



Rider-12 Interruptible Service

AVAILABILITY

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

APPLICABILITY

Available to Customers qualifying for and receiving electric service over 3,000 kW and are willing to subscribe to at least 1,000 kW of interruptible load at a contiguous facility. This rider is not available for standby, temporary, resale or in conjunction with other interruptible rate schedules.

CHARACTER OF SERVICE

Must meet all service requirements for the Customer's applicable tariff.

TERMS AND CONDITIONS OF SERVICE

1. Customers taking service under this rider are eligible for credits in exchange for curtailing load at the request of the Company.
2. Interruptions can be called for economic or non-economic reasons and are to be called at the sole discretion of the Company.
3. The Customer must designate each service point that may be available for interruption with a 30 minute notice. Interruption will be at the discretion of the Company.
4. No more than two interruption events will occur in a given calendar day.
5. A Customer will be limited to no more than two interruptions in a day during the five summer months for a maximum of six (6) hours for each daily interruption event, even if the duration per event is less than 6 hours.
6. To receive service under this Rider-12, the Customer will install, at the Customer's expense, all necessary communication, relay and breaker equipment to qualify for service under this Rider-12, subject to Company approval and will pay for associated hardware cost. The Customer must maintain all Company-approved equipment at their service location necessary for the Company to provide interruption notification and to remotely interrupt the Customer from its master control station.
7. Company shall not be liable for any loss or damage caused by or resulting from any interruption of service.
8. Nothing herein prevents the Company from interrupting service for emergency circumstances, determined at the Company's sole discretion. Emergency interruptions, as defined by the Company's Rules and Regulations, shall not count as interruption events for purposes of this rider.
9. The standard Rules and Regulations of the Company, as on file with the Arizona Corporation Commission, shall apply where not inconsistent with this rider.
10. The total of all interruption events (excluding Emergency interruptions) will not exceed 120 hours per year.

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

Rate: R-12
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BID COMMITMENT PERIOD

The Company will post Market Value Capacity Price (MVCP) (defined below) and available Interruptible Credits (\$/kW) based on market value capacity for day-ahead dispatch notice for the coming months of May through September by March 15 in the same calendar year.

NOMINATION OF INTERRUPTIBLE LOAD BY CUSTOMER

Nomination will occur before April 15 of the calendar year of each interruption season. Participating Customers shall designate by service point the portion of their load that is Interruptible Load (in kW). A minimum of a thirty minute notice requirement, and a maximum interruption of six hours per event applies to all load nominated at a single service point. Customers with multiple service points may designate different maximum load (kW) for different contiguous service points. If the Customer intends to interrupt a specific activity or function at its operation, the Customer should state this activity or function at the time Interruptible Load is nominated. The minimum nomination of interruptible load summed over a participating Customer's contiguous service points shall be at least 1,000 kW.

INTERRUPTIBLE CREDIT

Customers who elect service under this Rider-12 will receive a monthly Interruptible credit for each of the five summer months in which an interruption may occur. The credit will be calculated by taking the Market Value Capacity Price applicable for the interruptible load season (May through September) times the nominated interruptible load of the individual Customer.

MARKET VALUE CAPACITY PRICE (MVCP)

The Market Value Capacity Price (MVCP) reflects opportunity cost of capacity as revealed through the Company's resource procurement process, adjusted to reflect line losses, and reserves avoided. Resource prices are sensitive and confidential information based on competitive bids; however this information will be made available to the Arizona Corporation Commission Staff and/or an Independent Monitor(s) for review. The MVCP is a price applicable to the five summer months only.

RECOVERY OF PROGRAM COSTS

The cost of the interruptible resource under this Rider-12 (the credits applied to qualifying Customers' bills) shall be treated as "Purchased Power" and shall be recorded in FERC account 555 and appropriately treated through the Purchased Power and Fuel Adjustment Clause (PPFAC) as any other prudent fuel or purchased power cost.

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

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

TEP STATEMENT OF CHARGES

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

TAX CLAUSE

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

RULES AND REGULATIONS

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

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Tucson Electric Power

Tucson Electric Power Company

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ADDITIONAL NOTES

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

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