

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

d. Extensions for Temporary Service

Extensions for temporary service or for operations of a speculative character or questionable permanency will be charged the applicable estimated charges for the installation and removal of temporary facilities. Temporary facilities will remain in service for a maximum of two (2) years. Refer to Section 15 of the Rules for additional information regarding temporary service.

e. Exceptional Cases

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

f. Special or Excess Facilities

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

g. Unusual Loads

Line extensions to unusually small loads not serving a permanent structure designed for continued occupancy for either residential or business purposes (e.g. individual lights, wells, signs, recreational vehicles, travel trailers, etc.) and where 75% of the estimated one year annual revenue does not exceed the per foot line extension charge (See Fee No. 9 and Fee No. 10 of the TEP Statement of Charges) multiplied by 500 feet, will not be granted the five hundred (500) foot allowance. These line extensions will instead be required to advance a non-interest bearing, refundable cash deposit with the Company for any costs of service in excess of their estimated one year annual revenue. Refunding will be according to Subsections 7.C.1.c.ii. and 7.C.3.a.iv. For line extensions to unusually small loads defined above and where 75% of the estimated one year revenue exceeds the per foot line extension charge multiplied by 500 feet, refer to Section 7.C for costs and refunds.

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D. Construction / Facilities Related Income Taxes

1. Collection of Income Tax Gross Up

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

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

- c. After the Company's tax returns for the year of receipt of the advance or contribution are completed, if the statutory combined income tax rate is less than the rate used to calculate the gross-up, the Company shall refund to the Applicant an amount equal to such excess.
- d. When a gross-up amount is to be collected in connection with an extension agreement, the contract will state the tax rate used to compute the gross up amount, and will also disclose the gross-up amount separately from the estimated cost of facilities.

2. Refund of Income Tax Gross Up

- a. In the case of construction advance refunds made pursuant to Subsection 7.C.1.d (Large Light & Power Extensions), a pro rata portion of the gross up will be refunded when the amount of the underlying advance is refunded. Any remaining gross-up will be refunded on November 1 of each year as tax depreciation deductions are taken on the Company's tax returns. At the end of five years from installation, the remaining gross up will be refunded at an amount that reflects the net present value of the Company's remaining tax depreciation deductions on the underlying advance discounted at the Company's authorized rate of return.
- b. In the case of all other advances or deferred construction deposit agreements, the gross up will be refunded, or the amount of required deferred construction deposit will be reduced, as follows:

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

3. Non-refundable Income Tax Gross Up for Contribution in Aid of Construction

- a. At the option of the Customer, a non-refundable gross-up may be calculated as follows:

$$\text{Non-refundable Gross Up Amount} = \frac{(\text{Contribution Amount} - \text{Net Present Value of Tax Depreciation})}{(1 - \text{Current Tax Rate})} - \text{Contribution Amount}$$

4. Alternate Income Tax Gross Up for Advances in Aid of Construction

- a. At the option of the Customer, a gross-up may be calculated as in Section 7.D.3.a. when an advance is received. When the Customer has received its final advance refund the alternate gross-up will be recomputed as follows:

$$\text{Alternate Gross Up Amount} = \frac{(\text{Advance Amount} - \text{Net Present Value of (Advance Refunds + Tax Depreciation on Advances Not Refunded)})}{(1 - \text{Current Tax Rate})} - \text{Advance Amount}$$

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**SECTION 8  
PROVISION OF SERVICE**

A. *Company Responsibility*

1. The Company will be responsible for the safe transmission and distribution of electricity until it passes the point of delivery to the Customer.
2. The Company will be responsible for maintaining in safe operating condition all meters, equipment and fixtures installed on the Customer's premises by the Company for the purpose of delivering electric service to the Customer. The Company, however, will not be responsible for the condition of meters, equipment, and fixtures damaged or altered by the Customer.
3. The Company may, at its option, refuse service until the Customer has obtained all required permits and/or inspections indicating that the Customer's facilities comply with local construction and safety standards, including any applicable Company specifications.
4. The Company will determine, in its sole discretion, the type of service (including voltage and Point of Delivery) to be furnished for utilization by the Customer. This includes determinations involving (1) requirements to take Primary Service and Metering and (2) service voltage (including for any new on-site generation installations or generation retrofits at the Customer's premises).

B. *Customer Responsibility*

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

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- 6. The Customer will be responsible for informing the Company of, and meeting the Company's requirements regarding, on-site or distributed generation (including distributed renewable resources and combined heat and power facilities) that the Customer or its agent intends to interconnect to the Company's transmission or distribution system. This includes compliance with all requirements contained within the Company's most current Interconnection Requirements for Distributed Generation, and the terms and conditions of the Company's Agreement for the Interconnection of Customer's Facility. Customer must also agree to enter into the Interconnection Agreement with the Company. Further, any interconnection must be in accordance with any applicable Commission regulation and order governing interconnection, as well as applicable laws.
- 7. The Customer, at his expense, may install, maintain and operate check-measuring equipment as desired and of a type approved by the Company, provided that such equipment will be installed so as not to interfere with operation of the Company's equipment, and provided that no electric energy will be re-metered or sub-metered for resale to another or to others, except where such re-metering will be done in accordance with the applicable orders of the Commission.

C. Continuity of Service

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

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

D. Service Interruptions

- 1. The Company will make reasonable efforts to reestablish service within the shortest possible time when service interruptions occur.
- 2. When the Company plans to interrupt service for more than four (4) hours to perform necessary repairs or maintenance, the Company will attempt to inform affected Customers at least twenty-four (24) hours in advance of the scheduled date, and these repairs will be completed in the shortest possible time to minimize the inconvenience to the Customers of the Company.



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- 3. In the event of a national emergency or local disaster resulting in disruption of normal service, the Company may, in the public interest, interrupt service to other Customers to provide necessary service to civil defense or other emergency service agencies on a temporary basis until normal service to these agencies can be restored.
- 4. The Commission will be notified of interruption in service affecting the entire system or any major division thereof. The interruption of service and cause will be reported by telephone to the Commission within four (4) hours after the responsible representative of the Company becomes aware of said interruption. A written report to the Commission will follow.

E. Interruption of Service and Force Majeure

- 1. The Company will make reasonable provision to supply a satisfactory and continuous electric service, but does not guarantee a constant or uninterrupted supply of electricity. The Company will not be liable for any damage or claim of damage attributable to any temporary, partial or complete interruption or discontinuance of electric service attributable to a force majeure condition as set forth at Subsections 8.E.4. and 8.E.5. or to any other cause which the Company could not have reasonably foreseen and made provision against, or which, in the Company's judgment, is necessary to permit repairs or changes to be made in the Company's electric generating, transmission or distribution equipment or to eliminate the possibility of damage to the Company's property or to the person or property of others.
- 2. Whenever the Company deems that a condition exists to warrant interruption or limitation in the service being rendered, this interruption or limitation will not constitute a breach of contract and will not render the Company liable for damages suffered thereby or excuse the Customer from further fulfillment of the contract.
- 3. The use of electric energy upon the premises of the Customer is at the risk of the Customer. The Company's liability will cease at the point where its facilities are connected to the Customer's wiring.
- 4. Neither the Company nor the Customer will be liable to the other for any act, omission or circumstances (including, with respect to the Company, but not limited to, inability to provide service) occasioned by or in consequence of the following:
  - a. flood, rain, wind, storm, lightning, earthquake, fire, landslide, washout or other acts of the elements;
  - b. accident or explosion;
  - c. war, rebellion, civil disturbance, mobs, riot, blockade or other act of the public enemy;
  - d. acts of God;
  - e. interference of civil and/or military authorities;
  - f. strikes, lockouts or other labor difficulties;
  - g. vandalism, sabotage or malicious mischief;

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- h. usurpation of power, or the laws, rules, regulations or orders made or adopted by any regulatory or other governmental agency or body (federal, state or local) having jurisdiction of any of the business or affairs of the Company or the Customer, direct or indirect;
  - i. breakage, failure, or accidents to equipment or facilities;
  - j. lack, limitation or loss of electrical or fuel supply; or
  - k. any other casualty or cause beyond the reasonable control of the Company or the Customer, whether or not specifically provided herein and without limitation to the types enumerated, and which by the exercise of due diligence such party is unable to prevent or overcome.
5. A failure to settle or prevent any strike or other controversy with employees or with anyone purporting or seeking to represent employees will not be considered to be a matter within the control of the Company.
6. Nothing contained in this Section will excuse the Customer from the obligation of paying for electricity delivered or services rendered.

F. General Liability

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

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**SECTION 8  
PROVISION OF SERVICE  
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G. Construction Standards and Safety

The Company will construct all facilities in accordance with the provision of the ANSI C2 Standards (National Electric Safety Code, 2007 edition, and other amended editions as are adopted by the Commission), the 2007 ANSI B.31.1 Standards, the ASME Boiler and Pressure Vessel Code, and other applicable American National Standards Institute Codes and Standards, except for such changes as may be made or permitted by the Commission from time to time. In the case of conflict between codes and standards, the more rigid code or standard will apply.

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SECTION 9  
CHARACTER OF SERVICE – VOLTAGE, FREQUENCY AND PHASE

- A. Electric energy furnished under these Rules and Regulations will be alternating current, sixty (60) hertz single or three-phase, at the standard, nominal voltages specified by the Company. The following nominal voltages are available on the Company's system:
1. Residential Customers: 120/240 volts single-phase
  2. General Service or Light and Power Customers:
    - a. Single-Phase: 120/240 volts (all areas)
    - b. Three-Phase:
      - i. 120/240 volts 4 wire delta (from overhead system only and not for new service, upgrades only)\*
      - ii. 240/480 volts 4 wire delta (from overhead system only)\*
      - iii. 120/208 volts 4 wire wye
      - iv. 277/480 volts 4 wire wye
- \* This may be available in some existing underground areas.
- B. The primary voltage supplied will depend on the Customer's load and the system voltage available at that location; it will be specified by the Company. Normally, this will be one of the following nominal distribution or sub-transmission voltages: 7970/13800 volts 4 wire wye, or 46,000 volts 3 wire delta. The actual standard nominal voltages available to a specific Customer will depend on location, load, and type of system in the area and will be specified by the Company.
- C. A Customer must meet certain minimum load requirements in order to qualify for three-phase service under Section 7 and within the Electrical Service Requirements.
- D. The Company does not guarantee the constancy of its voltage or frequency, nor does it guarantee against its loss of one or more phases in a three-phase service. The Company will not be responsible for any damage to the Customer's equipment caused by any or all of these occurrences brought about by circumstances beyond its control.

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

E. Motor Protection

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

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

F. Load Fluctuation and Balance

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

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

G. Customer Responsibility for Equipment Used in Receiving Electric Energy

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

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**SECTION 10  
METER READING**

- A. Company or Customer Meter Reading
1. The Company may, at its discretion, allow for Customer reading of meters.
  2. It will be the responsibility of the Company to inform the Customer how to properly read his or her meter.
  3. Where a Customer reads his or her own meter, the Company will read the Customer's meter at least once every four (4) months.
  4. Where the Company must read the meter every four (4) months, the Customer shall pay Fee No. 3 as set forth in the TEP Statement of Charges for every read.
  5. The Company will provide the Customer with postage-paid cards or other methods to report the monthly reading to the Company.
  6. The Company will specify the timing requirements for the Customer to submit his or her monthly meter reading to conform to the Company's billing cycle.
  7. Meter readings will be scheduled for periods of not less than twenty-five (25) days or more than thirty-five (35) days. In the event the Customer fails to submit a reading within this ten (10) day period, the Company may issue the Customer an estimated bill.
  8. In the event the Customer fails to submit monthly reads as designated above, the Company may estimate the usage for up to three (3) months.
  9. The Company and the Customer shall mutually agree on a method to submit meter reads.
  10. Where the Customer is providing their own meter reads, the Customer is responsible for all applicable charges as calculated from the point the Company last read the Customer's meter.
  11. Meters will be read monthly on as close to the same day as practical.

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**SECTION 10  
METER READING  
(continued)**

**B. Measuring of Service**

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

**C. Customer Requested Rereads**

1. The Company will, at the request of a Customer, reread that Customer's meter within ten (10) business days after the request by the Customer.
2. Any reread may be charged to the Customer at a rate set forth as Fee No. 2 in the TEP Statement of Charges, if the original reading was not in error.
3. When a reading is found to be in error, the Company will not charge the Customer for the reread

**D. Access to Customer Premises**

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

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**SECTION 10**  
**METER READING**  
(continued)

E. Meter Testing and Maintenance Program

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

F. Customer Requested Meter Tests

The Company will test a meter upon Customer request and the Company will be authorized to charge the Customer for the meter test. The charge for the meter test is set forth as Fee No. 13 in the TEP Statement of Charges. However, if the meter is found to be in error by more than three percent (3%), then no meter testing fee will be charged to the Customer.

G. Demand

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

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**SECTION 10  
METER READING  
(continued)**

H. Automated Meter Opt-Out

Residential Electric Service (R-01) Customers may request meters that do not transmit data wirelessly and the Company will accommodate such requests to the extent practicable. The charge for the Special Meter Reading Fee is set forth as Fee No. 3 in the TEP Statement of Charges. The charge for the Automated Meter Opt-Out Set-Up Fee is set forth as Fee No. 8 in the TEP Statement of Charges.

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**SECTION 11  
BILLING AND COLLECTION**

A. Frequency and Estimated Bills

1. The Company will bill monthly for services rendered. Meter readings will be scheduled for periods of not less than twenty-five (25) days or more than thirty-five (35) days.
2. If the Company is unable to obtain the meter read on the scheduled meter read date, the Company will estimate the consumption for the billing period as set forth in the Company's Bill Estimation Methodologies Tariff.
3. After the second consecutive month of estimating the Customer's bill, the Company will attempt to secure an accurate reading of the meter.
4. Failure on the part of the Customer to comply with a reasonable request by the Company for access to its meter may lead to the discontinuance of service.
5. Estimated bills will be issued only under the following conditions:
  - a. Failure of a Customer who read his own meter to deliver his meter reading card to the Company, in accordance with the requirements of the Company billing cycle.
  - b. Severe weather conditions, emergencies or work stoppages that prevent the Company from reading the meter.
  - c. Circumstances that make it dangerous or impossible to read the meter, including locked gates, blocked meters, vicious or dangerous animals, or any force majeure condition as listed in Subsections 8.E.4 and 8.E.5.
  - d. When an electronic meter reading is obtained, but the data cannot be transferred to a Customer Information System.
  - e. A meter failure or malfunction with no reliable information retained by the meter.
  - f. A failure of the meter communication network preventing receipt of reliable information.
  - g. Meter tampering or energy diversion results in a lack of accurate metered consumption information.
  - h. In the event the Customer fails to submit the reading within the designated ten (10) day meter reading window.
  - i. In the event the Customer fails to submit monthly reads as designated above, the Company may estimate the usage for up to three (3) months.
6. Each bill based on estimated usage will indicate that it is an estimated bill.
7. Estimates due to equipment malfunctions may exceed two months if the malfunction could not be reasonably discovered and/or corrected before additional bills were estimated.
8. A bill is not considered an estimated bill when the end read is based on an actual read.

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

**B. Combining Meters, Minimum Bill Information**

1. Each meter at a Customer's premises will be considered separately for billing purposes, and the readings of two (2) or more meters will not be combined unless otherwise provided for in the Company's Rates.
2. Each bill for residential service will contain the following minimum information:
  - a. Date and meter reading at the start of billing period or number of days in the billing period;
  - b. Date and meter reading at the end of the billing period;
  - c. Billed usage and demand (if applicable);
  - d. Rate schedule number;
  - e. Company telephone number;
  - f. Customer's name;
  - g. Service account number;
  - h. Amount due and due date;
  - i. Past due amount;
  - j. Adjustment clause costs, where applicable;
  - k. Other ACC-approved charges;
  - l. All applicable taxes; and
  - m. The address for the Arizona Corporation Commission.

**C. Billing Terms**

1. All bills for the Company's services are due and payable no later than ten (10) days from the date the bill is rendered. Any payment not received within this time frame will be considered past due.
2. For purposes of this rule, the date a bill is rendered may be evidenced by:
  - a. The postmark date for bills sent via U.S. Postal Service; or
  - b. The mailing date; or
  - c. The billing date shown on the bill. However, the billing date will not differ from the postmark or mailing date by more than two (2) days.
  - d. An Electronic Bill will be considered rendered at the time it is electronically sent to the Customer.

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**BILLING AND COLLECTION**  
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3. All past due bills for the Company's services are due and payable within fifteen (15) days. Any payment not received within this time frame will be considered delinquent and will incur a late payment finance charge.
4. All delinquent bills for which a valid payment has not been received within five (5) days will be subject to the provisions of the Company's termination procedures.
5. The amount of the late payment penalty as set forth as Fee No. 15 in the TEP Statement of Charges will not exceed one and one-half percent (1.5%) of the delinquent bill, applied on a monthly basis.
6. All payments must be made by a payment method authorized by the Company.
7. A bill will be rendered in a form prescribed by the Company. If the Customer requests a bill in a form other than the one prescribed by the Company, the Company in its sole discretion may consider such request and charge the Customer any associated costs.

D. Applicable Rates, Time-of-Use Meters, Prepayment, Failure to Receive, Commencement Date, Taxes

1. Each Customer will be billed under the applicable Rate indicated in the Customer's application for service.
2. For a Customer taking service under a TEP Time-of-Use ("TOU") rate, the Company may charge a fee based on the incremental cost of a TOU meter versus a non-TOU meter.
3. Customers may pay for electrical service by making advance payments.
4. Failure to receive bills or notices which have been properly placed in the U.S. Postal Service or posted electronically will not prevent those bills from becoming delinquent nor relieve the Customer of his obligations therein.
5. Charges for service commence when the service is installed and connection made, whether used or not.

E. Billing and Meter Error Corrections

1. If, after testing, any meter is found to be more than three percent (3%) in error, either fast or slow, proper correction between three percent (3%) and the amount of the error will be made to previous readings and adjusted bills will be rendered according to the following terms:
  - a. For the period of three (3) months immediately preceding the removal of such meter from service for test or from the time the meter was in service since last tested, but not exceeding three (3) months since the meter will have been shown to be in error by such test.
  - b. From the date the error occurred, if the date of the cause can be definitely fixed.
2. No adjustment will be made by the Company except to the Customer last served by the meter tested.

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**BILLING AND COLLECTION**  
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F. Responsibility for Payment of Bills

1. The Customer is responsible for the payment of bills until service is ordered discontinued and the Company has had reasonable time to secure a final meter reading for those services involving energy usage, or if non-metered services are involved until the Company has had reasonable time to process the disconnect request.
2. When an error is found to exist in the billing rendered to the Customer, the Company may correct such an error to recover or refund the difference between the original billing and the correct billing. The TEP Bill Estimation Methodologies tariff shall be applied when the Company cannot obtain a complete and valid meter read. Situations that result in an estimated meter read include inclement weather, lack of access to a Customer's meter, energy diversion, labor unavailability and equipment malfunction.
3. Except as specified below, corrected charges for underbillings shall be limited to three (3) months for residential accounts and six (6) months for non-residential accounts.
  - a. Where the account is billed on a special contract or non-metered rate, corrected charges for underbillings shall be billed in accordance with the contract or rate requirements and is not limited to three (3) or six (6) months as applicable.
  - b. Where service has been established but no bills have been rendered, or a bill is rendered, but shows no consumption, corrected charges for underbillings shall go back to the date service was established.
  - c. Where there is evidence of meter tampering or energy diversion, corrected charges for underbillings shall go back to the date meter tampering or energy diversion began, as determined by the Company.
  - d. Where lack of access to the meter (caused by the Customer) has resulted in estimated bills, corrected charges for underbillings shall go back to the billing month of the last Company obtained meter read date.
  - e. When a Customer signs up for service in error at the wrong premise.

G. Returned Payments

1. The Company will be allowed to recover a fee, as set forth as Fee No. 14 in the TEP Statement of Charges, for each instance where a Customer tenders payment for electric service with a payment returned unpaid. This fee will also apply when an electronic funds transfer ("EFT") is denied for any reason.
2. When the Company is notified by the Customer's bank or other financial institution that a payment has been returned unpaid, or denied for any reason, the Company may require the Customer to make payment in cash, by money order or other approved methods which guarantee the Customer's payment to the Company.

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BILLING AND COLLECTION  
(continued)**

3. A Customer, who tenders a payment which is returned unpaid, regardless of the reason or method used to pay, will not be relieved of the obligation to render payment to the Company under the original terms of the bill nor defer the Company's provision for termination of service for nonpayment of bills.
4. A Customer with two (2) returned payments within a twelve (12) month period may be required to pay with guaranteed funds, (i.e., cash, money order, or other approved methods) for any subsequent billing for twelve (12) months.

H. Budget Billing Plan

1. The Company may, at its option, offer its Customers a budget billing plan.
2. The Company will provide, upon Customer request, an estimate of the Customer's budget billing amount for a twelve-month period based upon:
  - a. Customer's actual consumption history, which may be adjusted for abnormal conditions such as weather variations.
  - b. For new Customers, the Company will estimate consumption based on the Customer's anticipated load requirements.
  - c. The Company's Rate approved by the Commission applicable to that Customer's class of service.
3. The Company will provide the Customer, upon Customer request, a concise explanation of how the budget billing estimate was developed, the impact of budget billing on a Customer's monthly electric bill, and the Company's right to adjust the Customer's billing for any variation between the Company's estimated billing and actual billing.
4. For those Customers being billed under a budget billing plan, the Company will show, at a minimum, the following information on the Customer's monthly bill:
  - a. Actual consumption;
  - b. Amount due for actual consumption;
  - c. Budget billing amount due; and
  - d. Accumulated variation in actual versus budget billing amount.
5. The Company may adjust the Customer's budget billing in the event the Company's estimate of the Customer's usage and/or cost varies significantly from the Customer's actual usage and/or cost. This review to adjust the amount of the budget billing may be initiated by the Company or the Customer.
6. While on the budget billing plan, the Customer shall pay the monthly plan amount, notwithstanding the current charges shown on the bill.

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Tucson Electric Power

Tucson Electric Power Company  
Rules and Regulations

Original Sheet No.: 911-5  
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**SECTION 11**  
**BILLING AND COLLECTION**  
(continued)

- 7. Any other charges incurred by the Customer shall be paid when due in addition to the monthly plan amount.
- 8. Interest will not be charged to the Customer on accrued debit balances nor paid by the Company on accrued credit balances.

I. Deferred Payment Plan

- 1. The Company may, prior to termination of service, offer to qualifying residential Customers a deferred payment plan for the Customer to retire unpaid delinquent bills for electric service.
- 2. Each deferred payment agreement entered into by the Company and the Customer, due to the Customer's inability to pay an outstanding bill in full, will provide that service will not be discontinued if:
  - a. Customer agrees to pay a reasonable amount of the outstanding bill at the time the parties enter into the deferred payment agreement.
  - b. Customer agrees to pay all future bills for electric service in accordance with the Company's Rates.
  - c. Customer agrees to pay a reasonable portion of the remaining outstanding balance in installments over a period not to exceed three (3) months.
- 3. For the purpose of determining a reasonable installment payment schedule under these rules, the Company and the Customer will give consideration to the following conditions:
  - a. Size of the delinquent account;
  - b. Customer's ability to pay;
  - c. Customer's payment history;
  - d. Length of time the debt has been outstanding;
  - e. Circumstances which resulted in the debt being outstanding; and
  - f. Any other relevant factors related to the circumstances of the Customer.
- 4. Any Customer who desires to enter into a deferred payment agreement must do so before the Company's scheduled termination date for nonpayment of bills. The Customer's failure to execute a deferred payment agreement prior to the scheduled service termination date will not prevent the Company from terminating service for nonpayment.
- 5. Deferred payment agreements may be in writing and may be signed by the Customer and an authorized Company representative.
- 6. A deferred payment agreement does not relieve the unpaid balance from being assessed a monthly late charge, in accordance with the current late payment fee percentage rate.

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

7. If a Customer has not fulfilled the terms of a deferred payment agreement, the Company has the right to disconnect service pursuant to the Company's Termination of Service Rules in Section 12 and, under these circumstances, it will not be required to offer subsequent negotiation of a deferred payment agreement prior to disconnection.
- J. Change of Occupancy
1. The Customer must give the Company at least three (3) business days advance notice via the website, e-mail, in writing or by telephone, to discontinue service or to change occupancy.
  2. The outgoing Customer will be responsible for all electric services provided and/or consumed up to the scheduled turn-off date.
  3. The outgoing Customer or property owner, in the case of a known landlord/tenant situation, is responsible for providing access to the meter so that the Company may obtain a final meter reading. If access is unavailable, due to the action or inaction of the Customer or property owner, the outgoing Customer or owner/landlord will be responsible for the services consumed until such time as access is provided and services can be disconnected.
- K. Electronic Billing
1. Electronic Billing is an optional billing service whereby Customers may elect to receive, view and pay their bills electronically. The Company may modify its Electronic Billing services from time to time. A Customer electing an electronic billing service may receive an electronic bill in lieu of a paper bill.
  2. Customers electing an electronic billing service may be required to complete additional forms and agreements.
  3. Electronic Billing may be discontinued at any time by Company or the Customer.
  4. An Electronic Bill will be considered rendered at the time it is electronically sent to the Customer. Failure to receive bills or notices that have been properly sent by an Electronic Billing system does not prevent these bills from becoming delinquent and does not relieve the Customer of the Customer's obligations therein.
  5. Any notices that the Company is required to send to the Customer who has elected an Electronic Billing service may be sent by electronic means at the option of the Company.
  6. Except as otherwise provided in this subsection, all other provisions of the Company's Rules and Regulations and other applicable Rates are applicable to Electronic Billing.

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

- 7. The Customer must provide the Company with a current email address for electronic bill delivery. If the electronic bill is electronically sent to the Customer at the email address that the Customer provided to the Company, then the Electronic Bill will be considered properly sent. Further, the Customer will be responsible for updating the Company with any changes to this email address. Failure to do so will not excuse the Customer from timely paying the Company for electric service.

L. Collections

- 1. All unpaid closed accounts may be referred to a collection agency for collections.
- 2. If a collection agency referral is warranted for collection of unpaid final bills, Customer will be responsible for associated collection agency fees assessed by the Company. If the unpaid bill is referred to a credit bureau, the Company will not be held responsible to notify the Credit Bureau of any payment status.

M. Refunds

Customers will not be eligible for refunds, rebates or other Company program payments if the Customer has a delinquent Company balance.

N. Refund of Credit Balance Following Discontinuance of Service

Upon discontinuance of service, the Company shall refund the Customer any credit balance remaining on the account. With the consent of the Customer (when available), any credit balance remaining on the account that is less than \$5.00, shall be donated to a low-income assistance program to be determined by the Company or as may be required by law.

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Tucson Electric Power

**Tucson Electric Power Company  
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**SECTION 12  
TERMINATION OF SERVICE**

- A. Please refer to the Arizona Administrative Code R14-2-211.A.
- B. Termination of Service Without Notice
1. Electric service may be disconnected without advance written notice under the following conditions:
    - a. The existence of an obvious safety or health hazard to the consumer, the general population or the Company's personnel or facilities;
    - b. The Company has evidence of meter tampering or fraud; or
    - c. The Company has evidence of unauthorized resale or use of electric service; or
    - d. Customer makes payment to avoid/stop disconnection for non-payment with a dishonored or fraudulent payment. The Company will not be required to restore service until the repayment of those funds and all other delinquent amounts are paid by cash, money order, cashier's check, certified funds or verified electronic payment; or
    - e. Customer makes payment to reconnect service with a dishonored or fraudulent payment. The Company will not be required to restore service until the repayment of those funds and all other delinquent amounts are paid by cash, money order, cashier's check, certified funds or verified electronic payment; or
    - f. Failure of a Customer to comply with the curtailment procedures imposed by the Company during supply shortages.
  2. The Company will not be required to restore service until the conditions that led to the termination have been corrected to the satisfaction of the Company.
  3. The Company will maintain a record of all terminations of service without notice for a minimum of one (1) year and will be available for inspection by the Commission.
- C. Termination of Service With Notice
1. The Company may disconnect service to any Customer for any reason stated below provided that the Company has met the notice requirements described in Subsection 12.E. below:
    - a. Customer violation of any of the Company's Rates;
    - b. Failure of the Customer to pay a delinquent bill for electric service;
    - c. Failure of a prior Customer to pay a delinquent bill for electric service where the prior Customer continues to reside on the premise;
    - d. Failure of the Customer to meet agreed-upon deferred payment arrangements;
    - e. Failure to meet or maintain the Company's deposit requirements;
    - f. Failure of the Customer to provide the Company reasonable safe access to its equipment and property;

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**SECTION 12**  
**TERMINATION OF SERVICE**  
(continued)

- g. Returned or invalid payments;
  - h. Customer breach of a written contract for service between the Company and Customer;
  - i. When necessary for the Company to comply with an order of any governmental agency having such jurisdiction;
  - j. When a hazard exists that is not imminent, but in the Company's opinion, may cause property damage;
  - k. Customer facilities that do not comply with Company requirements or specifications;
  - l. Failure to provide or retain rights-of-way or easements necessary to serve the Customer; or
  - m. The Company learns of the existence of any condition in Section 3.D., Grounds for Refusal of Service.
2. The Company will maintain a record of all terminations of service with notice for one (1) year and be available for Commission inspection.
- D. The Company will not be obligated to renotify the Customer of the termination of service, even if the Customer – after receiving the required termination of service notification – has made payment, yet the payment is returned within three (3) to five (5) business days of receipt for any reason. The original notification will apply.
- E. Termination Notice Requirements
- 1. The Company will not terminate service to any of its Customers without providing advance written notice to the Customer of the Company's intent to disconnect service, except under those conditions specified in Subsection 12.B. where advance written notice is not required.
  - 2. This advance written notice will contain, at a minimum, the following information:
    - a. The name of the person whose service is to be terminated and the address where service is being rendered.
    - b. The Company's Rate that was violated and explanation of the violation or the amount of the bill that the Customer has failed to pay in accordance with the payment policy of the Company, if applicable.
    - c. The date on or after which service may be terminated.
    - d. A statement advising the Customer to contact the Company at a specific phone number for information regarding any deferred payment or other procedures that the Company may offer or to work out some other mutually agreeable solution to avoid termination of the Customer's service.

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Superseding:

SECTION 12
TERMINATION OF SERVICE
(continued)

- e. A statement advising the Customer the Company's stated reason(s) for the termination of services may be disputed by contacting the Company at a specific address or phone number, advising the Company of the dispute and making arrangements to discuss the cause for termination with a responsible employee of the Company in advance of the scheduled date of termination.
3. Where applicable, a copy of the termination notice will be simultaneously forwarded to designated third parties.
F. Timing of Terminations With Notice
1. The Company will give at least a five (5) day advance written notice prior to the termination date.
2. This notice will be considered to be given to the Customer when a copy of the notice is left with the Customer or posted first class via the U.S. Postal Service, addressed to the Customer's last known address.
3. If, after the period of time allowed by the notice has elapsed and the delinquent account has not been paid nor arrangements made with the Company for payment of the bill - or in the case of a violation of the Company's rules the Customer has not satisfied the Company that this violation has ceased - then the Company may terminate service on or after the day specified in the notice without giving further notice.
4. The Company will have the right (but not the obligation) to remove any or all of its property installed on the Customer's premises upon the termination of service.
G. Landlord/Tenant Rule
1. In situations where service is rendered at an address different from the mailing address of the bill or where the Company knows that a landlord/tenant relationship exists and the landlord is the Customer of the Company, and where the landlord as a Customer would otherwise be subject to disconnection of service, the Company may not disconnect service until the following actions have been taken:
a. Where it is feasible to so provide service, the Company, after providing notice as required in these rules, will offer the occupant the opportunity to subscribe for service in his or her own name.
b. The Company will not attempt to recover from a tenant or condition service to a tenant, upon the prepayment of any outstanding bills or other charges due upon the outstanding account of the landlord.

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**SECTION 12  
TERMINATION OF SERVICE  
(continued)**

- H. In the event a Customer provides the Company with documentation certifying that the Customer depends on electricity to power a life-sustaining medical device or if a Customer's medical condition warrants continuous electrical service and the Customer accumulates debt equivalent to a three (3) month bill, in lieu of a disconnection of service, the Company may limit the amount of current flowing into the premises to operate medical devices and basic appliances, such as refrigeration, water supply, lighting and small motors in the heating system.

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**SECTION 13  
RECONNECTION OF SERVICE**

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

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

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**SECTION 14  
ADMINISTRATIVE AND HEARING REQUIREMENTS**

**A. Customer Service Complaints**

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

**B. Customer Bill Disputes**

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

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**SECTION 14**  
**ADMINISTRATIVE AND HEARING REQUIREMENTS**  
(continued)

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

C. Commission resolution of service and bill disputes

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

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**SECTION 14  
ADMINISTRATIVE AND HEARING REQUIREMENTS  
(continued)**

- e. The Commission's representative will render a written decision to all parties within five business days after the date of the informal meeting. This written decision of the arbitrator is not binding on any of the parties and the parties may still make a formal complaint to the Commission.
- 3. The Company may implement its termination procedures if the Customer fails to pay all bills rendered during the resolution of the dispute by the Commission.
- 4. The Company will maintain a record of written statements of dissatisfaction and their resolution for a minimum of one (1) year and make these records available for Commission inspection.

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**SECTION 15  
TEMPORARY SERVICE OR CYCLICAL USAGE**

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

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**SECTION 16  
STANDBY SERVICE**

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

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**SECTION 17  
POWER FACTOR**

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

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**Exhibit DAS-2**



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**SECTION 1  
APPLICABILITY OF RULES AND REGULATIONS AND DESCRIPTION OF SERVICE**

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

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Tucson Electric Power

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**SECTION 2  
DEFINITIONS**

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

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(continued)**

14. Demand: The rate at which power is delivered during any specified period of time. Demand may be expressed in kilowatts, kilovolt-amperes, or other suitable units.
15. Disabled: A person with a physical or mental condition which substantially contributes to the person's inability to manage his or her own resources, carry out daily living activities, or protect oneself from neglect or hazardous situations without assistance from others.
16. Distribution Lines: The Company's lines operated at distribution voltage, which are constructed along public roadways or other bona fide rights-of-way, including easements on Customer's property.
17. Elderly: A person who is 65 years of age or older.
18. Electronic Billing: Optional billing service whereby Customers may elect to receive, view and pay their bills electronically.
19. Energy: Electric energy, expressed in kilowatt-hours.
20. Illness: A medical ailment or sickness for which a residential Customer obtains a verified document from a licensed medical physician stating the nature of the illness and that discontinuance of service would be especially dangerous to the Customer's health.
21. Interruptible Electric Service: Electric service that is subject to interruption as specified in the Company's Rate.
22. Kilowatt ("kW"): A unit of power equal to 1,000 watts.
23. Kilowatt-Hour ("kWh"): The amount of electric energy delivered in one hour at a constant rate of one kilowatt.
24. Law: Any statute, rule, order or requirement established and enforced by government authorities.
25. Line Extension: The lines and equipment necessary to extend the electric distribution system of the Company to provide service to additional Customers.
26. Long-Term Rental Mobile Home Park: A park which is finish-graded and has permanently paved roadways, sewer and water connections, and which provides rental spaces to permanent and semi-permanent occupants, where the average length of stay is a minimum of six (6) months of mobile homes, manufactured homes, RVs, or travel trailers which are owned either by the occupant or by other persons.
27. Master Meter: A meter for measuring or recording the flow of electricity at a single location before distribution to tenants or occupants for their individual usage.
28. Megawatt ("MW"): Unit of power equal to 1,000,000 watts.

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- 29. Meter: The instrument and any associated equipment used for measuring, indicating or recording the flow of electricity that has passed through it.
- 30. Meter Tampering: A situation in which a meter has been illegally altered, including, but not limited to: meter bypassing; use of magnets to slow the meter recording; and broken meter seals.
- 31. Minimum Charge: The amount the Customer must pay for the availability of electric service, including an amount of usage, as specified in the Company's Rates.
- 32. Month: The period between any two (2) regular readings of the Company's meters at approximately thirty (30) day intervals.
- 33. On-site Generation: Any and all power production generated on or adjacent to a Customer's property that is controlled, utilized, sold, or consumed by said Customer or its agent.
- 34. Pad Mounted Elbow Switchgear Cabinet ("PME Switchgear Cabinet"): A 3-phase pad mounted switchgear used within an underground distribution system.
- 35. Permanent Customer: A Customer who is a tenant or owner of a service location who applies for and receives permanent electric service.
- 36. Permanent Service: Service which, in the opinion of the Company, is of a permanent and established character. The use of electricity may be continuous, intermittent, or seasonal in nature.
- 37. Person: Any individual, partnership, firm, corporation, governmental agency, or other organization operating as a single entity.
- 38. Point of Delivery: In all cases, unless otherwise specified, "point of delivery" is the location on the Customer's building, structure, or premises where all wires, conductors, or other current-carrying devices of the Customer join or connect with wires, conductors, or other current-carrying devices of the Company. The Company will determine the point of delivery in accordance and based on the specific design specifications, relevant and appropriate technical standards and specifications, rate schedules and construction standards as applicable to the specific situation. Location and type of metering facilities will be determined by the Company and may or may not be at the same location as the point of delivery.
- 39. Power: The rate of generating, transferring and/or using electric energy, usually expressed in kilowatts.
- 40. Power Factor: The ratio of real or active power ("kW") to apparent or reactive power ("kVA").
- 41. Premises: All of the real property and apparatus employed in a single enterprise on an integral parcel of land undivided by public streets, alleys or railways.

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42. Primary Service and Metering: Service supplied directly from the Company's high voltage distribution or transmission lines without prior transformation to a secondary level.
43. Rates: The charge(s), related term(s) and conditions of the Company's tariffs.
44. Residential Subdivision-Development: Any platted tract of land which has been divided into six or more contiguous lots with an average size of one acre or less for use for the construction of residential buildings or permanent ~~mobile~~ manufactured homes for either single or multiple occupancy.
45. Residential Use: Service to Customers using electricity for domestic purposes such as space heating, air conditioning, water heating, cooking, clothes drying, and other residential uses, including use in apartment buildings, ~~mobile~~ manufactured home parks, and other multi-unit residential buildings.
46. Rules and Regulations or Company Rules: These Rules and Regulations that are part of the Company's Tariffs and Rates.
47. Secondary Service: Service supplied at secondary voltage levels from the load side of step-down transformers connected to the Company's high voltage distribution lines.
48. Service Area: The territory in which the Company has been granted a certificate of convenience and necessity and is authorized by the Commission to provide electric service.
49. Service Classifications: Service classifications will be those provided by the filed rate ~~schedules~~.
50. Service Drop: The overhead service conductors from the last Company-owned pole or other aerial support to and including the splices, if any, connecting to the Customer's service entrance conductors at a building or other structure.
51. Service Establishment Charge: The charge as specified in the Company's Rates which covers the cost of establishing a new account.
52. Service Lateral: The underground service conductors between the street main, including any risers at a pole or other structure or from transformers, and the first point of connection to the Customer's service entrance conductors in a terminal box or meter or other enclosure with adequate space, inside or outside the building wall.
53. Service Line: The last line extending from a distribution line or transformer to the Customer's premises or point of delivery.
54. Service Point: Unless otherwise stated, all references to "service point" in this agreement will refer to an installed service, identified by a Universal Node Identifier ("UNI").

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55. Service Reconnection Charge: The charge as specified in the Company's Rates which must be paid by the Customer prior to reestablishment of electric service each time the electricity is disconnected for nonpayment or whenever service is otherwise discontinued for failure to comply with the Company's Rates or Rules and Regulations.
56. Service Reestablishment Charge: A charge as specified in the Company's Rates for service at the same location where the same Customer had ordered a service disconnection within the preceding twelve-month period.
57. Single Family Dwelling: A house, apartment, or a ~~mobile~~ manufactured home permanently affixed to a lot, or any other permanent residential unit which is used as a permanent home.
58. Single-Phase Service: Two (2) or Three (3) wire service (~~usually 120/240 volts~~).
59. Tariffs: The terms and conditions of the services offered by the Company, including a schedule of the rates and charges for those services.
60. Temporary Service: Service to premises or enterprises which are temporary in character, or where it is known in advance that the service will be of limited duration. Service which, in the opinion of the Company, is for operations of a speculative character is also considered temporary service.
61. Three-Phase Service: Four (4) wire service (~~usually 120/208 volts~~).
62. Universal Node Identifier ("UNI"): A unique, permanent identification number assigned to each service Point of Delivery.
63. Weather Especially Dangerous to Health: That period of time commencing with the scheduled termination date when the local weather forecast, as predicted by the National Oceanic and Atmospheric Administration, indicates that the temperature will not exceed 32 degrees Fahrenheit for the next day's forecast.

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SECTION 3
ESTABLISHMENT OF SERVICE

A. Information from New Applicants

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

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**SECTION 3**  
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B. Deposits

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

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

- a. The Applicant has had service of a comparable nature with the Company at another service location within the past two (2) years and was not delinquent in payment during the last twelve (12) consecutive months of service ~~or and~~ ~~was never~~ not disconnected for nonpayment; or
  - b. The Applicant can produce a letter of credit or verification from an electric utility where service of a comparable nature was last received by Applicant which states that the Applicant has had a timely payment history at time of service discontinuation; or
  - c. Instead of a deposit, the Company receives deposit guarantee notification from a social or governmental agency acceptable to the Company. A surety bond may be provided as security for the Company in an amount equal to the required deposit.
2. ~~The Company may issue a non-assignable, non-negotiable receipt to the Applicant for the deposit. The inability of the Customer to produce his or her receipt will in no way impair the Customer's right to receive a refund of the deposit that is reflected on the Company records.~~

Cash deposits held by the Company twelve (12) months or longer will earn interest at the established one-year Treasury ~~C~~constant ~~M~~maturities rate, effective on the first business day of each year, as published on the Federal Reserve website.

2. \_\_\_\_\_

3. a. ~~Residential Customers – The Company may require a residential Customer to establish or reestablish a deposit if the Customer becomes delinquent in the payment of three (3) two (2) or more bills within a twelve (12) consecutive month period, or has been disconnected from service during the last twelve (12) months, or the Company has a reasonable belief that the Customer is not credit worthy based on a rating from a credit agency utilized by the Company.~~

Deposits or other instruments of credit will automatically expire or be refunded or credited to the Customer's account, after twelve (12) consecutive months of service following full payment of deposit during which time the

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Customer has not been delinquent more than two (2) times or has not been disconnected for non-payment, unless the Customer has filed bankruptcy in the last a twelve (12)- months period.

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**ESTABLISHMENT OF SERVICE**  
(continued)

4. ~~b.~~ Non-Residential Customers – The Company may require a non-residential Customer to establish or reestablish a deposit if the Customer becomes delinquent in the payment of two (2) bills, or if the Customer has been disconnected for non-payment during the last twelve (12) months, or when the Customer's financial condition may jeopardize the payment of their bill.

~~Deposits and non-cash deposits on file with the Company will be reviewed or other instruments of credit will automatically expire or be refunded or credited to the Customer's account after twenty-four (24) consecutive months of service and will be returned provided during which the Customer has not been delinquent more than two (2) times or disconnected for non-payment in the most recent twelve (12) month period, unless the Customer's financial condition warrants extension of the deposit.~~

~~The Company may require a Customer to establish or reestablish a deposit if the Customer became delinquent in the payment of three (3) or more bills within a twelve (12) consecutive month period, or has been disconnected from service during the last twelve (12) months, or the Company has a reasonable belief that the Customer is not credit worthy based on a rating from a credit agency utilized by the Company. **[Subsection 3.B.4 has not been deleted; it has been moved to Subsection 3.B.3.]**~~

4. \_\_\_\_\_
5. The Company may review the Customer's usage after service has been connected and adjust the deposit amount based upon the Customer's actual usage.
6. A separate deposit may be required for each meter installed.
7. Residential Customer deposits will not exceed two (2) times that Customer's estimated average monthly bill. Non-residential Customer deposits will not exceed two and one-half (2.5) times that Customer's maximum estimated monthly bill. If actual usage history is available, then that usage, adjusted for normal weather, will be the basis for the estimate.
8. The posting of a deposit will not preclude the Company from terminating service when the termination is due to the Customer's failure to perform any obligation under the agreement for service or any of these Rules and Regulations.

C. Conditions for Supplying Service

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

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- 1. Customer has wired his premises in accordance with the National Electric Code, City, County and/or State codes, whichever are applicable.
- 2. If the Company determines that there is a reasonable basis to believe that the Customer's premises poses a safety risk to Company employees, then the Company may, at its option, install a meter or facilities with remote connect and/or disconnect capabilities.

2. \_\_\_\_\_

**SECTION 3**  
**ESTABLISHMENT OF SERVICE**  
(continued)

- 3. Customer has installed the meter loop in a suitable location approved by the Company.
- 4. In the case of a mobile home, the meter loop must be attached to a meter pole or to an approved support.
- 5.4. ~~In case of temporary construction service,~~ The meter loop must be attached to an approved support.
- 6.5. All meter loop installations must be in accordance with the Company's specifications and located at an outdoor location accessible to the Company.
- 7.6. Individual Customers may be required to have their property corner pins and/or markers installed to establish proper right-of-way locations.
- 8.7. Developers must have all property corner pins and/or markers installed necessary to establish proper locations to supply electric service to individual lots within subdivisions.
- 9.8. Where the installation requires more than one meter for service to the premises, each meter panel must be permanently marked (not painted) by the contractor or Customer to properly identify the portion of the premises being served.
- 10.9. The identification will be the same as the apartment, office, etc., served by that meter socket. The identifying marking placed on each meter panel will be impressed into or raised from a tab of aluminum, brass or other approved non-ferrous metal with minimum one-fourth (1/4) inch-high letters. This tag must be riveted to the meter panel. The impression must be deep enough to prevent the identification(s) from being obscured by subsequent painting of the building and attached service equipment.

11. The Company may require the assistance of the Customer and/or the Customer's contractor to open the apartments or offices at the time the meters are set, in order to verify that each meter socket actually serves the apartment or office indicated by the marking tag. In the case of multiple buildings, the building or unit number and street address will be identified on the pull section in the manner described above.

D. Grounds for Refusal of Service

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

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- 1. When the Applicant or affiliate of the Applicant with common ownership has an outstanding amount due for the same class of electric service with the Company and the Applicant is unwilling to make satisfactory arrangements with the Company for payment, in such cases, the Company shall be entitled to transfer the balance due or credit owed on the terminated service to any other active account of the Customer for the same class of service. The failure of the Customer to pay the active account shall result in the suspension or termination of service.

SECTION 3
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(continued)

- 2. A condition exists which in the Company's judgment is unsafe or hazardous to the Applicant, the general population, or the Company's personnel or facilities.
3. Refusal by the Applicant refuses to provide the Company with a deposit when the Customer has failed to meet the credit criteria for waiver of deposit requirements.
4. Customer is known to be in violation of the Company's Rates or Rules filed with and Regulations approved by the Commission.
5. Failure of the Customer fails to furnish such the funds, service, equipment, and/or rights-of-way necessary to serve the Customer and which have been specified by the Company as a condition for providing service.
6. Customer fails to provide safe access to the meter that would be serving the Customer.
7. Applicant falsifies his or her identity for the purpose of obtaining service.
8. Service is requested by an Applicant and a prior Customer, who is either living with the Applicant, or who is an occupant of the premises who owes a debt to the Company from the same class of service from the same or a prior service address.
9. The Applicant is acting as an agent for a prior Customer who is deriving benefits from the energy supplied and who owes a delinquent bill from the same class of service from the same or a prior service address.
10. There is evidence of tampering or energy diversion.
10.11. Where the Company has a reasonable belief that the Applicant has common ownership with an affiliate that owes a delinquent bill for the same class of service.

E. Service Establishment, Reestablishment and Reconnection Charge

- 1. The Company will make a charge, as approved by the Commission for service transfer for meter reads only set forth as Fee No. 1 in the TEP Statement of Charges.
2. The Company will make a charge, as approved by the Commission for service the establishment, or reestablishment or reconnection of other than service reads under usual operating procedures; for single-phase

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service only during regular business hours. The charge is set forth as Fee No. 4 in the TEP Statement of Charges.

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**ESTABLISHMENT OF SERVICE**  
(continued)

3. Should single-phase service be established, ~~or reestablished~~ or reconnected during a period other than regular ~~business~~working hours, at the Customer's request, the Customer will be required to pay an after-hours charge for the service connection set forth as Fee No. 5 in the TEP Statement of Charges. Where the Company's scheduling will not permit service establishment, ~~reestablishment or reconnection of service~~ on the same day as requested, the Customer may elect to pay the after-hours charge for establishment that day or ~~his/her~~ service will be established on the next available business day ~~set forth as Fee No. 8 in the TEP Statement of Charges.~~ Even so, a Customer's request to have the Company establish service after-hours is subject to the Company having ~~s~~Staff available; there is no guarantee that the Company will have the staffing available for service establishment, reestablishment or reconnection of service outside of regular business hours.
4. The Company will make a charge, as approved by the Commission for service establishment or reestablishment other than service reads under usual operating procedures, for three-phase service only, during regular business hours set forth as Fee No. 6 in the TEP Statement of Charges.
5. Should three-phase service be established, ~~or reestablished~~ or reconnected during a period other than regular ~~business~~working hours at the Customer's request, the Customer will be required to pay an after-hours charge for the service connection set forth as Fee No. 7 in the TEP Statement of Charges. Where the Company's scheduling will not permit service establishment on the same day as requested, the Customer may elect to pay the after-hours charge for establishment, ~~reestablishment or reconnection of service~~ that day or ~~his/her~~ service will be established on the next available business day. Even so, a Customer's request to have the Company establish service after-hours is subject to the Company having Staff available; there is no guarantee that the Company will have the staffing available for service establishment, reestablishment or reconnection of service outside of regular business hours.
6. For the purpose of this Rule, the definition of service establishment is where the Applicant's facilities are ready and acceptable to the Company, the Applicant has obtained all required permits and/or inspections indicating that the Applicant's facilities comply with local construction safety and governmental standards and regulations, and the Company needs only to install a meter, read a meter, or turn the service on.
7. Reconnection Charge: Whenever the Company has discontinued service under its usual operating procedures because of any default by the Customer as provided herein, a reconnection charge not to exceed one of the charges for the reestablishment of service set forth as Fee Nos. 4-7 in the TEP Statement of Charges will be made and may be collected by the Company before service is restored. When, due to the behavior of the Customer, it has been necessary to discontinue service utilizing other than usual operating procedures, the Company will be entitled to charge Fee No. 8 and ~~collect, through verifiable means, actual costs~~ to restore service as set forth in the TEP Statement of Charges.

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**ESTABLISHMENT OF SERVICE**  
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F. Temporary Service

1. Applicants for temporary service may be required to pay Line Extension charges in accordance with SubSection 7.C.3.7.d. and Section 15 of the Rules.
2. Where the duration of service is to be less than one (1) month, the Applicant may also be required to advance a sum of money equal to the estimated bill for service.
3. Where the duration of service is to exceed one (1) month, the Applicant may also be required to meet the deposit requirements of the Company.
4. If at any time during the term of the agreement for service the character of a temporary Customer's operations changes so that, in the opinion of the Company, the Customer is classified as permanent, the terms of the Company's Line Extension rules will apply.

G. Identification of Load and Premises:

~~Upon request of the Company, the Applicant must identify the electric load and premises to be served by the Company must be clearly identified by the Customer at the time of application. If the service address is not recognized in terms of commonly used identification system, the ApplicantCustomer may be required to provide specific written directions and/or legal descriptions before the Company will be required to act upon a request for electric service.~~

~~H. Identification of Responsible Party: Any person applying on behalf of another Applicant for service to be connected in the name of or in care of another Applicant must furnish to the Company written approval from that Applicant guaranteeing payment of all bills under the account. The Customer is responsible in all cases for service supplied to the premises until the Company has received proper notice of the effective date of any change. The Customer will also promptly notify the Company of any change in physical or electronic billing address.~~

H. Tampering With or Damaging Company Equipment

1. The Customer agrees, when accepting service that no one except authorized Company employees or agents of the Company will be allowed to remove or replace any Company-owned equipment installed on Customer's property.
2. No person, except an employee or agent acting on behalf of the Company will alter, remove, or make any connection to the Company's meter or service equipment.
3. No meter seal may be broken or removed by anyone other than an employee or agent acting on behalf of the Company; however, the Company may give its prior consent to break the seal by an approved electrician employed by a Customer when deemed necessary by the Company.

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4. The Customer will be held responsible for any broken seals, tampering, or interfering with the Company's meter(s) or any other Company-owned equipment installed on the Customer's premises. In cases of tampering with meter installations, interfering with the proper working thereof, or any tampering, interfering, theft, or service diversion, including the falsification of Customer-read meter readings, Customer will be subject to immediate discontinuance of service. The Company will be entitled to collect from the Customer whose name or other person benefitting from the service is in, under the appropriate Rate, for all power and energy not recorded on the meter as the result of such tampering, or other theft of service, and also additional security deposits as well as all expenses incurred by the Company for property damages, investigation of the illegal act, and all legal expenses and court costs incurred by the Company.
5. The Customer will be held liable for any loss or damage occasioned or caused by the Customer's negligence, want of proper care or wrongful act or omission on the part of any Customer's agents, employees, licensees or contractors.

I.d. Access

1. The Customer is responsible for providing safe access to Company facilities. The Company's authorized agents shall have satisfactory unassisted twenty-four (24) hour a day, seven (7) days a week access to the Company's equipment located on Customer's premise for the purpose of service connection, service disconnection, operation, maintenance, repair and service restoration work that the Company may need to perform.
2. If additional resources are required to gain safe access to perform service establishment, disconnection, meter reading, or routine maintenance, due to an affirmative, wrongful, and/or criminal act by the Customer, the Company will be entitled to collect from the Customer all expenses incurred by the Company for additional resources including: investigation of access, all legal expenses, and court costs.

J. Customer-Specific Information

Customer-specific information shall not be released without specific prior Customer authorization unless the information is requested by law enforcement or other public agency, or is requested by the Commission or its staff, or is reasonably required for legitimate account collection activities, or is necessary to provide safe and reliable service to the Customer. Such Customer authorization may be obtained electronically, in writing, or orally, as long as the oral authorization is recorded.

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### SECTION 4 MINIMUM CUSTOMER INFORMATION REQUIREMENTS

#### A. Information for Customers

1. The Company will make available upon Customer request not later than sixty (60) days from the date of the request, a concise summary of the rate schedule applied for by the Customer. The summary will include the following:
  - a. The monthly minimum or Customer charge, identifying the amount of the charge and the specific amount of usage included in the minimum charge, where applicable;
  - b. Rate blocks, where applicable;
  - c. Any adjustment factor(s) and method of calculation; and
  - d. Demand charge, where applicable.
2. Upon request of the Customer, either at the time of application or after, the Company will use its best efforts to assist the Customer in choosing an appropriate Rate. However, upon application for service or upon request for assistance, the Applicant or the Customer will elect the applicable Rate best suited to his requirements. The Company may assist in making this election, but will not be held responsible for notifying the Customer of the most favorable Rate and will not be required to refund the difference in charges under different Rates. The Customer is solely responsible for selecting the Rate the Customer believes is appropriate. If no Rate is selected, the Customer will be placed on the most common Rate for the class of service and the Company will not be liable to refund the difference in charges had the Customer been placed on different Rates.
3. Upon written notification of any material changes in the Customer's installation or load conditions, the Company will assist in determining if a change in Rates is desirable, but not more than one (1) such change at the Customer's request will be made within any twelve-month period.
4. The supply of electric service under a residential rate schedule to a dwelling involving some business or professional activity will be permitted only where such activity is of only occasional occurrence, or where the electricity used in connection with such activity is small in amount and used only by equipment which would normally be in use if the space were used as living quarters. Where the portion of a dwelling is used regularly for business, professional or other gainful purposes, and any considerable amount of electricity is used for other than domestic purposes, or electrical equipment not normally used in living quarters is installed in connection with such activities referred to above, the entire premises must be classified as non-residential and the appropriate general service rate will be applied.

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**SECTION 4**  
**MINIMUM CUSTOMER INFORMATION REQUIREMENTS**  
(continued)

5. Upon Customer request the Company will make available within sixty (60) days from date of service commencement, a concise summary of the Company's Rates or the Commission's Rules and Regulations concerning:
    - a. Deposits;
    - b. Termination of service;
    - c. Billing and collection; and
    - d. Complaint handling.
  
  6. Upon request of a Customer, the Company will transmit a written statement of actual consumption for each billing period during the prior twelve (12) months unless this data is not reasonably ascertainable. But the Company will not be required to accept more than one such request from each Customer in a calendar year. Even so, the Company will charge a fee as set forth as Fee No. 17 in the TEP Statement of Charges consistent with its ACC-approved Rates and/or these Rules and Regulations for providing consumption, interval or other data to the Customer.
  
  7. The Company will inform all new Customers of their right to obtain the information specified above.
- B. Information Required Due to Changes in Rates
1. The Company will transmit to affected Customers a concise summary of any change in the Company's Rates affecting those Customers.
  2. This information will be transmitted to the affected Customer within sixty (60) days of the effective date of the change.

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**SECTION 5  
MASTER METERING**

- A. Mobile Home Parks - New Construction/Expansion
1. The Company will refuse service to all new construction and/or expansion of existing permanent residential mobile home parks unless the construction and/or expansion are individually metered by the Company. Line extensions and service connections to serve this new construction and/or expansion will be governed by these Rules and Regulations.
  2. ~~For the purpose of this rule, permanent residential mobile home parks will mean mobile home parks where, in the opinion of the Company, the average length of stay for an occupant is a minimum of six months.~~
  - 3.2. For the purpose of this rule, expansion means the acquisition of additional real property for permanent residential spaces in excess of that existing at the effective date of this rule.
- B. Residential Apartment Complexes, Condominiums, and other Multi-unit Residential Buildings
1. Master metering will not be allowed for new construction of apartment complexes and condominiums unless the building(s) will be served by a centralized heating, ventilation and/or air conditioning system and the contractor can provide to the Company an analysis demonstrating that the central unit will result in a favorable cost/benefit relationship.
  2. At a minimum, the cost/benefit analysis will consider the following elements for a central unit as compared to individual units:
    - a. Equipment and labor costs;
    - b. Financing costs;
    - c. Maintenance costs;
    - d. Estimated kWh usage;
    - e. Estimated kW demand on a coincident demand and non-coincident demand basis (for individual units);
    - f. Cost of meters and installation; and
    - g. Customer accounting cost (one account vs. several accounts).

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**SECTION 6  
SERVICE LINES AND ESTABLISHMENTS**

- A. Priority and Timing of Service Establishments
1. After an Applicant has complied with the Company's application requirements and has been accepted for service by the Company and obtained all required easements, permits and/or inspections indicating that the Customer's facilities comply with local construction, safety and governmental standards or regulations, the Company will schedule that Customer for service establishment.
  2. All charges are due and payable before the Company will schedule the Customer for service establishment.
  3. Service establishments will be scheduled for completion within five (5) business days of the date the Customer has been accepted for service, except in those instances when the Customer requests service establishment beyond the five (5) business day limitation.
  4. When the Company has made arrangements to meet with a Customer for service establishment purposes and the Company or the Customer cannot make the appointment during the prearranged time, the Company will reschedule the service establishment to the satisfaction of both parties.
  5. The Company will schedule service establishment appointments within a maximum range of four (4) hours during normal working hours, unless another time frame is mutually acceptable to the Company and the Customer.
  6. Service establishments must only be made by the Company.
  7. For the purposes of this rule, service establishments are where the Customer's facilities are ready and acceptable to the Company and the Company needs only to install or read a meter or turn the service on.
- B. Service Lines
1. Customer-provided Facilities
    - a. Each Applicant for service will be responsible for all inside wiring, including the service entrance, meter socket and conduit. For three-phase service, the Customer will provide, at his expense, all facilities, including conductors and conduit, beyond the Company-designated point of delivery.
    - b. Meters and service switches in conjunction with the meter must be installed in a location where the meters will be readily and safely accessible for reading, testing and inspection and where such activities will cause the least interference and inconvenience to the Customer. Location of metering facilities will be determined by the Company and may or may not be at the same location as the point of delivery. However, the meter locations will not be on the front exterior wall of the home, or in the carport or garage, unless mutually agreed to between the home builder or Customer and the Company. Without cost to the Company, the Customer must provide, at a suitable and easily accessible location, sufficient and proper space for installation of meters.

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**SECTION 6  
SERVICE LINES AND ESTABLISHMENTS  
(continued)**

- c. Where the meter or service line location on the Customer's premises is changed at the request of the Customer or due to alterations on the Customer's premises, the Customer, at his expense, must provide and have installed all wiring and equipment necessary for relocating the meter and service line connection. The Company will assess a charge for moving the meter and/or service line.
  - d. Customer will provide access to the main switch or breaker for disconnecting load to enable safe installation and removal of Company meters.
2. Overhead Service Connections - Secondary Service
- a. For the initial service drop: where the Company's distribution pole line is located on the Customer's premises –or on a street, highway, lane, alley, road or private easement immediately contiguous thereto, the Company will, at its own expense, furnish and install a single span of service drop line (up to 500 feet in total) from its pole to the Customer's point of attachment, provided such attachment is at the point of delivery and is of a type and so located that the service drop wires may be installed in a manner approved by the Company in accordance with good engineering practice, and in compliance with all applicable laws, ordinances, rules and regulations, including those governing clearance and points of attachment.
  - b. Whenever any of the clearances required by the applicable laws, ordinances, rules or regulations of public authorities or standards of the Company from the service drops to the ground or any object becomes impaired by reason of any changes made by the owner or tenant of the premises, the Customer will, at his own expense, provide a new and approved support, in a location approved by the Company, for the termination of the Company's service drop wires and will also provide all service entrance conductors and equipment necessitated by the change of location.
  - c. For each overhead service connection, the Customer will furnish, at his own expense, a set of service entrance conductors that will extend from the point of delivery at the point of termination of the Company's service drop on the Customer's support to the Customer's main disconnect switch. These service entrance conductors will be of a type and be in an enclosure which meets with the approval of the Company and any inspection authorities having jurisdiction.
  - d. The cost of any service line footage, in excess of that allowed at no charge, will be paid for by the Customer as set forth in the TEP Statement of Charges and will be treated as a contribution in aid of construction.

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**SECTION 6  
SERVICE LINES AND ESTABLISHMENTS  
(continued)**

3. Underground Service Connections – Secondary Service
- a. In areas where the Company maintains an underground distribution system, individual services will be underground.
  - b. Whenever the Company's underground distribution system is not complete to the point designated by the Company where the service lateral is to be connected to the distribution system, the system may be extended in accordance with Section 7.
  - c. For an initial underground service connection of single-phase service, the Company will install a service lateral from its distribution line to the Customer's Company-approved termination facilities under the following conditions (unless otherwise agreed to by the Company and the Applicant):
    - i. The Customer, at his expense, will provide the necessary trenching, conduit, conduit installation, backfill, landscape restoration and paving and will furnish, install, own and maintain termination facilities on or within the building to be served.
  - d. The Company, at its expense (up to 500 feet in total), will furnish, install, own, and maintain the underground single-phase service cables to the Customer's Company-approved termination facilities.
  - e. The Company will determine the minimum size and type of conduit and conductor for the single-phase service. The Customer will furnish and install the conduit system, including pull ropes. The ownership of this conduit or duct will be conveyed to the Company, and the Company will thereafter maintain this conduit or duct. The maximum length of any service conductor will be determined by the Company in accordance with accepted engineering practice in determining voltage drop, voltage flicker, and other relevant considerations.
  - f. The cost of any underground service line footage, in excess of that allowed at no charge, will be paid for by the Customer as set forth in the TEP Statement of Charges and will be treated as a contribution in aid of construction.
  - g. For three-phase service, the Customer will also provide, at his expense, all facilities, including conductors and conduit, beyond the Company-designated point of delivery

C. Easements and Rights-of-Way

1. At no cost to the Company, each Customer must grant adequate easements and rights-of-way satisfactory to the Company to ensure that Customer's proper service connection. Failure on the part of the Customer to grant adequate easements and rights-of-way will be grounds for the Company to refuse service.

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**SECTION 6**  
**SERVICE LINES AND ESTABLISHMENTS**  
(continued)

2. When the Company discovers that a Customer or his agent is performing work, has constructed facilities, or has allowed vegetation to grow adjacent to or within an easement or right-of-way and such work, construction, vegetation or facility poses a hazard or is in violation of federal, state or local laws, ordinances, statutes, rules or regulations, or significantly interferes with the Company's access to equipment, the Company will notify the Customer or his agent and will take whatever actions are necessary to eliminate the hazard, obstruction or violation at the Customer's expense.

D. Number of Services to be Installed

Unless otherwise provided herein, or in a rate schedule or contract, the Company will not install more than one service, either overhead or underground, for any one building or group of buildings on a single premise. Separate services may be installed for separate buildings or group of buildings where necessary for the operating convenience of the Company, where provided for in Rates, or where required by law or local ordinance.

E. Multiple Service Points

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

F. Temporary Service

For service that is temporary in nature or for operations of a speculative character or questionable permanency the Customer will be charged the cost of establishing and removing the temporary service. Refer to Section 15 of the Rules for additional information regarding temporary service.

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**SECTION 6**  
**SERVICE LINES AND ESTABLISHMENTS**  
(continued)

G. Customer-Owned Cable

When a residential Customer's privately owned underground service cable has failed, the Customer has two (2) options:

1. The Customer can have their cable repaired by a private electrical contractor which must comply with local governmental codes and ordinances; or
2. The Customer can bring their service entrance up to current Company standards. The Customer will be required to provide a service trench, conduit, conduit installation, backfill, landscape restoration and paving. The Company will furnish, install, own and maintain its underground single-phase cables to the Customer's Company-approved Point of Delivery.

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**SECTION 7  
LINE EXTENSIONS**

Introduction

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

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

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

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

A. General Requirements

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

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**SECTION 7  
LINE EXTENSIONS  
(continued)**

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

**B. Minimum Written Agreement Requirements**

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

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**SECTION 7**  
**LINE EXTENSIONS**  
(continued)

C. Line Extension Requirements

1. Overhead Extensions to Individual Applicants

a. Line Extension Allowance

Upon the Applicant's satisfactory completion of required site improvements, the Company will make extensions from its existing facilities of proper voltage and adequate capacity at the Company's expense up to five hundred (500) feet except where excluded in Section 7.C.1.d., Section 7.C.7., and Section 15. The distance of five hundred (500) feet is to be measured by the shortest feasible route along public streets, roads, highways, or suitable easements from the existing facilities to the Applicant's nearest point of delivery and inclusive of the service drop and is for initial site improvements, as determined by the Company, only.

b. Extensions in Excess of Line Extension Allowance Distance

The Company will make extensions in excess of five hundred (500) feet per Customer upon receipt of a non-interest bearing, refundable cash deposit with the Company to cover costs of construction computed at the rates shown in the TEP Statement of Charges (for voltages up to 14kV) for each foot of single-phase line extension or for each foot of three-phase line extension in excess of the allowance length and in accordance with Subsection 7.C.2.a.v. (unless otherwise agreed to by the Company and the Applicant).

The foregoing charges shown in the TEP Statement of Charges are based on the Company's current average cost of construction of 14kV distribution lines. The Company will review its costs periodically and will file a Rate revision when such costs have changed by more than ten percent (10%) since the last revision of costs. Such revisions will be subject to approval by the Commission before becoming effective.

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

c. Method of Refund

- i. After a period of twelve (12) months from the date the Company is initially ready to render service from an extension, seventy-five percent (75%) of any revenue received from the Customer in excess of the footage allowance during that period will be applied toward refunding the line extension deposit.

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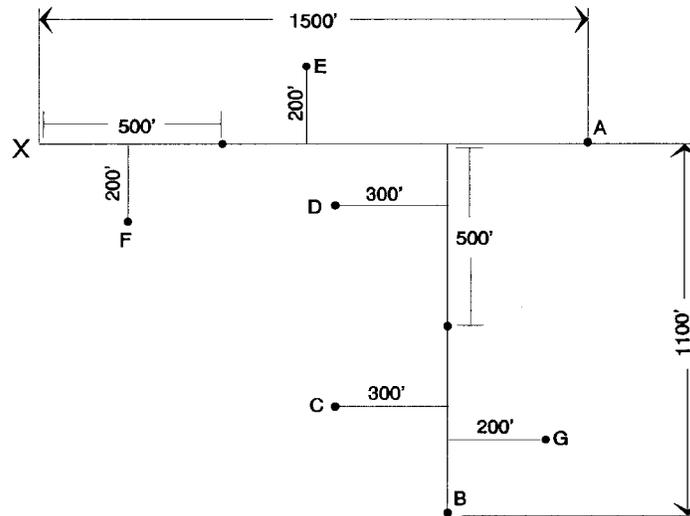
**SECTION 7**  
**LINE EXTENSIONS**  
(continued)

- ii. Deposit refunds will be made to a depositor when separately metered Customers are served directly from the 14kV line extension originally constructed to serve said depositor, providing the new line extension is less than five hundred (500) feet in distance, and the Customer to be served occupies a permanent structure designed for continued occupancy for either residential or business purposes, meeting established municipal, county or state codes as applicable.

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

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

A pictorial explanation of the method of refund for a single-phase line extension is as follows:





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

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

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

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

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

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

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

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

- iii. Payment of eligible refunds will be made within ninety (90) days following receipt of notification to the Company that a qualifying permanent Customer has commenced receiving service from an extension.
- iv. A Customer may request an annual survey to determine if additional Customers have been connected to and are using service from the extension.
- v. After a period of six (6) years from the date the Company is initially ready to render service from an extension, the Company will review the deposit and make appropriate refunds then due, if any. Any unrefunded amount remaining thereafter will become the property of the Company and will no longer be eligible for refund and will become a contribution in aid of construction.

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**LINE EXTENSIONS**  
(continued)

d. Extensions to Large General Service and Large Light and Power Customers

i. For line extensions with voltages less than or equal to 14kV, the Company will install, own and maintain, on an individual project basis, the distribution facilities necessary to provide permanent service to a large general service or large light and power Customer. Prior to the installation of facilities, the Customer will be required to make a cash advance to the Company for any portion of the capital expenditures not justified by the estimated two year revenue of the new facilities. Such advance, if any, will be in the amount determined by subtracting two (2) times the estimated annual revenue from the total estimated installation costs based in the TEP Statement of Charges. If the total of such charge is less than one hundred dollars (\$100.00), the charge will be waived by the Company. Adjustments to the advance will be made after the initial twenty-four (24) month billing period, and the Company will refund to the amount by which the estimated advance exceeds the actual installation cost less the actual twenty-four (24) month billing. In no event shall the total of the refund payments made by the Company to the depositor be in excess of the deposit amount advanced.

500 foot line extension allowance does not apply.

ii. For line extensions with voltages greater than 14kV and less than or equal to 46kV, the installation costs will be the actual costs of construction. The Company will install, own and maintain, on an individual project basis, the facilities necessary to provide permanent service. Prior to the installation of facilities, the Customer will be required to pay the estimated cost of the construction of the distribution or transmission facilities. Upon completion of construction, the Company will compare the actual cost to the estimated cost and any difference will be either billed or refunded within 60 days to the Customer.

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

LLP Customers with line voltages greater than 46kV will necessitate a special line extension agreement as required per Subsection 7.C.7.e.

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

a. General

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

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LINE EXTENSIONS  
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- i. The total estimated installed cost of such overhead distribution facilities, exclusive of meters, services and exclusive of other costs as may be deemed as reasonable by the Company, will be advanced to the Company as a refundable non-interest bearing cash deposit to cover the Company's cost of construction. In the event that the advance has not met the requirements for total refunding on or before the end of two (2) years from the date of installation of the Company's facilities, the advance will further be utilized for reimbursement of the Company's cost of ownership as provided in Subsection 7.C.2.b. In lieu of the refundable cash deposit, the Applicant may elect to execute a Deferred Construction Deposit Agreement, secured by a bond or letter of credit in a form acceptable to the Company, equal to the deferred cash deposit, which guarantees the posting by the Applicant of the full cash deposit one (1) to six (6) years subsequent to the completion of construction of the Company's facilities. Letters of credit and bonds will not be acceptable where the original cash deposit would be less than one thousand dollars (\$1,000).
- ii. Refundable advances will become non-refundable at such time and in such manner provided in Subsection 7.C.2.b.
- iii. The Applicant will be responsible for ownership costs at such time and in such manner as provided in Subsection 7.C.2.b.
- iv. Where applicable, if distribution facilities must be constructed in excess of an average of five hundred (500) feet per new permanent Customer within a duly recorded residential subdivision, a nonrefundable cash amount equal to that portion of the total estimated installed cost represented by those required line facilities in excess of five hundred (500) feet per Customer average will be paid to the Company.
- v. Underground Installations – Extensions of single-phase underground distribution lines necessary to furnish permanent electric service to new residential buildings or ~~mobile~~ manufactured homes within a subdivision, in which facilities for electric service have not been constructed, for which applications are made by a developer will be installed underground in accordance with the provisions set forth in this regulation except where it is not feasible from an engineering, operational, or economic standpoint. Extensions of single-phase underground distribution lines necessary to furnish permanent electric service within a new single family and/or multi-family residential subdivision will be made by the Company in advance of receipt of applications for service by permanent Customers in accordance with the following provisions (unless otherwise agreed to by the Company and the Applicant):
  - 1) The subdivider or other Applicant will provide and install all of the required underground duct system (including all or a portion of the necessary trenching, backfilling, conduits, ducts, transformer and equipment pads, manholes, and pull boxes) in accordance with the Company's specifications and subject to the Company's inspection and approval. Upon acceptance and approval by the Company, the Applicant will grant to the Company the exclusive right to use and occupy said duct system or, at the option of the Company, will transfer ownership thereof to the Company.

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**SECTION 7**  
**LINE EXTENSIONS**  
(continued)

- 2) Underground service will be installed, owned, operated and maintained as provided in Section 6 of these Rules and Regulations.
- 3) Any underground electric distribution system requiring more than single-phase service is not governed by this Subsection 7.C.2, but rather will be constructed pursuant to Subsection 7.C.4.
- vi. Underground extensions up to the duly recorded Subdivision will be owned, operated and maintained by the Company, provided the Applicant pays a non-refundable sum equal to the estimated difference between the cost of the underground extension and an equivalent overhead extension at the rate indicated by the Underground Differential on Schedule 18.
- b. Method of Refund
  - i. For Line Extensions Within A New Duly Recorded Residential Subdivision ("Subdivision Agreements")

On or after two (2) years subsequent to the installation of the Company's facilities, and thereafter every six (6) months, the Company will review the status of a subdivision to determine the percentage ratio that the number of lots or service locations occupied by permanent Customers bears to the number of lots identified in each Subdivision Agreement specified as the basis for refund. Refunds will be made prior to the actual occupancy by a permanent Customer if the lot or service location has been substantially completed so that in the judgment of the Company permanent occupancy will occur within a reasonable time. Such periodic review will continue until either: i) the calculated ratio equals a maximum of seventy-five percent (75%) at which time the total refund will be made to the Applicant; or ii) a six (6) year period subsequent to the completion of installation of the Company's facilities elapses. For purposes of computation of all charges and refundable deposit requirements under these Rules and Regulations, the installation of the Company's facilities will be that date upon which the construction is determined to be completed and the facilities are entered into the Company records of Plant and Property. The ratio determined at the time of each review multiplied by the total refundable advance associated with the line extension agreement, less applicable cost of ownership charges previously deducted, if any, will represent that portion of the advance qualified for refund. If the foregoing calculation indicates a refund is due, an appropriate refund of cash deposit, or reduction of the cash deposit requirement at the end of the deferral period in those cases where a Deferred Construction Deposit Agreement has been executed, will be made.

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**SECTION 7**  
**LINE EXTENSIONS**  
(continued)

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

- ii. For Line Extensions To The Perimeter of New Duly Recorded Residential Subdivisions ("Feeder Agreements")

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

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**SECTION 7  
LINE EXTENSIONS  
(continued)**

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

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

- 1) that portion of the advance not qualified for refund at the time of current review, and
- 2) that portion of the advance not qualified for refund at the time of the last periodic review.

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

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

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

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

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**SECTION 7  
LINE EXTENSIONS  
(continued)**

3. Underground Extensions to Individual Applicants

a. General

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

- i. Underground extensions will be owned, operated and maintained by the Company, provided the Applicant pays in advance a non-refundable sum equal to the estimated difference between the cost, exclusive of meters and services, of the underground extension and an equivalent overhead extension at the rate indicated by the Underground Differential in the TEP Statement of Charges (for voltages up to 14kV).
- ii. In addition to the non-refundable sum, the Applicant will (unless otherwise agreed to by the Company and the Applicant) make such refundable deposit as shown in the TEP Statement of Charges (for voltages up to 14kV) and in accordance with Subsection 7.C as otherwise would have been required under these Rules and Regulations if the extension had been made by overhead construction.
- iii. The Applicant will provide and install all of the required underground duct system (including all or a portion of the necessary trenching, backfilling, conduits, ducts, transformer and equipment pads, manholes, and pull boxes) in accordance with the Company's specifications and subject to the Company's inspection and approval. Upon acceptance and approval by the Company, the Applicant will grant to the Company the exclusive right to use and occupy said duct system or, at the option of the Company, will transfer ownership thereof to the Company.
- iv. Refunds of cash deposits will be made in the same manner as provided for overhead extensions to individual Applicants for service, in accordance with the applicable provisions of Subsection 7.C.
- v. Underground services will be installed, owned, operated and maintained as provided in Section 6 of these Rules and Regulations.

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## SECTION 7 LINE EXTENSIONS (continued)

### 4. Replacement of Overhead with Underground Distribution Facilities

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

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

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

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

Line extensions to long term rental mobile home parks, townhouses, condominiums and apartment complexes, where the property is not platted and subdivided into individual lots containing single family dwellings, will be made by the Company under terms and conditions provided in Subsection 7.C.1. The Company will, when requested by the Customer, install, own and maintain internal distribution facilities and individual metering for all new or expansion of said development in accordance with the provisions of Subsection 7.C.1. and 7.C.3. pertaining to duly recorded real estate subdivisions as stated in Any said development meeting the definition of a Residential Subdivision will follow Subsection 7.C.2, hereof.

### 7. Special Conditions

#### a. Contracts

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

#### b. Primary Service and Metering

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

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**SECTION 7**  
**LINE EXTENSIONS**  
(continued)

c. Advances under Previous Rules and Contracts

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

d. Extensions for Temporary Service

Extensions for temporary service or for operations of a speculative character or questionable permanency will be charged the applicable estimated charges for the installation and removal of temporary facilities. Temporary facilities will remain in service for a maximum of two (2) years. Refer to Section 15 of the Rules for additional information regarding temporary service.

e. Exceptional Cases

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

f. Special or Excess Facilities

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

g. Unusual Loads

Line extensions to unusually small loads not consisting of or not serving a permanent structure designed for continued occupancy for either residential or business purposes permanent building (e.g. individual lights, wells, signs, recreational vehicles, travel trailers, etc.) and where 75% of the estimated one year annual revenue does not exceed the per foot line extension charge (See Fee No. 9 and Fee No. 10 of the TEP Statement of Charges) multiplied by 500 feet, will not be granted the five hundred (500) foot allowance. These line extensions but will instead be required to advance a non-interest bearing, refundable cash deposit with the Company for any costs of service in excess of their estimated two one years annual revenue. Refunding will be according to Subsections 7.C.1.c.ii. and and 7.C.3.a.iv. For line extensions to unusually small loads defined above and where 75% of the estimated one year revenue exceeds the per foot line extension charge multiplied by 500 feet, refer to Section 7.C for costs and refunds.

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D. Construction / Facilities Related Income Taxes

1. Collection of Income Tax Gross Up

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

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

- c. After the Company's tax returns for the year of receipt of the advance or contribution are completed, if the statutory combined income tax rate is less than the rate used to calculate the gross-up, the Company shall refund to the Applicant an amount equal to such excess.
- d. When a gross-up amount is to be collected in connection with an extension agreement, the contract will state the tax rate used to compute the gross up amount, and will also disclose the gross-up amount separately from the estimated cost of facilities.

2. Refund of Income Tax Gross Up

- a. In the case of construction advance refunds made pursuant to Subsection 7.C.1.d (Large Light & Power Extensions), a pro rata portion of the gross up will be refunded when the amount of the underlying contribution/advance is refunded. Any remaining gross-up will be refunded on November 1 of each year as tax depreciation deductions are taken on the Company's tax returns. At the end of five years from installation, the remaining gross up will be refunded at an amount that reflects the net present value of the Company's remaining tax depreciation deductions on the underlying advance discounted at the Company's authorized rate of return.
- b. In the case of all other advances or deferred construction deposit agreements, the gross up will be refunded, or the amount of required deferred construction deposit will be reduced, as follows:

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**SECTION 7**  
**LINE EXTENSIONS**  
(continued)

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

3. Non-refundable Income Tax Gross Up for Contribution in Aid of Construction

- a. At the option of the Customer, a non-refundable gross-up may be calculated as follows:

$$\text{Non-refundable Gross Up Amount} = \frac{(\text{Contribution Amount} - \text{Net Present Value of Tax Depreciation})}{(1 - \text{Current Tax Rate})} - \text{Contribution Amount}$$

4. Alternate Income Tax Gross Up for Advances in Aid of Construction

- a. At the option of the Customer, a gross-up may be calculated as in Section 7.D.3.a. when an advance is received. When the Customer has received its final advance refund the alternate gross-up will be recomputed as follows:

$$\frac{\text{Alternate Gross Up Amount}}{\text{Amount}} = \frac{(\text{Advance Amount} - \text{Net Present Value of (Advance Refunds + Tax Depreciation on Advances Not Refunded)})}{(1 - \text{Current Tax Rate})} - \text{Advance Amount}$$

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**SECTION 8  
PROVISION OF SERVICE**

**A. Company Responsibility**

1. The Company will be responsible for the safe transmission and distribution of electricity until it passes the point of delivery to the Customer.
2. The Company will be responsible for maintaining in safe operating condition all meters, equipment and fixtures installed on the Customer's premises by the Company for the purpose of delivering electric service to the Customer. The Company, however, will not be responsible for the condition of meters, equipment, and fixtures damaged or altered by the Customer.
3. The Company may, at its option, refuse service until the Customer has obtained all required permits and/or inspections indicating that the Customer's facilities comply with local construction and safety standards, including any applicable Company specifications.
4. The Company will determine, in its sole discretion, the type of service (including voltage and Point of Delivery) to be furnished for utilization by the Customer. This includes determinations involving (1) requirements to take Primary Service and Metering and (2) service voltage (including for any new on-site generation installations or generation retrofits at the Customer's premises).

**B. Customer Responsibility**

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

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**SECTION 8  
PROVISION OF SERVICE  
(continued)**

6. The Customer will be responsible for informing the Company of, and meeting the Company's requirements regarding, on-site or distributed generation (including distributed renewable resources and combined heat and power facilities) that the Customer or its agent intends to interconnect to the Company's transmission or distribution system. This includes compliance with all requirements contained within the Company's most current Interconnection Requirements for Distributed Generation, and the terms and conditions of the Company's Agreement for the Interconnection of Customer's Facility. Customer must also agree to enter into the Interconnection Agreement with the Company. Further, any interconnection must be in accordance with any applicable Commission regulation and order governing interconnection, as well as applicable laws.
7. The Customer, at his expense, may install, maintain and operate check-measuring equipment as desired and of a type approved by the Company, provided that such equipment will be installed so as not to interfere with operation of the Company's equipment, and provided that no electric energy will be re-metered or sub-metered for resale to another or to others, except where such re-metering will be done in accordance with the applicable orders of the Commission.

C. Continuity of Service

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

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

D. Service Interruptions

1. The Company will make reasonable efforts to reestablish service within the shortest possible time when service interruptions occur.
2. When the Company plans to interrupt service for more than four (4) hours to perform necessary repairs or maintenance, the Company will attempt to inform affected Customers at least twenty-four (24) hours in advance of the scheduled date, and these repairs will be completed in the shortest possible time to minimize the inconvenience to the Customers of the Company.

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**SECTION 8  
PROVISION OF SERVICE  
(continued)**

3. In the event of a national emergency or local disaster resulting in disruption of normal service, the Company may, in the public interest, interrupt service to other Customers to provide necessary service to civil defense or other emergency service agencies on a temporary basis until normal service to these agencies can be restored.
4. The Commission will be notified of interruption in service affecting the entire system or any major division thereof. The interruption of service and cause will be reported by telephone to the Commission within four (4) hours after the responsible representative of the Company becomes aware of said interruption. A written report to the Commission will follow.

**E. Interruption of Service and Force Majeure**

1. The Company will make reasonable provision to supply a satisfactory and continuous electric service, but does not guarantee a constant or uninterrupted supply of electricity. The Company will not be liable for any damage or claim of damage attributable to any temporary, partial or complete interruption or discontinuance of electric service attributable to a force majeure condition as set forth at Subsections 8.E.4. and 8.E.5. or to any other cause which the Company could not have reasonably foreseen and made provision against, or which, in the Company's judgment, is necessary to permit repairs or changes to be made in the Company's electric generating, transmission or distribution equipment or to eliminate the possibility of damage to the Company's property or to the person or property of others.
2. Whenever the Company deems that a condition exists to warrant interruption or limitation in the service being rendered, this interruption or limitation will not constitute a breach of contract and will not render the Company liable for damages suffered thereby or excuse the Customer from further fulfillment of the contract.
3. The use of electric energy upon the premises of the Customer is at the risk of the Customer. The Company's liability will cease at the point where its facilities are connected to the Customer's wiring.
4. Neither the Company nor the Customer will be liable to the other for any act, omission or circumstances (including, with respect to the Company, but not limited to, inability to provide service) occasioned by or in consequence of the following:
  - a. flood, rain, wind, storm, lightning, earthquake, fire, landslide, washout or other acts of the elements;
  - b. accident or explosion;
  - c. war, rebellion, civil disturbance, mobs, riot, blockade or other act of the public enemy;
  - d. acts of God;
  - e. interference of civil and/or military authorities;
  - f. strikes, lockouts or other labor difficulties;
  - g. vandalism, sabotage or malicious mischief;

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### SECTION 8 PROVISION OF SERVICE (continued)

- h. usurpation of power, or the laws, rules, regulations or orders made or adopted by any regulatory or other governmental agency or body (federal, state or local) having jurisdiction of any of the business or affairs of the Company or the Customer, direct or indirect;
  - i. breakage, failure, or accidents to equipment or facilities;
  - j. lack, limitation or loss of electrical or fuel supply; or
  - k. any other casualty or cause beyond the reasonable control of the Company or the Customer, whether or not specifically provided herein and without limitation to the types enumerated, and which by the exercise of due diligence such party is unable to prevent or overcome.
5. A failure to settle or prevent any strike or other controversy with employees or with anyone purporting or seeking to represent employees will not be considered to be a matter within the control of the Company.
  6. Nothing contained in this Section will excuse the Customer from the obligation of paying for electricity delivered or services rendered.

#### F. General Liability

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

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5. The Company will not be responsible in an occasion for any loss or damage caused by the negligence or wrongful act of the Customer or any of his agents, employees or licensees in installing, maintaining, using, operating or interfering with any electric facilities.

**SECTION 8  
PROVISION OF SERVICE  
(continued)**

G. Construction Standards and Safety

The Company will construct all facilities in accordance with the provision of the ANSI C2 Standards (National Electric Safety Code, 2007 edition, and other amended editions as are adopted by the Commission), the 2007 ANSI B.31.1 Standards, the ASME Boiler and Pressure Vessel Code, and other applicable American National Standards Institute Codes and Standards, except for such changes as may be made or permitted by the Commission from time to time. In the case of conflict between codes and standards, the more rigid code or standard will apply.

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**SECTION 9  
CHARACTER OF SERVICE – VOLTAGE, FREQUENCY AND PHASE**

- A. Electric energy furnished under these Rules and Regulations will be alternating current, sixty (60) hertz single or three-phase, at the standard, nominal voltages specified by the Company. The following nominal voltages are available on the Company's system:
1. Residential Customers: 120/240 volts single-phase
  2. General Service or Light and Power Customers:
    - a. Single-Phase: 120/240 volts (all areas)
    - b. Three-Phase:
      - i. 120/240 volts 4 wire delta (from overhead system only and not for new service, upgrades only)\*
      - ii. 240/480 volts 4 wire delta (from overhead system only)\*
      - iii. 120/208 volts 4 wire wye
      - iv. 277/480 volts 4 wire wye
- \* This may be available in some existing underground areas.
- B. The primary voltage supplied will depend on the Customer's load and the system voltage available at that location; it will be specified by the Company. Normally, this will be one of the following nominal distribution or sub-transmission voltages: 7970/13800 volts 4 wire wye, or 46,000 volts 3 wire delta. The actual standard nominal voltages available to a specific Customer will depend on location, load, and type of system in the area and will be specified by the Company.
- C. A Customer must meet certain minimum load requirements in order to qualify for three-phase service under Section 7 and within the Electrical Service Requirements.
- D. The Company does not guarantee the constancy of its voltage or frequency, nor does it guarantee against its loss of one or more phases in a three-phase service. The Company will not be responsible for any damage to the Customer's equipment caused by any or all of these occurrences brought about by circumstances beyond its control.

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

E. Motor Protection

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

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

F. Load Fluctuation and Balance

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

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

G. Customer Responsibility for Equipment Used in Receiving Electric Energy

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

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**SECTION 10  
METER READING**

- A. Company or Customer Meter Reading
1. The Company may, at its discretion, allow for Customer reading of meters.
  2. It will be the responsibility of the Company to inform the Customer how to properly read his or her meter.
  3. Where a Customer reads his or her own meter, the Company will read the Customer's meter at least once every four (4) months.
  4. Where the Company must read the meter every four (4) months, the Customer shall pay Fee No. 3 as set forth in the TEP Statement of Charges for every read.
  5. The Company will provide the Customer with postage-paid cards or other methods to report the monthly reading to the Company.
  6. The Company will specify the timing requirements for the Customer to submit his or her monthly meter reading to conform to the Company's billing cycle.
  7. Meter readings will be scheduled for periods of not less than twenty-five (25) days or more than thirty-five (35) days. In the event the Customer fails to submit a reading within this ten (10) day period, the Company may issue the Customer an estimated bill.
  8. In the event the Customer fails to submit monthly reads as designated above, the Company may estimate the usage for up to three (3) months.
  9. The Company and the Customer shall mutually agree on a method to submit meter reads.
  10. Where the Customer is providing their own meter reads, the Customer is responsible for all applicable charges as calculated from the point the Company last read the Customer's meter.
  11. Meters will be read monthly on as close to the same day as practical.

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**SECTION 10**  
**METER READING**  
(continued)

B. Measuring of Service

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

C. Customer Requested Rereads

1. The Company will, at the request of a Customer, reread that Customer's meter within ten (10) business days after the request by the Customer.
2. Any reread may be charged to the Customer at a rate set forth as Fee No. 2 in the TEP Statement of Charges, if the original reading was not in error.
3. When a reading is found to be in error, the Company will not charge the Customer for the reread

D. Access to Customer Premises

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

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**SECTION 10**  
**METER READING**  
(continued)

E. Meter Testing and Maintenance Program

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

F. Customer Requested Meter Tests

The Company will test a meter upon Customer request and the Company will be authorized to charge the Customer for the meter test. The charge for the meter test is set forth as Fee No. 13 in the TEP Statement of Charges. However, if the meter is found to be in error by more than three percent (3%), then no meter testing fee will be charged to the Customer.

G. Demands

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

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**SECTION 10**  
**METER READING**  
(continued)

H. Automated Meter Opt-Out

4. Residential Electric Service (R-01) Customers may request meters that do not transmit data wirelessly and the Company will accommodate such requests to the extent practicable. The charge for the Special Meter Reading Fee is set forth as Fee No. 3 in the TEP Statement of Charges. The charge for the Automated Meter Opt-Out Set-Up Fee is set forth as Fee No. 8 in the TEP Statement of Charges.

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**SECTION 11**  
**BILLING AND COLLECTION**

A. Frequency and Estimated Bills

1. The Company will bill monthly for services rendered. Meter readings will be scheduled for periods of not less than twenty-five (25) days or more than thirty-five (35) days.
2. If the Company is unable to obtain the meter read on the scheduled meter read date, the Company will estimate the consumption for the billing period as set forth in the Company's Bill Estimation Methodologies Tariff.
3. After the second consecutive month of estimating the Customer's bill, the Company will attempt to secure an accurate reading of the meter.
4. Failure on the part of the Customer to comply with a reasonable request by the Company for access to its meter may lead to the discontinuance of service.
5. Estimated bills will be issued only under the following conditions:
  - a. Failure of a Customer who read his own meter to deliver his meter reading card to the Company, in accordance with the requirements of the Company billing cycle.
  - b. Severe weather conditions, emergencies or work stoppages that prevent the Company from reading the meter.
  - c. Circumstances that make it dangerous or impossible to read the meter, including locked gates, blocked meters, vicious or dangerous animals, or any force majeure condition as listed in Subsections 8.E.4 and 8.E.5.
  - d. When an electronic meter reading is obtained, but the data cannot be transferred to a Customer Information System.
  - e. A meter failure or malfunction with no reliable information retained by the meter.
  - f. A failure of the meter communication network preventing receipt of reliable information.
  - g. Meter tampering or energy diversion results in a lack of accurate metered consumption information.
  - h. In the event the Customer fails to submit the reading within the designated ten (10) day meter reading window.
  - i. In the event the Customer fails to submit monthly reads as designated above, the Company may estimate the usage for up to three (3) months.
6. Each bill based on estimated usage will indicate that it is an estimated bill.
7. Estimates due to equipment malfunctions may exceed ~~one~~ two months if the malfunction could not be reasonably discovered and/or corrected before additional bills were estimated.
8. A bill is not considered an estimated bill when the end read is based on an actual read.

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

B. Combining Meters, Minimum Bill Information

1. Each meter at a Customer's premises will be considered separately for billing purposes, and the readings of two (2) or more meters will not be combined unless otherwise provided for in the Company's Rates.
2. Each bill for residential service will contain the following minimum information:
  - a. Date and meter reading at the start of billing period or number of days in the billing period;
  - b. Date and meter reading at the end of the billing period;
  - c. Billed usage and demand (if applicable);
  - d. Rate schedule number;
  - e. Company telephone number;
  - f. Customer's name;
  - g. Service account number;
  - h. Amount due and due date;
  - i. Past due amount;
  - j. Adjustment clause costs, where applicable;
  - k. Other ACC-approved charges;
  - l. All applicable taxes; and
  - m. The address for the Arizona Corporation Commission.

C. Billing Terms

1. All bills for the Company's services are due and payable no later than ten (10) days from the date the bill is rendered. Any payment not received within this time frame will be considered past due.
2. For purposes of this rule, the date a bill is rendered may be evidenced by:
  - a. The postmark date for bills sent via U.S. Postal Service; or
  - b. The mailing date; or
  - c. The billing date shown on the bill. However, the billing date will not differ from the postmark or mailing date by more than two (2) days.
  - d. An Electronic Bill will be considered rendered at the time it is electronically sent to the Customer.

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

- 3. All past due bills for the Company's services are due and payable within fifteen (15) days. Any payment not received within this time frame will be considered delinquent and will incur a late payment finance charge.
- 4. All delinquent bills for which a valid payment has not been received within five (5) days will be subject to the provisions of the Company's termination procedures.
- 4.5. The amount of the late payment penalty as set forth as Fee No. 15 in the TEP Statement of Charges will not exceed one and one-half percent (1.5%) of the delinquent bill, applied on a monthly basis.
- 5.6. All payments of current amounts may must be made at or sent via U.S. Postal Service to the office of the Company or to the Company's duly authorized representative by a payment method authorized by the Company.
- 6.7. A bill will be rendered in a form prescribed by the Company. If the Customer requests a bill in a form other than the one prescribed by the Company, the Company in its sole discretion may consider such request and charge the Customer any associated costs.

D. Applicable Rates, Time-of-Use Meters, Prepayment, Failure to Receive, Commencement Date, Taxes

- 1. Each Customer will be billed under the applicable Rate indicated in the Customer's application for service.
- 2. For a Customer taking service under a TEP Time-of-Use ("TOU") rate, the Company may charge a fee based on the incremental cost of a TOU meter versus a non-TOU meter.
- 3. Customers may pay for electrical service by making advance payments.
- 4. Failure to receive bills or notices which have been properly placed in the U.S. Postal Service or posted electronically will not prevent those bills from becoming delinquent nor relieve the Customer of his obligations therein.
- 5. Charges for service commence when the service is installed and connection made, whether used or not.

E. Billing and Meter Error Corrections

- 1. If, after testing, any meter is found to be more than three percent (3%) in error, either fast or slow, proper correction between three percent (3%) and the amount of the error will be made to previous readings and adjusted bills will be rendered according to the following terms:
  - a. For the period of three (3) months immediately preceding the removal of such meter from service for test or from the time the meter was in service since last tested, but not exceeding three (3) months since the meter will have been shown to be in error by such test.
  - b. From the date the error occurred, if the date of the cause can be definitely fixed.

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- 2. No adjustment will be made by the Company except to the Customer last served by the meter tested.

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

F. Responsibility for Payment of Bills

- 1. The Customer is responsible for the payment of bills until service is ordered discontinued and the Company has had reasonable time to secure a final meter reading for those services involving energy usage, or if non-metered services are involved until the Company has had reasonable time to process the disconnect request.
- 2. When an error is found to exist in the billing rendered to the Customer, the Company may correct such an error to recover or refund the difference between the original billing and the correct billing. The TEP Bill Estimation Methodologies tariff shall be applied when the Company cannot obtain a complete and valid meter read. Situations that result in an estimated meter read include inclement weather, lack of access to a Customer's meter, energy diversion, labor unavailability and equipment malfunction.
- 3. Except as specified below, corrected charges for underbillings shall be limited to three (3) months for residential accounts and six (6) months for non-residential accounts.
  - a. Where the account is billed on a special contract or non-metered rate, corrected charges for underbillings shall be billed in accordance with the contract or rate requirements and is not limited to three (3) or six (6) months as applicable.
  - b. Where service has been established but no bills have been rendered, or a bill is rendered, but shows no consumption, corrected charges for underbillings shall go back to the date service was established.
  - c. Where there is evidence of meter tampering or energy diversion, corrected charges for underbillings shall go back to the date meter tampering or energy diversion began, as determined by the Company.
  - d. Where lack of access to the meter (caused by the Customer) has resulted in estimated bills, corrected charges for underbillings shall go back to the billing month of the last Company obtained meter read date.
  - e. When a Customer signs up for service in error at the wrong premise.

G. Returned Payments

- 1. The Company will be allowed to recover a fee, as set forth as Fee No. 14 in the TEP Statement of Charges, for each instance where a Customer tenders payment for electric service with a payment returned unpaid. This fee will also apply when an electronic funds transfer ("EFT") is denied for any reason.
- 2. When the Company is notified by the Customer's bank or other financial institution that a payment has been returned unpaid, or denied for any reason, the Company may require the Customer to make payment in cash, by money order, ~~certified check~~, or other means approved methods which guarantee the Customer's payment to the Company.

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

3. A Customer, who tenders a payment which is returned unpaid, regardless of the reason or method used to pay, will not be relieved of the obligation to render payment to the Company under the original terms of the bill nor defer the Company's provision for termination of service for nonpayment of bills.
4. A Customer with two (2) returned payments within a twelve (12) month period may be required to pay with guaranteed funds, (i.e., cash, money order, or other approved methods~~cashier's check~~) for any subsequent billing for twelve (12) months.

H. Budget Billing Plan

1. The Company may, at its option, offer its Customers a budget billing plan.
2. ~~If the Company offers a budget billing plan, the Company will develop, upon Customer request, an estimate of the Customer's budget billing for a~~The Company will provide, upon Customer request, an estimate of the Customer's budget billing amount for a twelve-month period based upon:
  - a. Customer's actual consumption history, which may be adjusted for abnormal conditions such as weather variations.
  - b. For new Customers, the Company will estimate consumption based on the Customer's anticipated load requirements.
  - c. The Company's Rate approved by the Commission applicable to that Customer's class of service.
3. The Company will provide the Customer, upon Customer request, a concise explanation of how the budget billing estimate was developed, the impact of budget billing on a Customer's monthly electric bill, and the Company's right to adjust the Customer's billing for any variation between the Company's estimated billing and actual billing.
4. For those Customers being billed under a budget billing plan, the Company will show, at a minimum, the following information on the Customer's monthly bill:
  - a. Actual consumption;
  - b. Amount due for actual consumption;
  - c. Budget billing amount due; and
  - d. Accumulated variation in actual versus budget billing amount.
5. ~~The Company may adjust the Customer's budget billing in the event the Company's estimate of the Customer's usage and/or cost should vary significantly from the Customer's actual usage and/or cost. This review to adjust the amount of the budget billing may be initiated by the Company or Customer.~~The Company may adjust the Customer's budget billing in the event the Company's estimate of the Customer's usage and/or cost varies significantly from the Customer's actual usage and/or cost. This review to adjust the amount of the budget billing may be initiated by the Company or the Customer.

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- 6. While on the budget billing plan, the Customer shall pay the monthly plan amount, notwithstanding the current charges shown on the bill.

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

- 7. Any other charges incurred by the Customer shall be paid when due in addition to the monthly plan amount.
- 8. Interest will not be charged to the Customer on accrued debit balances nor paid by the Company on accrued credit balances.

I. Deferred Payment Plan

- 1. The Company may, prior to termination of service, offer to qualifying residential Customers a deferred payment plan for the Customer to retire unpaid delinquent bills for electric service.
- 2. Each deferred payment agreement entered into by the Company and the Customer, due to the Customer's inability to pay an outstanding bill in full, will provide that service will not be discontinued if:
  - a. Customer agrees to pay a reasonable amount of the outstanding bill at the time the parties enter into the deferred payment agreement.
  - b. Customer agrees to pay all future bills for electric service in accordance with the Company's Rates.
  - c. Customer agrees to pay a reasonable portion of the remaining outstanding balance in installments over a period not to exceed ~~six (6)~~ three (3) months.
- 3. For the purpose of determining a reasonable installment payment schedule under these rules, the Company and the Customer will give consideration to the following conditions:
  - a. Size of the delinquent account;
  - b. Customer's ability to pay;
  - c. Customer's payment history;
  - d. Length of time the debt has been outstanding;
  - e. Circumstances which resulted in the debt being outstanding; and
  - f. Any other relevant factors related to the circumstances of the Customer.
- 4. Any Customer who desires to enter into a deferred payment agreement must do so before the Company's scheduled termination date for nonpayment of bills. The Customer's failure to execute a deferred payment agreement prior to the scheduled service termination date will not prevent the Company from terminating service for nonpayment.

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5. Deferred payment agreements may be in writing and may be signed by the Customer and an authorized Company representative.
6. A deferred payment agreement ~~may include a finance charge in an amount equal to the Company's actual or average cost of providing such arrangements~~ does not relieve the unpaid balance from being assessed a monthly late charge, in accordance with the current late payment fee percentage rate.

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

7. If a Customer has not fulfilled the terms of a deferred payment agreement, the Company has the right to disconnect service pursuant to the Company's Termination of Service Rules in Section 12 and, under these circumstances, it will not be required to offer subsequent negotiation of a deferred payment agreement prior to disconnection.

J. Change of Occupancy

1. The Customer must give the Company at least three (3) business days advance notice via the website, e-mail, in writing or by telephone, to discontinue service or to change occupancy.
2. The outgoing Customer will be responsible for all electric services provided and/or consumed up to the scheduled turn-off date.
3. The outgoing Customer or property owner, in the case of a known landlord/tenant situation, is responsible for providing access to the meter so that the Company may obtain a final meter reading. If access is unavailable, due to the action or inaction of the Customer or property owner, the outgoing Customer or owner/landlord will be responsible for the services consumed until such time as access is provided and services can be disconnected/turned-off.

K. Electronic Billing

1. Electronic Billing is an optional billing service whereby Customers may elect to receive, view and pay their bills electronically. The Company may modify its Electronic Billing services from time to time. A Customer electing an electronic billing service may receive an electronic bill in lieu of a paper bill.
2. Customers electing an electronic billing service may be required to complete additional forms and agreements.
3. Electronic Billing may be discontinued at any time by Company or the Customer.
4. An Electronic Bill will be considered rendered at the time it is electronically sent to the Customer. Failure to receive bills or notices that have been properly sent by an Electronic Billing system does not prevent these bills from becoming delinquent and does not relieve the Customer of the Customer's obligations therein.

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Tucson Electric Power

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- 5. Any notices that the Company is required to send to the Customer who has elected an Electronic Billing service may be sent by electronic means at the option of the Company.
- 6. Except as otherwise provided in this subsection, all other provisions of the Company's Rules and Regulations and other applicable Rates are applicable to Electronic Billing.

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

- 7. The Customer must provide the Company with a current email address for electronic bill delivery. If the electronic bill is electronically sent to the Customer at the email address that the Customer provided to the Company, then the Electronic Bill will be considered properly sent. Further, the Customer will be responsible for updating the Company with any changes to this email address. Failure to do so will not excuse the Customer from timely paying the Company for electric service.

L. Collections

- 1. All unpaid closed accounts may be referred to a collection agency for collections.
- 2. If a collection agency referral is warranted for collection of unpaid final bills, Customer will be responsible for associated collection agency fees incurred assessed by the Company. If the unpaid bill is referred to a credit bureau, the Company will not be held responsible to notify the Credit Bureau of any payment status.

M. Refunds

Customers will not be eligible for refunds, rebates or other Company program payments if the Customer has a delinquent Company balance.

N. Refund of Credit Balance Following Discontinuance of Service

Upon discontinuance of service, the Company shall refund the Customer any credit balance remaining on the account. With the consent of the Customer (when available), any credit balance remaining on the account that is less than \$5.00, shall be donated to a low-income assistance program to be determined by the Company or as may be required by law.

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**SECTION 12  
TERMINATION OF SERVICE**

- A. Please refer to the Arizona Administrative Code R14-2-211.A.
- B. Termination of Service Without Notice
1. Electric service may be disconnected without advance written notice under the following conditions:
    - a. The existence of an obvious safety or health hazard to the consumer, the general population or the Company's personnel or facilities;
    - b. The Company has evidence of meter tampering or fraud; or
    - c. The Company has evidence of unauthorized resale or use of electric service; or
    - d. Customer makes payment to avoid/stop disconnection for non-payment with a dishonored or fraudulent payment. The Company will not be required to restore service until the repayment of those funds and all other delinquent amounts are paid by cash, money order, cashier's check, certified funds or verified electronic payment; or
    - e. Customer makes payment to reconnect service with a dishonored or fraudulent payment. The Company will not be required to restore service until the repayment of those funds and all other delinquent amounts are paid by cash, money order, cashier's check, certified funds or verified electronic payment; or
    - f. Failure of a Customer to comply with the curtailment procedures imposed by the Company during supply shortages.
  2. The Company will not be required to restore service until the conditions that led to the termination have been corrected to the satisfaction of the Company.
  3. The Company will maintain a record of all terminations of service without notice for a minimum of one (1) year and will be available for inspection by the Commission.
- C. Termination of Service With Notice
1. The Company may disconnect service to any Customer for any reason stated below provided that the Company has met the notice requirements described in Subsection 12.E. below:
    - a. Customer violation of any of the Company's Rates;
    - b. Failure of the Customer to pay a delinquent bill for electric service;
    - c. Failure of a prior Customer to pay a delinquent bill for electric service where the prior Customer continues to reside on the premise;
    - d. Failure of the Customer to meet agreed-upon deferred payment arrangements;
    - e. Failure to meet or maintain the Company's deposit requirements;
    - f. Failure of the Customer to provide the Company reasonable safe access to its equipment and property;

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**SECTION 12  
TERMINATION OF SERVICE  
(continued)**

- g. Returned or invalid payments;
  - h. Customer breach of a written contract for service between the Company and Customer;
  - i. When necessary for the Company to comply with an order of any governmental agency having such jurisdiction;
  - j. When a hazard exists that is not imminent, but in the Company's opinion, may cause property damage;
  - k. Customer facilities that do not comply with Company requirements or specifications;
  - l. Failure to provide or retain rights-of-way or easements necessary to serve the Customer; or
  - m. The Company learns of the existence of any condition in Section 3.D., Grounds for Refusal of Service.
2. The Company will maintain a record of all terminations of service with notice for one (1) year and be available for Commission inspection.
- D. The Company will not be obligated to renotify the Customer of the termination of service, even if the Customer – after receiving the required termination of service notification – has made payment, yet the payment is returned within three (3) to five (5) business days of receipt for any reason. The original notification will apply.
- E. Termination Notice Requirements
- 1. The Company will not terminate service to any of its Customers without providing advance written notice to the Customer of the Company's intent to disconnect service, except under those conditions specified in Subsection 12.B. where advance written notice is not required.
  - 2. This advance written notice will contain, at a minimum, the following information:
    - a. The name of the person whose service is to be terminated and the address where service is being rendered.
    - b. The Company's Rate that was violated and explanation of the violation or the amount of the bill that the Customer has failed to pay in accordance with the payment policy of the Company, if applicable.
    - c. The date on or after which service may be terminated.
    - d. A statement advising the Customer to contact the Company at a specific phone number for information regarding any deferred payment or other procedures that the Company may offer or to work out some other mutually agreeable solution to avoid termination of the Customer's service.

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**SECTION 12**  
**TERMINATION OF SERVICE**  
(continued)

- e. A statement advising the Customer the Company's stated reason(s) for the termination of services may be disputed by contacting the Company at a specific address or phone number, advising the Company of the dispute and making arrangements to discuss the cause for termination with a responsible employee of the Company in advance of the scheduled date of termination. The responsible employee will be empowered to resolve the dispute and the Company will retain the option to terminate service after affording this opportunity for a meeting and concluding that the reasons for termination is just and advising the Customer of his right to file a complaint with the Commission.
  - 3. Where applicable, a copy of the termination notice will be simultaneously forwarded to designated third parties.
- F. Timing of Terminations With Notice
- 1. The Company will give at least a five (5) day advance written notice prior to the termination date.
  - 2. This notice will be considered to be given to the Customer when a copy of the notice is left with the Customer or posted first class via the U.S. Postal Service, addressed to the Customer's last known address.
  - 3. If, after the period of time allowed by the notice has elapsed and the delinquent account has not been paid nor arrangements made with the Company for payment of the bill – or in the case of a violation of the Company's rules the Customer has not satisfied the Company that this violation has ceased – then the Company may terminate service on or after the day specified in the notice without giving further notice.
  - 4. The Company will have the right (but not the obligation) to remove any or all of its property installed on the Customer's premises upon the termination of service. Upon the termination of service the Company may, without liability for injury or damage, dismantle and remove its line extension facilities within two (2) years after termination of service. The Company will give the Customer thirty (30) days written notice before removing its facilities should the Company decide to do so, or else waive any reestablishment charge within the next one (1) year for the same service to the same Customer at the same location.
- G. Landlord/Tenant Rule
- 1. In situations where service is rendered at an address different from the mailing address of the bill or where the Company knows that a landlord/tenant relationship exists and the landlord is the Customer of the Company, and where the landlord as a Customer would otherwise be subject to disconnection of service, the Company may not disconnect service until the following actions have been taken:
    - a. Where it is feasible to so provide service, the Company, after providing notice as required in these rules, will offer the occupant the opportunity to subscribe for service in his or her own name. If the occupant then declines to so subscribe, the Company may disconnect service pursuant to the rules.
    - b. The Company will not attempt to recover from a tenant or condition service to a tenant, upon the prepayment of any outstanding bills or other charges due upon the outstanding account of the landlord.



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**SECTION 12  
TERMINATION OF SERVICE  
(continued)**

H. In the event a Customer provides the Company with documentation certifying that the Customer depends on electricity to power a life-sustaining medical device or if a Customer's medical condition warrants continuous electrical service and the Customer accumulates debt equivalent to a three (3) month bill, in lieu of a disconnection of service, the Company may limit the amount of current flowing into the premises to operate medical devices and basic appliances, such as refrigeration, water supply, lighting and small motors in the heating system.

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**SECTION 13  
RECONNECTION OF SERVICE**

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

A. Where service was discontinued without notice:

1. The hazardous condition must be removed and the installation will conform to accepted standards.
2. All bills for service and/or applicable investigative costs due the Company by reason of fraudulent or unauthorized use, diversion or tampering must be paid and a deposit to guarantee the payment of future bills may be required.
3. Required arrangements for service must be made.

B. Where service was discontinued with notice:

1. The Customer must make arrangements for the payment of all bills and these arrangements must be satisfactory to the Company.
2. The Customer must furnish a satisfactory guarantee to pay all future bills.
3. The Customer must correct any and all violations of these Rules and Regulations.

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**SECTION 14  
ADMINISTRATIVE AND HEARING REQUIREMENTS**

**A. Customer Service Complaints**

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

**B. Customer Bill Disputes**

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

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**SECTION 14  
ADMINISTRATIVE AND HEARING REQUIREMENTS  
(continued)**

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

C. Commission resolution of service and bill disputes

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

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**SECTION 14**  
**ADMINISTRATIVE AND HEARING REQUIREMENTS**  
(continued)

- e. The Commission's representative will render a written decision to all parties within five business days after the date of the informal meeting. This written decision of the arbitrator is not binding on any of the parties and the parties may still make a formal complaint to the Commission.
- 3. The Company may implement its termination procedures if the Customer fails to pay all bills rendered during the resolution of the dispute by the Commission.
- 4. The Company will maintain a record of written statements of dissatisfaction and their resolution for a minimum of one (1) year and make these records available for Commission inspection.

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SECTION 15  
TEMPORARY SERVICE OR CYCLICAL USAGE

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

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**SECTION 16  
STANDBY SERVICE**

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

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**SECTION 17  
POWER FACTOR**

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

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**Exhibit DAS-3**

## Compliance Requirements to be Eliminated

### Tucson Electric Power Company

1. All Reporting Requirements related to the Retail Electric Competition Rules, A.A.C. R14-2-1601 et seq.

**Reason:** Retail Electric Competition Rules are not relevant at this time

2. Filing of Annual Update to Electric Load Curtailment Plan see Decision No. 66034 (July 3, 2003 (order approving curtailment tariff)).

**Reason:** Filing should not be necessary unless Plan is being modified.

3. Filing of Report every 5 years listing potential improvements to Springerville 4 that reduce emissions and costs associated with the improvements by Decision No. 65347 (Nov. 1, 2002).

**Reason:** Springerville 4 is an unregulated, non-jurisdictional asset.

4. Filing of Annual Cost Containment Report required initially by Decision No. 59594 (March 29, 1996).

**Reason:** Prudency of TEP costs is reviewed by Commission in rate cases.

5. Filing of Annual Estimated First or Final Bill Report required by Decision No. 64180 (October 30, 2001).

**Reason:** This compliance requirement involves tracking a waiver of A.A.C. R14-2-210 that has been in place for years without incident and that has been reported as part of the Commission's Electric Competition Rules reporting requirements.

6. Filing of a Full Decoupling Report in connection with LFCR annual adjustment required by Decision No. 73912 (June 27, 2013).

**Reason:** The Commission has approved a partial decoupling mechanism for TEP (LFCR). The Commission should consider information related to full decoupling and other rate design issues in a rate case.

7. Filing of Annual Letter on TEP's Code of Conduct required by Decision No. 62767 (August 2, 2000).

**Reason:** This requirement was related to electric competition and has been superseded by TEP's new Code of Conduct, which was approved in Decision No. 75033 (April 23, 2015).

8. Filing of Annual Summer Preparedness Report Cyprus Sierrita CEC required by Decision No. 69680 (June 28, 2007).

**Reason:** Project completed June, 2013.

9. Filing of Annual Sign Replacement Report, Cyprus Sierrita CEC required by Decision No. 69680 (June 28, 2007).

**Reason:** Project completed June, 2013.

10. Filing of Annual Self-Certification Letter, Vail to Valencia CEC required by Decision No. 71282 (October 7, 2009).

**Reason:** Project completed December 22, 2013.

11. Filing of Annual Self-Certification Letter, Gateway Substation CEC required by Decision No. 64356 (January 15, 2002).

**Reason:** Project is suspended indefinitely.

12. Develop a data base of existing renewable energy resources within its service area within six months from the effective date of the Decision. The inventories shall be revised annually and submitted to Staff each year as part of the historical data filings required under the IRP rules (R14-2-703, A&B) required by Decision No. 58643 (June 01, 1994).

**Reason:** The requirement is moot as it derives from a 1993 Decision based on the previous version of the IRP Rules which were subsequently suspended and then completely amended and superseded in 2010. Similar information is already being provided in accordance with the new IRP requirements.