Rider-8
Lost Fixed Cost Recovery (LFCR)

APPLICABILITY
The Lost Fixed Cost Recovery (LFCR) will be applied to all Customers taking service from the Company except for those taking service on the Company Owned Residential Solar Program, GoSolar Home program, Traffic Signal and Street Lighting Service, Lighting Service, Water Pumping Service, and Large Power Service rates as defined in the Company's LFCR Plan of Administration (POA).

CHANGE IN RATE
The LFCR recovers a portion of the authorized margin approved in the Company's most recent rate case that has been lost as the result of implementing Arizona Corporation Commission (ACC) mandated Energy Efficiency and Distributed Generation programs. Each year, a percentage charge will be placed in effect and charged to the participating Rate classes for the 12-month period the LFCR adjustment is applicable. The total year-on-year adjustment cannot exceed 2% of the Company's most recent total combined retail calendar year revenues for all participating rate classes. The LFCR rate is shown in the TEP Statement of Charges.

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.

TAX CLAUSE
To the charges computed under this rider, 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 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.