Small General Service Demand Time-of-Use

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
To all general services unless otherwise addressed by specific tariffs, when all energy is supplied at one point of delivery and through one metered service.

Service under this rate will commence when the appropriate meter has been installed.

Not applicable to resale, breakdown, temporary, standby, or auxiliary service.

Customers may switch between applicable rate tariffs once in a rolling twelve month period.

In the event measured kW meets or exceeds 40 kW twice in a rolling twelve month period, the customer will be moved to the Medium General Service Time-of-Use rate.

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.

CHARACTER OF SERVICE
The service shall be single-phase or three-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

<table>
<thead>
<tr>
<th>Filed By</th>
<th>Dallas J. Dukes</th>
<th>Rate:</th>
<th>TGSGS DT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Title:</td>
<td>Senior Director Pricing &amp; Customer Analytics</td>
<td>Effective:</td>
<td>February 27, 2017</td>
</tr>
<tr>
<td>District:</td>
<td>Entire Electric Service Area</td>
<td>Decision No.:</td>
<td>75975</td>
</tr>
</tbody>
</table>
Basic Service Charge, Single-phase service, per month $22.00
Basic Service Charge, Three-phase service, per month $29.00

Demand Charges (per kW)
0 - 7 $9.95
Over 7 $13.95

Energy Charges (per kWh)

<table>
<thead>
<tr>
<th>Season</th>
<th>All kWh</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spring (May-September)</td>
<td>$0.062483</td>
</tr>
<tr>
<td></td>
<td>$0.052483</td>
</tr>
</tbody>
</table>

Energy Charge is a bundled charge that includes: Local Delivery-Energy (Local Delivery and/or Distribution exclusive of Transmission/Ancillaries), Generation Capacity, Fixed Must-Run, Transmission and Ancillary Services.

Power Supply Charge (per kWh):

<table>
<thead>
<tr>
<th>Season</th>
<th>Base Power On-Peak</th>
<th>Base Power Off-Peak</th>
</tr>
</thead>
<tbody>
<tr>
<td>Summer (May-September)</td>
<td>$0.071322</td>
<td>$0.025609</td>
</tr>
<tr>
<td>Winter (October-April)</td>
<td>$0.038010</td>
<td>$0.025651</td>
</tr>
</tbody>
</table>

The Power Supply Charge is the sum of the Base Power Charge and the Purchased Power and Fuel Adjustment Clause (PPFAC), a per kWh adjustment in accordance with Rider-1-PPFAC. PPFAC reflects increases or decreases in the cost to the Company for energy either generated or purchased above or below the base cost per kWh sold.

BILLING DEMAND
The monthly billing demand shall be the greatest measured 1-hour average demand during the on-peak time-of-use hours of the billing period.

TIME-OF-USE TIME PERIODS
The Summer On-Peak period is 2:00 p.m. to 8:00 p.m., Monday through Friday (excluding Memorial Day, Independence Day, and Labor Day).

The Winter On-Peak periods are 6:00 a.m. - 10:00 a.m. and 5:00 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.

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
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:
Basic Service Charge Components (Unbundled):

<table>
<thead>
<tr>
<th>Description</th>
<th>Single Phase</th>
<th>Three Phase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meter Services, per month</td>
<td>$2.41</td>
<td>$9.41</td>
</tr>
<tr>
<td>Meter Reading, per month</td>
<td>$0.47</td>
<td>$0.47</td>
</tr>
<tr>
<td>Billing &amp; Collection, per month</td>
<td>$5.62</td>
<td>$5.62</td>
</tr>
<tr>
<td>Customer Delivery, per month</td>
<td>$13.50</td>
<td>$13.50</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$22.00</strong></td>
<td><strong>$29.00</strong></td>
</tr>
</tbody>
</table>

Demand Charge Components (Unbundled) (per kW):

- **Delivery**
  - 0 – 7
  - Over 7 $4.16 $7.41

- **Generation Capacity**
  - 0 – 7 $4.50 $4.50
  - Over 7 $5.25 $5.25

- **Transmission** $1.02

- **System Control & Dispatch** $0.01

- **Reactive Supply & Voltage Control** $0.05

- **Regulation & Frequency Response** $0.05

- **Spinning Reserve Service** $0.14

- **Supplemental Reserve Service** $0.02

Energy Charge Components (Unbundled) (per kWh):

- **Local Delivery – Energy – Summer** $0.035473
- **Local Delivery – Energy – Winter** $0.025473

- **Generation Capacity** $0.015800

- **Fixed Must-Run** $0.004110

- **Transmission** $0.000550

- **System Control & Dispatch** $0.000070

- **Reactive Supply & Voltage Control** $0.000290

- **Regulation & Frequency Response** $0.000280

- **Spinning Reserve Service** $0.000750

- **Supplemental Reserve Service** $0.000120

- **Energy Imbalance Service**: Currently charged pursuant to the Company’s OATT

Power Supply Charges (Per kWh):

<table>
<thead>
<tr>
<th></th>
<th>Summer (May – September)</th>
<th>Winter (October - April)</th>
</tr>
</thead>
</table>

**Filed By:** Dallas J. Dukes  
**Title:** Senior Director Pricing & Customer Analytics  
**District:** Entire Electric Service Area  
**Rate:** TGSGSDT  
**Effective:** February 27, 2017  
**Decision No.:** 75975
Base Power Component On-Peak
$0.071322       $0.038010
Base Power Component Off-Peak
$0.025609       $0.025651
PPFAC

In accordance with Rider 1