Medium General Service Transition

**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 service customers when all energy is supplied at one point of delivery and through one metered service.

This tariff will be in effect for 12 months after Arizona Corporation Commission approval of the Medium General Service (MGS) education and transition plan. At that end of the 12 month period, all customers on this tariff will be moved to the MGS tariff with the exception of those customers that submitted an application for Rider 4 prior to the decision date of the Phase II portion of Decision No: 75975, and whose application had also been approved.

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

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

**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></th>
<th>Summer (May – September)</th>
<th>Winter (October – April)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic Service Charge, per month:</td>
<td>$40.00</td>
<td></td>
</tr>
<tr>
<td>Demand Charge (per kW):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>All kw</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Energy Charge (Per kWh):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>All kWh</td>
<td>$0.103159</td>
<td>$0.086872</td>
</tr>
</tbody>
</table>

Filed By: Kentton C. Grant  
Title: Vice President, Rates and Planning  
Rate: TGMGSC  
Effective: February 27, 2017  
District: Entire Electric Service Area  
Decision No.: 75975
Power Supply Charge ($/kWh)  

<table>
<thead>
<tr>
<th></th>
<th>Summer (May – September)</th>
<th>Winter (October – April)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Power</td>
<td>$0.035861</td>
<td>$0.032515</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.

**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.

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Title: Vice President, Rates and Planning  
Rate: TGMGSC  
Effective: February 27, 2017  
Decision No.: 75975
**BUNDLED STANDARD OFFER SERVICE CONSISTS OF THE FOLLOWING UNBUNDLED COMPONENTS**

### Basic Service Charge Components (Unbundled):
- **Meter Services, per month**: $2.36
- **Meter Reading, per month**: $0.10
- **Billing & Collection, per month**: $7.36
- **Customer Delivery, per month**: $30.18

**Total**: $40.00

### Demand Charges (Unbundled) (per kW):
- **Demand Delivery**: $0.00
  - **Summer**: $0.00
  - **Winter**: $0.00
- **Generation Capacity**
  - **Summer**: $0.00
  - **Winter**: $0.00
- **Transmission**: $0.00
- **System Control & Dispatch**: $0.00
- **Reactive Supply & Voltage Control**: $0.00
- **Regulation & Frequency Response**: $0.00
- **Spinning Reserve Service**: $0.00
- **Supplemental Reserve Service**: $0.00

### Energy Charge Components (Unbundled) (per kWh):
- **Local Delivery – Summer**: $0.045730
- **Local Delivery – Winter**: $0.029443
- **Generation Capacity**: $0.034729
- **Fixed Must-Run**: $0.007020
- **Transmission**: $0.012230
- **System Control & Dispatch**: $0.000170
- **Reactive Supply & Voltage Control**: $0.000650
- **Regulation & Frequency Response**: $0.000630
- **Spinning Reserve Service**: $0.001720
- **Supplemental Reserve Service**: $0.000280

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

### Power Supply Charges (Per kWh):
- **Base Power Supply Summer**: $0.035861
- **Base Power Supply Winter**: $0.032515
- **PPFAC**: In accordance with Rider 1

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