



Residential Demand Time-of-Use Tech (R-Tech)

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 customer premises.

This rate schedule is initially limited to a maximum of 4,000 of the Company's residential customers.

After 18 months of the effective date of this tariff, if less than 0.01% of residential customers are taking service under this tariff, TEP shall file a report with the Commission, within 90 days, detailing the progress of the R-Tech pilot rate schedule. The report will also include a request for the Commission to determine whether the R-Tech pilot rate schedule should be continued, expanded, or terminated.

APPLICABILITY

This rate schedule is available to residential Customers with the following:

1. Two or more qualifying primary on-site technologies purchased within 90 days of the customer enrolling in the pilot; or
2. One qualifying primary on-site technology purchased within 90 days of the customer enrolling in the pilot and two or more qualifying secondary on-site technologies.

This is a pilot rate schedule. This means this tariff is associated with a specific program approved by the Arizona Corporation Commission, and is available only to those customers eligible to participate in the program. The R-Tech pilot program will test the desire and ability of participating residential customers to reduce On-Peak energy and demand usage through multiple behind-the-meter technologies.

Qualifying technologies for the R-Tech pilot program are as follows:

1. Primary technologies:
 - a. A rooftop solar photovoltaic system. The size of the system cannot be: (i) smaller than 2 kW-DC or (ii) have a maximum generating capacity less than 125% of the Customer's total connected load at the metered premise consistent with Rider-14.
 - b. A chemical energy storage system. The size of the system cannot be: (i) smaller than 4 kWh and (ii) cannot be larger than 125% of the customer's maximum one-hour peak demand measured in AC over the prior twelve (12) months. (For example, if the customer's peak is 8kW-AC, the maximum chemical storage system size that could be installed is 10 kW-DC).
 - c. A highway approved electric vehicle with a level 1 or 2 charging station.
2. Secondary technologies:
 - a. A significant load device with a variable speed motor (such as a variable speed pool pump or a variable speed Heating, Ventilating, and Air Conditioning (HVAC) system).
 - b. A grid-interactive electric water heater, HVAC system, or electric vehicle charger.
 - c. An automated load controller designed to prevent simultaneous use of multiple significant load devices such as HVAC, electric water heater, electric clothes dryer, electric vehicle charger, or pool pump.



Separately metered buildings (such as garages and or wells) that are on the same lot as a residential building will be classified as non-residential and the appropriate general service rate will be applied.

Service under this rate will commence once installation of the appropriate meter and the qualifying technologies have been verified by TEP.

Not applicable to resale, breakdown, temporary, standby, auxiliary service, or service to electrical equipment that causes excessive voltage fluctuations.

Customers may switch between the R-Tech tariff and other applicable residential rate tariffs once in a rolling twelve-month period.

CHARACTER OF SERVICE

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

RATE

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

BUNDLED STANDARD OFFER SERVICE - SUMMARY OF BASIC SERVICE, DEMAND, AND ENERGY CHARGES

Basic Single-Phase Service Charge, per month:	\$11.50	
Demand Charges (per kW):	Summer (May – September)	Winter (October – April)
0 - 7	\$15.40	\$12.35
Over 7	\$23.60	\$17.60
Off-Peak Excess	\$9.95	\$9.95
Energy Charges (per kWh):	Summer (May – September)	Winter (October – April)
On-Peak	\$0.0280	\$0.0280
Off-Peak	\$0.0172	\$0.0172
Power Supply Charge (\$/kWh)	Summer <u>(May – September)</u>	Winter <u>(October – April)</u>
Base Power On-Peak	\$0.056567	\$0.032565
Base Power Off-Peak	\$0.026332	\$0.025651

Purchased Power and Fuel Adjustment Clause (PPFAC): The Base Power Supply Charge shall be subject to a per kWh adjustment in accordance with Rider-1 to reflect any increase or decrease in the cost to the Company for energy either generated or purchased above or below the base cost of purchased power and fuel.



BILLING DEMAND

The monthly billing demand shall be the maximum 1-hour measured demand in the on-peak hours during the billing period.

Additionally, the monthly Off-Peak Excess demand shall be the greatest measured 1-hour interval demand read of the meter during the Off-Peak hours of the billing period that is in excess (i.e. positive incremental amount above) of 150% of that billing period's On-Peak measured demand.

TIME-OF-USE TIME PERIODS

The Summer On-Peak period is 3:00 p.m. to 7:00 p.m., Monday through Friday (excluding Memorial Day, Independence Day, and Labor Day).

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

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

LIFELINE ELIGIBILITY

As a result of the pilot nature of this program, no lifeline discount is available on this tariff.

DIRECT ACCESS

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

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

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

TEP STATEMENT OF CHARGES

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

TAX CLAUSE



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

RULES AND REGULATIONS

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

ADDITIONAL NOTES

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

BUNDLED STANDARD OFFER SERVICE CONSISTS OF THE FOLLOWING UNBUNDLED COMPONENTS:

Filed By: Dallas J. Dukes
Title: Vice President, Energy Programs and Pricing
District: Entire Electric Service Area

Rate: TRRESDTX
Effective: January 18, 2019
Decision No.: 76899



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Basic Service Charge Components (Unbundled):	Single-Phase
Meter Services, per month	\$1.25
Meter Reading, per month	\$0.25
Billing & Collection, per month	\$2.93
Customer Delivery, per month	\$7.07
Total	<u>\$11.50</u>

Demand Charge Components (per kW) (Unbundled):	Summer	Winter
0 – 7	\$7.50	\$4.61
Over 7	\$15.70	\$9.86
Off-Peak Excess	\$2.05	\$2.21
Generation Capacity	\$6.83	\$6.70
Transmission	\$0.82	\$0.81
System Control & Dispatch	\$0.02	\$0.02
Reactive Supply & Voltage Control	\$0.05	\$0.04
Regulation & Frequency Response	\$0.05	\$0.04
Spinning Reserve Service	\$0.11	\$0.11
Supplemental Reserve Service	\$0.02	\$0.02

Energy Charge Components (per kWh) (Unbundled):	
Summer On-Peak	\$0.01643
Summer Off-Peak	\$0.00563
Winter On-Peak	\$0.01643
Winter Off-Peak	\$0.00563
Generation Capacity	\$0.00684
Fixed Must-Run	\$0.00192
Transmission	\$0.00160
System Control & Dispatch	\$0.00002
Reactive Supply & Voltage Control	\$0.00085
Regulation & Frequency Response	\$0.00008
Spinning Reserve Service	\$0.00022
Supplemental Reserve Service	\$0.00004
Energy Imbalance Service: Currently charged pursuant to the Company's OATT	

Power Supply Charges(per kWh):	
Base Power Supply Summer (May – September) On-Peak	\$0.056567
Base Power Supply Summer (May – September) Off-Peak	\$0.026332
Base Power Supply Winter (October – April) On-Peak	\$0.032565

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Base Power Supply Winter (October – April) Off-Peak
PPFAC

In accordance with Rider 1

\$0.025651

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