

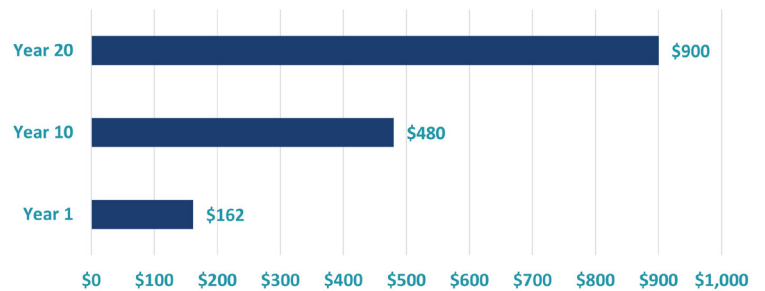
A proposed city government takeover of Tucson Electric Power’s local grid would increase electric bills, reduce reliability and burden taxpayers with billions of dollars of new debt.

It would cost the City of Tucson more than \$4 billion to acquire TEP’s electric distribution system within city limits to establish a municipal utility, according [to a study conducted by The Brattle Group](#) for TEP. Paying off that debt and covering other necessary service costs would drive rates much higher than the projected cost of continued service from TEP, costing city residents and businesses an additional \$5.8 billion over 20 years.

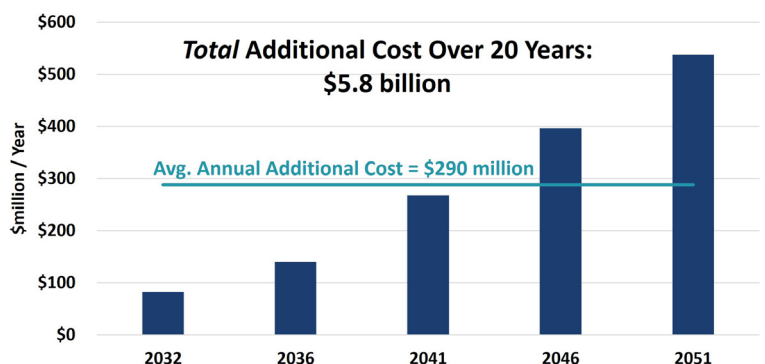
The study raised other concerns:

- Acquisition could take more than the six years assumed in the study, and the city could be forced to compensate TEP for the diminished value of its business, increasing costs beyond these projections.
- The high cost of operating an electric utility could crowd out other city priorities and reduce investments needed to maintain reliable service, support economic growth, and transition to less carbon-intensive energy resources.
- More than 90% of recent efforts to form public power utilities through asset seizure have failed due to high costs, legal challenges, and reliability risks.

Estimated annual electric bill increase for an average residential customer if the City of Tucson were to form a municipal utility



Additional cost of municipal ownership over first 20 years



TEP: Top-tier reliability, strong customer satisfaction

- TEP’s service is among the most reliable in the nation. TEP customers enjoyed 99.9 percent reliability again in 2025, with average annual outage time per customer of just 42 minutes – compared to a national average of 100-plus minutes.
- More than 80 percent of local residents are highly satisfied with TEP. On a recent survey of 500 Tucson-area residents, 52 percent rated the company as a 9 or 10 on a scale of 1-10, while another 29 percent offered a rating of 7 or 8.