



**Rider R-2  
Demand Side Management Surcharge (DSMS)**

APPLICABILITY

The Demand Side Management Surcharge (DSMS) will be applied to all Customers taking Standard Offer service from the Company pursuant to the Arizona Corporation Commission (ACC) Decision No. 73912 dated June 27, 2013.

RATE

The DSMS shall be applied to all monthly bills. The DSMS will be assessed on a per kWh basis for residential Customers and on a percentage of bill basis for non-residential Customers. The Rates are shown in the TEP Statement of Charges.

REQUIREMENTS

The 2013 TEP DSMS is effective July 1, 2013 and will remain in effect until further order by the ACC.

TEP STATEMENT OF CHARGES

For all additional charges and assessments approved by the ACC see the TEP Statement of Charges which is available on TEP's website at [www.tep.com](http://www.tep.com).

TAX CLAUSE

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

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the ACC shall apply where not inconsistent with this Rider.