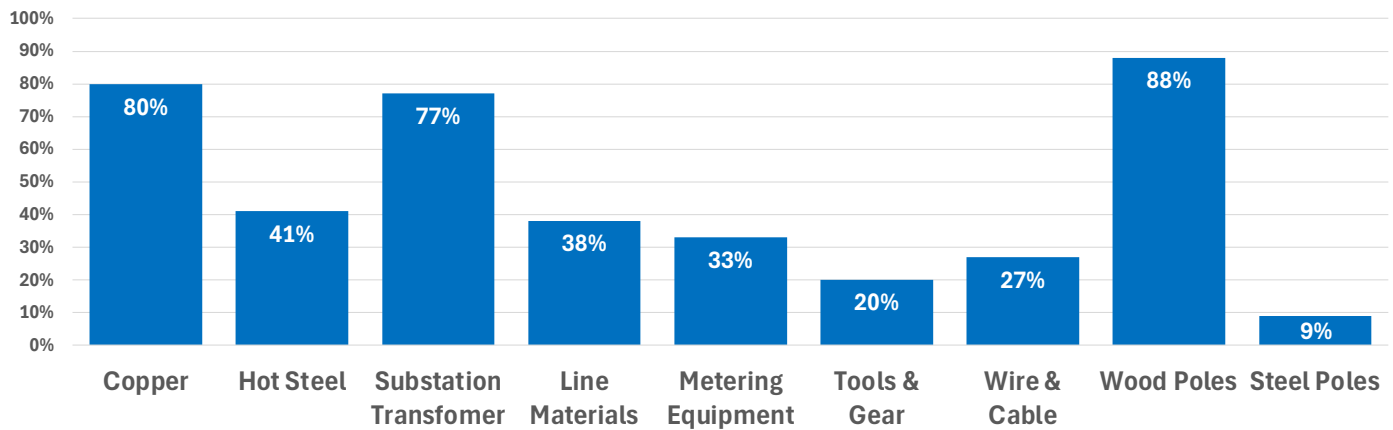


Navigating Rising Costs to Keep Power Reliable and Affordable

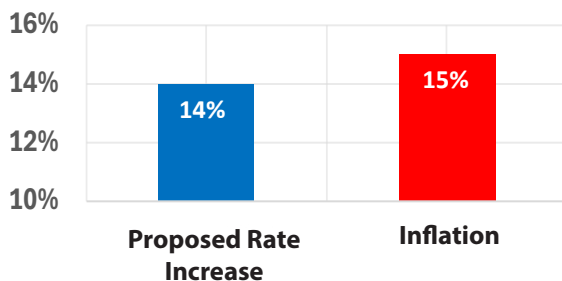
Tucson Electric Power has invested nearly \$1.7 billion since 2021 to upgrade and reinforce our local energy grid. That translates into a lot of power lines, poles, transformers, substations and other assets. Those investments are necessary to support a complex system that spans 1,155 square miles and serves more than 442,000 customers.

But rising costs and supply chain delays are impacting energy providers nationwide.

Material Cost Increases Since 2021



Inflation vs. Rate Increase Since 2021



Proposed rate increase = ~14% for residential customers to take effect in 2026.

Proposed rate increase remains below inflation increases since 2021.

TEP Response



Planning ahead:
Forecasting demand and inventory



Buying smarter:
Supplier collaboration and equipment reuse



Helping customers save:
DIY tips, rebates, energy-saving advice