



Rider-17
Tax Expense Adjustor Mechanism
(TEAM)

APPLICABILITY

The Tax Expense Adjustor Mechanism (TEAM) will be applied to all Customers taking service from the Company as defined in the Company's TEAM Plan of Administration (POA).

RATE

The TEAM will be calculated annually on a prospective basis.

The Customer monthly bill shall consist of the applicable rate charges and adjustments in addition to the TEAM. The TEAM adjustor rate, as shown in the TEP Statement of Charges, is an amount expressed as a rate per kWh charge to reflect the change in excess or deficient deferred income tax amortization compared to the test year; and the income tax effects of tax legislation that materially impacted the Company's most recent test year revenue requirements.

TEP STATEMENT OF CHARGES

For all additional charges and assessments approved by the Arizona Corporation Commission (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 electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

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