

TEP SOLAR RATE PLAN PROPOSAL

Tucson Electric Power Co. has proposed the following new rate plans for customers who install solar energy systems on their homes (distributed energy or DG) in the future:

Two-part Residential Time-of-Use (TOU) DG Rate option:

A monthly Basic Service Charge of \$13.00.

A monthly DG Meter Charge of \$4.32.

An Energy Delivery Charge of \$0.07716/kWh for all billing kWh.

A DG Grid Access Charge of \$3.50/kW-DC based on the DC-rated installed capacity of the customer's DG system.

Base Power Charges (\$/kWh):

Summer On-Peak \$0.066567

Summer Off-Peak \$0.026332

Winter On-Peak \$0.032565

Winter Off-Peak \$0.02565

Summer months are May through September, 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).

Winter months are October through April, the Winter On-Peak periods are is 6:00

a.m. to 9:00 a.m. and 6:00 p.m. to 9:00 p.m., Monday through Friday (excluding

Thanksgiving Day, Christmas Day, and New Year's Day).

Three-part Residential TOU DG Rate option:

A monthly Basic Service Charge of \$13.00.

A monthly DG Meter Charge of \$4.32.

An Energy Delivery Charge of \$0.04499/kwh for all billing kWh.

Demand charges of \$9.85/kW for the first 5 kW of billing demand and \$15.85/kW

for all billing demand greater than 5 kW with billing demand defined as the maximum one-hour average kW during on-peak periods in the billing month.

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Thanksgiving Day, Christmas Day, and New Year's Day).