

**ANNUAL REPORT**

Of

Company Name:   
Attn: Andrea Jacobo  
Mailing Address: PO Box 711, Mailstop HQE910  
Tucson AZ  
85702  
Docket No.: E-01933A  
For the Year Ended:

**ELECTRIC**

To

Arizona Corporation Commission

**Due on April 15th**

Email: Util-Compliance@azcc.gov, mail or deliver the completed Annual Report to:  
Arizona Corporation Commission  
Compliance Section - Utilities Division  
1200 West Washington Street  
Phoenix, Arizona 85007

Application Type:   
Application Date:

ARIZONA CORPORATION COMMISSION  
 ELECTRIC UTILITIY ANNUAL REPORT  
 COMPANY INFORMATION

For the Calendar Year Ended: 12/31/23

|                        |                               |             |         |                 |
|------------------------|-------------------------------|-------------|---------|-----------------|
| Company/Business Name: | Tucson Electric Power Company |             |         |                 |
| Mailing Address:       | 88 E Broadway Blvd.           |             |         |                 |
| City:                  | Tucson                        | State:      | Arizona | Zip Code: 85702 |
| Telephone Number:      | (520) 965-8408                | Fax Number: |         |                 |
| Email:                 | ajacobo@tep.com               |             |         |                 |

|                 |                                 |        |         |                 |
|-----------------|---------------------------------|--------|---------|-----------------|
| [Redacted]      |                                 |        |         |                 |
| Name:           | Todd Hixon                      |        |         |                 |
| Title:          | Senior VP & Chief Legal Officer |        |         |                 |
| Telephone No. : | (520) 884-3667                  |        |         |                 |
| Address:        | PO Box 711, Mailstop HQE910     |        |         |                 |
| City:           | Tucson                          | State: | Arizona | Zip Code: 85702 |
| Email:          |                                 |        |         |                 |

|                 |  |        |  |           |
|-----------------|--|--------|--|-----------|
| [Redacted]      |  |        |  |           |
| Name:           |  |        |  |           |
| Title:          |  |        |  |           |
| Telephone No. : |  |        |  |           |
| Address:        |  |        |  |           |
| City:           |  | State: |  | Zip Code: |
| Email:          |  |        |  |           |

|                 |  |        |  |           |
|-----------------|--|--------|--|-----------|
| [Redacted]      |  |        |  |           |
| Name:           |  |        |  |           |
| Title:          |  |        |  |           |
| Telephone No. : |  |        |  |           |
| Address:        |  |        |  |           |
| City:           |  | State: |  | Zip Code: |
| Email:          |  |        |  |           |

|                 |  |        |  |           |
|-----------------|--|--------|--|-----------|
| [Redacted]      |  |        |  |           |
| Name:           |  |        |  |           |
| Title:          |  |        |  |           |
| Telephone No. : |  |        |  |           |
| Address:        |  |        |  |           |
| City:           |  | State: |  | Zip Code: |
| Email:          |  |        |  |           |

Ownership: [Redacted]

Counties Served: [Redacted]

**Important changes during the year**

|  |   |
|--|---|
|  | For those companies not subject to the affiliated interest rules, has there been a change in ownership or direct control during the year? |
|  | If yes, please provide specific details in the box below.   |
|  | N/A   |

|  |   |
|--|---|
|  | Has the company been notified by any other regulatory authorities during the year, that they are out of compliance? |
|  | If yes, please provide specific details in the box below.   |
|  | N/A   |

**SERVICES AUTHORIZED TO PROVIDE**

|     |                                |
|-----|--------------------------------|
| Yes | Electric                       |
| Yes | Investor Owned Electric        |
| No  | Rural Electric Cooperative     |
| No  | Utility Distributed Company    |
| No  | Electric Service Provider      |
| No  | Transmission Service Provider  |
| No  | Meter Service Provider         |
| No  | Meter Reading Service Provider |
| No  | Billing and Collection         |
| No  | Ancillary Services             |
| No  | Generation Provider            |
| No  | Aggregator/Broker              |

N/A Other (Specify)

**STATISTICAL INFORMATION**

**Retail Information**

|                                    | Number of Arizona Customers | Number of kWh Sold in Arizona |
|------------------------------------|-----------------------------|-------------------------------|
| Residential                        | 404,616                     | 3,967,416,331                 |
| Commercial                         | 39,149                      | 1,851,922,752                 |
| Industrial                         | 574                         | 3,023,449,847                 |
| Public Street and Highway Lighting | 1,871                       | 14,738,943                    |
| Irrigation                         | 553                         | 96,158,342                    |
| <b>Total Retail</b>                | <b>446,763</b>              | <b>8,953,686,215</b>          |

**Wholesale Information**

|   | Number of Customers | Number of kWh Sold   |
|---|---------------------|----------------------|
| Resale  | 8                   | 1,320,863,000        |
| Short-term Sales (duration of less than one-year) | 24                  | 4,500,109,468        |
| <b>Total Wholesale</b>                            | <b>32</b>           | <b>5,820,972,468</b> |

|  |             |  |
|--|-------------|--|
| Total Sold   | 14,774,658  |  |
| Maximum Peak Load                                    | 2,784       |  |
| Distribution System Losses <b>2a</b>                 | 590,297,000 |  |
| Distribution Losses                                  |             |  |
| Transmission Losses                                  |             |  |
| System Average Interruption Duration Index (SAIDI)   |             |  |
| Distribution System Losses                           |             |  |
| Customer Average Interruption Duration Index (CAIDI) |             |  |
| System Average Interruption Frequency Index (SAIFI)  |             |  |

TUCSON ELECTRIC POWER COMPANY  
 FERC FORM 1 - COMPARATIVE BALANCE SHEET  
 FERC FORM 1 PAGES 110, 111, 112 and 113  
 YEAR/PERIOD OF REPORT: END OF 2023/Q4

AR8

| Line No. | Title of Account<br>(a)   | Ref. Page No.<br>(b) | Current Year<br>End of Quarter/Year<br>Balance<br>(c) | Prior Year<br>End Balance<br>12/31<br>(d) |
|----------|---|----------------------|---|---|
| 1        | <b>UTILITY PLANT</b>  |                      |   |   |
| 2        | Utility Plant (101-106, 114)  | 200-201              | 8,285,583,639   | 8,068,028,718                             |
| 3        | Construction Work in Progress (107)                                     | 200-201              | 475,391,316   | 256,043,963                               |
| 4        | TOTAL Utility Plant (Enter Total of line 2 and 3)                       |                      | 8,760,974,955   | 8,324,072,681                             |
| 5        | (Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115)         | 200-201              | 2,951,711,863   | 2,893,197,305                             |
| 6        | Net Utility Plant (Enter Total of line 4 less 5)                        |                      | 5,809,263,092   | 5,430,875,376                             |
| 7        | Nuclear Fuel in Process of Ref., Conv., Enrich., and Fab. (120.1)       | 202-203              | -   | -   |
| 8        | Nuclear Fuel Materials and Assemblies-Stock Account (120.2)             |                      | -   | -   |
| 9        | Nuclear Fuel Assemblies in Reactor (120.3)                              |                      | -   | -   |
| 10       | Spent Nuclear Fuel (120.4)  |                      | -   | -   |
| 11       | Nuclear Fuel Under Capital Leases (120.6)                               |                      | -   | -   |
| 12       | (Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)         | 202-203              | -   | -   |
| 13       | Net Nuclear Fuel (Enter Total of lines 7-11 less 12)                    |                      | -   | -   |
| 14       | Net Utility Plant (Enter Total of lines 6 and 13)                       |                      | 5,809,263,092   | 5,430,875,376                             |
| 15       | Utility Plant Adjustments (116)   |                      | -   | -   |
| 16       | Gas Stored Underground - Noncurrent (117)                               |                      | -   | -   |
| 17       | <b>OTHER PROPERTY AND INVESTMENTS</b>                                   |                      |   |   |
| 18       | Nonutility Property (121)   |                      | 6,916,960   | 6,916,960                                 |
| 19       | (Less) Accum. Prov. for Depr. and Amort. (122)                          |                      | 1,918,823   | 1,900,318                                 |
| 20       | Investments in Associated Companies (123)                               |                      | -   | -   |
| 21       | Investment in Subsidiary Companies (123.1)                              | 224-225              | 1,215,695   | 1,707,467                                 |
| 22       | (For Cost of Account 123.1, See Footnote Page 224, line 42)             |                      | -   | -   |
| 23       | Noncurrent Portion of Allowances  | 228-229              | -   | -   |
| 24       | Other Investments (124)   |                      | 58,133,141  | 54,393,782                                |
| 25       | Sinking Funds (125)   |                      | -   | -   |
| 26       | Depreciation Fund (126)   |                      | -   | -   |
| 27       | Amortization Fund - Federal (127)                                       |                      | -   | -   |
| 28       | Other Special Funds (128)   |                      | 34,193,664  | 42,910,161                                |
| 29       | Special Funds (Non Major Only) (129)                                    |                      | -   | -   |
| 30       | Long-Term Portion of Derivative Assets (175)                            |                      | 31,613,638  | 77,122,744                                |
| 31       | Long-Term Portion of Derivative Assets - Hedges (176)                   |                      | -   | -   |
| 32       | TOTAL Other Property and Investments (Lines 18-21 and 23-31)            |                      | 130,154,275   | 181,150,796                               |
| 33       | <b>CURRENT AND ACCRUED ASSETS</b>                                       |                      |   |   |
| 34       | Cash and Working Funds (Non-major Only) (130)                           |                      | -   | -   |
| 35       | Cash (131)  |                      | 8,451,153   | 15,631,470                                |
| 36       | Special Deposits (132-134)  |                      | -   | -   |
| 37       | Working Funds (135)   |                      | 821,240   | 1,097,297                                 |
| 38       | Temporary Cash Investments (136)  |                      | -   | -   |
| 39       | Notes Receivable (141)  |                      | -   | -   |
| 40       | Customer Accounts Receivable (142)                                      |                      | 158,048,532   | 228,860,800                               |
| 41       | Other Accounts Receivable (143)   |                      | 6,406,949   | 30,705,238                                |
| 42       | (Less) Accum. Prov. For Uncollectible Acct.-Credit (144)                |                      | 11,675,788  | 9,011,904                                 |
| 43       | Notes Receivable from Associated Companies (145)                        |                      | -   | -   |
| 44       | Accounts Receivable from Assoc. Companies (146)                         |                      | 7,346,402   | 25,584,815                                |
| 45       | Fuel Stock (151)  | 227                  | 34,030,077  | 28,268,185                                |
| 46       | Fuel Stock Expenses Undistributed (152)                                 | 227                  | 444,924   | 413,058                                   |
| 47       | Residuals (Elec) and Extracted Products (153)                           | 227                  | -   | -   |
| 48       | Plant Materials and Operating Supplies (154)                            | 227                  | 154,714,613   | 139,389,664                               |
| 49       | Merchandise (155)   | 227                  | -   | -   |
| 50       | Other Materials and Supplies (156)                                      | 227                  | -   | -   |
| 51       | Nuclear Materials Held for Sale (157)                                   | 202-203/227          | -   | -   |
| 52       | Allowances (158.1 and 158.2)  | 228-229              | 2,251,011   | -   |
| 53       | (Less) Noncurrent Portion of Allowances                                 |                      | -   | -   |
| 54       | Stores Expense Undistributed (163)                                      | 227                  | 17,952,415  | 16,259,870                                |
| 55       | Gas Stored Underground - Current (164.1)                                |                      | -   | -   |
| 56       | Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)      |                      | -   | -   |
| 57       | Prepayments (165)   |                      | 27,402,581  | 22,553,847                                |
| 58       | Advances for Gas (166-167)  |                      | -   | -   |
| 59       | Interest and Dividends Receivable (171)                                 |                      | -   | -   |
| 60       | Rents Receivable (172)  |                      | -   | -   |
| 61       | Accrued Utility Revenues (173)  |                      | 57,318,676  | 46,071,880                                |
| 62       | Miscellaneous Current and Accrued Assets (174)                          |                      | -   | -   |
| 63       | Derivative Instrument Assets (175)                                      |                      | 34,704,387  | 104,141,553                               |
| 64       | (Less) Long-Term Portion of Derivative Instrument Assets (175)          |                      | 31,613,638  | 77,122,744                                |
| 65       | Derivative Instrument Assets - Hedges (176)                             |                      | -   | -   |
| 66       | (Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176) |                      | -   | -   |
| 67       | Total Current and Accrued Assets (Lines 34 through 66)                  |                      | 466,603,534   | 572,843,029                               |
| 68       | <b>DEFERRED DEBITS</b>  |                      |   |   |
| 69       | Unamortized Debt Expenses (181)   |                      | 19,644,554  | 17,585,554                                |
| 70       | Extraordinary Property Losses (182.1)                                   | 230a                 | -   | -   |
| 71       | Unrecovered Plant and Regulatory Study Costs (182.2)                    | 230b                 | 31,464,021  | 33,467,988                                |
| 72       | Other Regulatory Assets (182.3)   | 232                  | 417,631,150   | 436,739,091                               |
| 73       | Prelim. Survey and Investigation Charges (Electric) (183)               |                      | 570,140   | 885,006                                   |

TUCSON ELECTRIC POWER COMPANY  
 FERC FORM 1 - COMPARATIVE BALANCE SHEET  
 FERC FORM 1 PAGES 110, 111, 112 and 113  
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|    |  |         |               |               |   |
|----|--|---------|---------------|---------------|---|
| 74 | Preliminary Natural Gas Survey and Investigation Charges (183.1) |         |               | -             | - |
| 75 | Other Preliminary Survey and Investigation Charges (183.2)       |         |               | -             | - |
| 76 | Clearing Accounts (184)  |         |               | -             | - |
| 77 | Temporary Facilities (185)                                       |         |               | -             | - |
| 78 | Miscellaneous Deferred Debits (186)                              | 233     | 724           | 502,044       |   |
| 79 | Def. Losses from Disposition of Utility Plt. (187)               |         |               | -             | - |
| 80 | Research, Devel. And Demonstration Expend. (188)                 | 352-353 |               | -             | - |
| 81 | Unamortized Loss on Reaquired Debt (189)                         |         | 5,013,511     | 5,406,512     |   |
| 82 | Accumulated Deferred Income Taxes (190)                          | 234     | 230,061,908   | 246,696,392   |   |
| 83 | Unrecovered Purchased Gas Costs (191)                            |         |               | -             | - |
| 84 | Total Deferred Debits (lines 69 through 83)                      |         | 704,386,008   | 741,282,587   |   |
| 85 | TOTAL ASSETS (lines 14-16, 32, 67, and 84)                       |         | 7,110,406,909 | 6,926,151,788 |   |

| Line No. | Title of Account (a)   | Ref. Page No. (b) | Current Year End of Quarter/Year Balance (c) | Prior Year End of Quarter/Year Balance (c) |
|----------|--|-------------------|--|--|
| 1        | PROPRIETARY CAPITAL  |                   |  |  |
| 2        | Common Stock Issued (201)  | 250-251           | 840,740,694                                  | 840,740,694                                |
| 3        | Preferred Stock Issued (204)   | 250-251           | -  | -  |
| 4        | Capital Stock Subscribed (202, 205)  |                   | -  | -  |
| 5        | Stock Liability for Conversion (203, 206)                                      |                   | -  | -  |
| 6        | Premium Capital Stock (207)  |                   | -  | -  |
| 7        | Other Paid-In Capital (208-211)  | 253               | 855,797,894                                  | 855,797,894                                |
| 8        | Installments Received on Capital Stock (212)                                   | 252               | -  | -  |
| 9        | (Less) Discount on Capital Stock (213)   | 254               | -  | -  |
| 10       | (Less) Capital Stock Expense (214)   | 254b              | 6,357,039                                    | 6,357,039                                  |
| 11       | Retained Earnings (215, 215.1, 216)  | 118-119           | 1,163,991,335                                | 968,945,757                                |
| 12       | Unappropriated Undistributed Subsidiary Earnings (216.1)                       | 118-119           | (1,069,651)                                  | (577,879)                                  |
| 13       | (Less) Reaquired Capital Stock (217)   | 250-251           | -  | -  |
| 14       | Noncorporate Proprietorship (Non-major only) (218)                             |                   | -  | -  |
| 15       | Accumulated Other Comprehensive Income (219)                                   | 122(a)(b)         | (3,829,175)                                  | (2,883,776)                                |
| 16       | Total Proprietary Capital (lines 2 through 15)                                 |                   | 2,849,274,058                                | 2,655,665,651                              |
| 17       | LONG-TERM DEBT   |                   |  |  |
| 18       | Bonds (221)  | 256-257           | -  | 90,745,000                                 |
| 19       | (Less) Reaquired Bonds (222)   | 256-257           | -  | -  |
| 20       | Advances from Associated Companies (223)                                       | 256-257           | -  | -  |
| 21       | Other Long-Term Debt (224)   | 256-257           | 2,425,000,000                                | 2,200,000,000                              |
| 22       | Unamortized Premium on Long-Term Debt (225)                                    |                   | -  | -  |
| 23       | (Less) Unamortized Discount on Long-Term Debt-Debit (226)                      |                   | 9,564,949                                    | 9,156,142                                  |
| 24       | Total Long-Term Debt (lines 18 through 23)                                     |                   | 2,415,435,051                                | 2,281,588,858                              |
| 25       | OTHER NONCURRENT LIABILITIES   |                   |  |  |
| 26       | Obligations Under Capital Leases - Noncurrent (227)                            |                   | 3,994,892                                    | 4,858,663                                  |
| 27       | Accumulated Provision for Property Insurance (228.1)                           |                   | -  | -  |
| 28       | Accumulated Provision for Injuries and Damages (228.2)                         |                   | 618,964                                      | 1,606,223                                  |
| 29       | Accumulated Provision for Pensions and Benefits (228.3)                        |                   | 90,598,473                                   | 76,276,445                                 |
| 30       | Accumulated Miscellaneous Operating Provisions (228.4)                         |                   | -  | -  |
| 31       | Accumulated Provision for Rate Refunds (229)                                   |                   | -  | -  |
| 32       | Long-Term Portion of Derivative Instrument Liabilities (244.2)                 |                   | 4,338,212                                    | 4,787,061                                  |
| 33       | Long-Term Portion of Derivative Instrument Liabilities - Hedges (245.2)        |                   | -  | -  |
| 34       | Asset Retirement Obligations (230)   |                   | 114,386,716                                  | 120,695,068                                |
| 35       | Total Other Noncurrent Liabilities (lines 26 through 34)                       |                   | 213,937,257                                  | 208,223,460                                |
| 36       | CURRENT AND ACCRUED LIABILITIES  |                   |  |  |
| 37       | Notes Payable (231)  |                   | -  | -  |
| 38       | Accounts Payable (232)   |                   | 137,931,193                                  | 230,942,117                                |
| 39       | Notes Payable to Associated Companies (233)                                    |                   | -  | -  |
| 40       | Accounts Payable to Associated Companies (234)                                 |                   | 2,951,306                                    | 6,615,023                                  |
| 41       | Customer Deposits (235)  |                   | 16,032,047                                   | 14,193,752                                 |
| 42       | Taxes Accrued (236)  | 262-263           | 32,161,734                                   | 31,684,114                                 |
| 43       | Interest Accrued (237)   |                   | 16,540,961                                   | 14,867,551                                 |
| 44       | Dividends Declared (238)   |                   | -  | -  |
| 45       | Matured Long-Term Debt (239)   |                   | -  | -  |
| 46       | Matured Interest (240)   |                   | -  | -  |
| 47       | Tax Collections Payable (241)  |                   | 26,868,156                                   | 28,776,956                                 |
| 48       | Miscellaneous Current and Accrued Liabilities (242)                            |                   | 55,150,033                                   | 65,244,414                                 |
| 49       | Obligations Under Capital Leases - Current (243)                               |                   | 863,771                                      | 841,135                                    |
| 50       | Derivative Instrument Liabilities (244)  |                   | 30,165,838                                   | 17,539,321                                 |
| 51       | (Less) Long-Term Portion of Derivative Instrument Liabilities (244.2)          |                   | 4,338,212                                    | 4,787,061                                  |
| 52       | Derivative Instrument Liabilities - Hedges (245)                               |                   | -  | -  |
| 53       | (Less) Long-Term Portion of Derivative Instrument Liabilities - Hedges (245.2) |                   | -  | -  |
| 54       | Total Current and Accrued Liabilities (lines 37 through 53)                    |                   | 314,326,827                                  | 405,917,322                                |
| 55       | DEFERRED CREDITS   |                   |  |  |
| 56       | Customer Advances for Construction (252)                                       |                   | 20,801,011                                   | 21,152,371                                 |
| 57       | Accumulated Deferred Investment Tax Credits (255)                              | 266-267           | 9,473,713                                    | 11,487,465                                 |
| 58       | Deferred Gains from Disposition of Utility Plant (256)                         |                   | -  | -  |
| 59       | Other Deferred Credits (253)   | 269               | 39,542,087                                   | 51,488,159                                 |
| 60       | Other Regulatory Liabilities (254)   | 278               | 370,665,069                                  | 453,875,506                                |

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AR8

|    |   |         |               |               |
|----|---|---------|---------------|---------------|
| 61 | Unamortized Gain on Reaquired Debt (257)                                |         | -             | -             |
| 62 | Accum. Deferred Income Taxes-Accel. Amort. (281)                        | 272-277 | -             | -             |
| 63 | Accum. Deferred Income Taxes-Other Property (282)                       |         | 804,016,141   | 748,262,844   |
| 64 | Accum. Deferred Income Taxes-Other (283)                                |         | 72,935,695    | 88,490,152    |
| 65 | Total Deferred Credits (lines 56 through 64)                            |         | 1,317,433,716 | 1,374,756,497 |
| 66 | TOTAL LIABILITIES AND STOCKHOLDERS EQUITY (lines 16, 24, 35, 54 and 65) |         | 7,110,406,909 | 6,926,151,788 |

Page

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TUCSON ELECTRIC POWER COMPANY  
 FERC FORM 1 - STATEMENT OF INCOME  
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AR9  
 AR9 -1

| Line No. | Title of Account<br>(a)  | (Ref.)<br>Page No.<br>(b) | ELECTRIC UTILITY  |   |
|----------|--|---------------------------|---|---|
|          |  |                           | Total<br>Current Year to<br>Date Balance for<br>Quarter/Year<br>(c) | Total<br>Prior Year to<br>Date Balance for<br>Quarter/Year<br>(d) |
| 1        | UTILITY OPERATING INCOME   |                           |   |   |
| 2        | Operating Revenues (400)   | 300-301                   | 1,858,239,540   | 1,800,637,545   |
| 3        | Operating Expenses   |                           |   |   |
| 4        | Operating Expense (401)  | 320-323                   | 1,067,818,138   | 1,058,788,133   |
| 5        | Maintenance Expenses (402)   | 320-323                   | 132,910,358   | 107,731,228   |
| 6        | Depreciation Expense (403)   | 336-337                   | 198,919,207   | 211,008,359   |
| 7        | Depreciation Expense for Asset Retirement Costs (403.1)                | 336-337                   | —   | -   |
| 8        | Amort. & Depl of Utility Plant (404-405)                               | 336-337                   | 28,234,295  | 30,558,801  |
| 9        | Amort. Of Utility Plant Acq. Adj. (406)                                | 336-337                   | 747,405   | 751,666   |
| 10       | Amort. Property Losses, Unrecov Plant and Regulatory Study Costs (407) |                           | 4,541,176   | 4,541,176   |
| 11       | Amort. Of Conversion Expenses (407)                                    |                           | —   | -   |
| 12       | Regulatory Debits (407.3)  |                           | 4,072,807   | 4,436,445   |
| 13       | (Less) Regulatory Credits (407.4)                                      |                           | —   | -   |
| 14       | Taxes Other Than Income Taxes (408.1)                                  | 262-263                   | 67,483,788  | 63,706,012  |
| 15       | Income Taxes-Federal (409.1)   | 262-263                   | 2,027,291   | (3,426,612)   |
| 16       | -Other (409.1)   | 262-263                   | (744,062)   | (773,264)   |
| 17       | Provision for Deferred Income Taxes (410.1)                            | 234, 272-277              | 121,724,816   | 163,138,446   |
| 18       | (Less) Provision for Deferred Income Taxes-Cr (411.1)                  | 234, 272-277              | 79,083,932  | 129,372,300   |
| 19       | Investment Tax Credit Adj.- Net (411.4)                                | 266                       | —   | -   |
| 20       | (Less) Gains from Disp. Of Utility Plant (411.6)                       |                           | —   | -   |
| 21       | Losses for Disp. Of Utility Plant (411.7)                              |                           | —   | -   |
| 22       | Less (Gains) from Disposition of Allowances (411.8)                    |                           | 9   | 16  |
| 23       | Losses from Disposition of Allowances (411.9)                          |                           | 129,090   | -   |
| 24       | Accretion Expense (411.10)   |                           | -   | -   |
| 25       | TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 24)      |                           | 1,548,780,368   | 1,511,088,074   |
| 26       | Net Util Oper Inc (Enter Tot line 2 less 25) Carry to Pg 117, line 27  |                           | 309,459,172   | 289,549,471   |



TUCSON ELECTRIC POWER COMPANY  
 FERC FORM 1 - STATEMENT OF INCOME  
 FERC FORM 1 PAGES 114 and 117  
 YEAR/PERIOD OF REPORT: END OF 2023/Q4

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| Line No. | Title of Account<br>(a)  | (Ref.)<br>Page No.<br>(b) | ELECTRIC UTILITY    |                   |
|----------|--|---------------------------|---------------------|-------------------|
|          |  |                           | Current Year<br>(c) | Prior Year<br>(c) |
| 27       | Net Utility Operating Income (Carried forward from page 114)           |                           | 309,459,172         | 289,549,471       |
| 28       | Other Income and Deductions  |                           |                     |                   |
| 29       | Other Income   |                           |                     |                   |
| 30       | Nonutility Operating Income  |                           |                     |                   |
| 31       | Revenues from Merchandising, Jobbing, and Contract Work (415)          |                           | -                   | -                 |
| 32       | (Less) Costs and Exp. Of Merchandising, Jobbing, & Contract Work (416) |                           | -                   | -                 |
| 33       | Revenues from Nonutility Operations (417)                              |                           | 563,226             | 487,541           |
| 34       | (Less) Expenses from NonUtility Operations (417.1)                     |                           | 1,063,044           | 1,157,741         |
| 35       | Nonoperating Rental Income (418)                                       |                           | 802,330             | 779,290           |
| 36       | Equity in Earnings of Subsidiary Companies (418.1)                     | 119                       | 8,228               | (66,359)          |
| 37       | Interest and Dividend Income (419)                                     |                           | 11,372,107          | 2,185,950         |
| 38       | Allowance for Other Funds Used During Construction (419.1)             |                           | 14,763,089          | 8,170,446         |
| 39       | Miscellaneous Nonoperating Income (421)                                |                           | 19,177,693          | 12,082,456        |
| 40       | Gain on Disposition of Property (421.1)                                |                           | -                   | -                 |
| 41       | TOTAL Other Income (Enter Total of lines 31 thru 40)                   |                           | 45,623,629          | 22,481,583        |
| 42       | Other Income Deductions  |                           |                     |                   |
| 43       | Loss on Disposition of Property (421.2)                                |                           | (13,795)            | -                 |
| 44       | Miscellaneous Amortization (425)                                       |                           | 23,460              | 23,460            |
| 45       | Donations (426.1)  |                           | 2,590,712           | 2,295,730         |
| 46       | Life Insurance (426.2)   |                           | (2,992,086)         | 7,094,407         |
| 47       | Penalties (426.3)  |                           | 337,177             | 59,750            |
| 48       | Exp. For Certain Civil, Political & Related Activities (426.4)         |                           | 1,066,433           | 73,501            |
| 49       | Other Deductions (426.5)   |                           | 124,623             | 146,819           |
| 50       | TOTAL Other Income Deductions (Total of lines 43 thru 49)              |                           | 1,136,524           | 9,693,667         |
| 51       | Taxes Applic. To Other Income and Deductions                           |                           |                     |                   |
| 52       | Taxes Other Than Income Taxes (408.2)                                  | 262-263                   | 231,901             | 219,245           |
| 53       | Income Taxes-Federal (409.2)   | 262-263                   | 5,053,445           | 2,932,832         |
| 54       | Income Taxes-Other (409.2)   | 262-263                   | 1,261,086           | 732,464           |
| 55       | Provision for Deferred Income Taxes (410.2)                            | 234, 272-277              | 1,189,708           | 1,479,816         |
| 56       | (Less) Provision for Deferred Income Taxes-Cr (411.2)                  | 234, 272-277              | 512,905             | 1,193,023         |
| 57       | Investment Tax Credit Adj.- Net (411.5)                                |                           | -                   | -                 |
| 58       | (Less) Investment Tax Credits (420)                                    |                           | 2,174,570           | 1,719,695         |
| 59       | TOTAL Taxes on Other Income and Deductions (Total lines 52-58)         |                           | 5,048,665           | 2,451,639         |
| 60       | Net Other Income and Deductions ( Total lines 41,50,59)                |                           | 39,438,440          | 10,336,277        |
| 61       | Interest Charges   |                           |                     |                   |
| 62       | Interest on Long-Term Debt (427)                                       |                           | 90,443,171          | 80,745,310        |
| 63       | Amort. Of Debt Disc. And Expense (428)                                 |                           | 2,054,307           | 2,061,138         |
| 64       | Amortization of Loss on Reacquired Debt (428.1)                        |                           | 739,428             | 685,595           |
| 65       | (Less) Amort. Of Premium on Debit-Credit (429)                         |                           | -                   | -                 |
| 66       | (Less) Amortization of Gain on Reacquired Debit-Credit(429.1)          |                           | -                   | -                 |
| 67       | Interest on Debt to Assoc. Companies (430)                             |                           | -                   | -                 |
| 68       | Other Interest Expense (431)   |                           | 2,152,327           | 1,724,721         |
| 69       | (Less) Allowance for Borrowed Funds Used During Construction-CR. (432) |                           | 5,145,427           | 2,756,493         |
| 70       | Net Interest Charges (Total lines 62 thru 69)                          |                           | 90,243,806          | 82,460,271        |
| 71       | Income Before Extraordinary Items ( Total lines 27,60, and 70)         |                           | 258,653,806         | 217,425,477       |
| 72       | Extraordinary Items  |                           |                     |                   |
| 73       | Extraordinary Income (434)   |                           | -                   | -                 |
| 74       | (Less) Extraordinary Deductions (435)                                  |                           | -                   | -                 |
| 75       | Net Extraordinary Items (Total line 73 less line 74)                   |                           | -                   | -                 |
| 76       | Income Taxes-Federal and Other (409.3)                                 | 262-263                   | -                   | -                 |
| 77       | Extraordinary Items After Taxes (line 75 less line 76)                 |                           | -                   | -                 |
| 78       | Net Income (Total of line 71 and 77)                                   |                           | 258,653,806         | 217,425,477       |

| Line No. | Title of Account<br>(a)                                     | Operating Revenues Year to Date Quarterly/Annual<br>(b) | Operating Revenues Year Previous year (no Quarterly)<br>(c) |
|----------|---|---|---|
| 1        | Sales of Electricity  |   |   |
| 2        | (440) Residential Sales                                     | 594,104,858   | 532,577,232   |
| 3        | (442) Commercial and Industrial Sales                       |   |   |
| 4        | Small (or Comm.) (See Instr. 4)                             | 290,910,966   | 261,233,129   |
| 5        | Large (or Ind.) (See Instr. 4)                              | 292,465,388   | 259,662,512   |
| 6        | (444) Public Street and Highway Lighting                    | 2,277,576   | 2,107,066   |
| 7        | (445) Other Sales to Public Authorities                     | —   | 0   |
| 8        | (446) Sales to Railroads and Railways                       | —   | 0   |
| 9        | (448) Interdepartmental Sales                               | —   | 0   |
| 10       | TOTAL Sales to Ultimate Consumers                           | 1,179,758,788   | 1,055,579,939   |
| 11       | (447) Sales for Resale                                      | 311,547,842   | 421,818,119   |
| 12       | TOTAL Sales of Electricity                                  | 1,491,306,630   | 1,477,398,058   |
| 13       | (Less) (449.1) Provision for Rate Refunds                   | 0   | 0   |
| 14       | TOTAL Revenues Net of Prov. for Refunds                     | 1,491,306,630   | 1,477,398,058   |
| 15       | Other Operating Revenues                                    |   |   |
| 16       | (450) Forfeited Discounts                                   | 1,505,417   | 1,803,000   |
| 17       | (451) Miscellaneous Service Revenues                        | 4,631,759   | 4,648,075   |
| 18       | (453) Sales of Water and Water Power                        | —   | 0   |
| 19       | (454) Rent from Electric Property                           | 72,831,800  | 75,753,716  |
| 20       | (455) Interdepartmental Rents                               | —   | 0   |
| 21       | (456) Other Electric Revenues                               | 231,905,594   | 179,032,643   |
| 22       | (456.1) Revenues from Transmission of Electricity of Others | 56,058,340  | 62,002,053  |
| 23       | (457.1) Regional Control Service Revenues                   | —   | 0   |
| 24       | (457.2) Miscellaneous Revenues                              | —   | 0   |
| 25       |   | —   | 0   |
| 26       | TOTAL Other Operating Revenues                              | 366,932,910   | 323,239,487   |
| 27       | TOTAL Electric Operating Revenues                           | 1,858,239,540   | 1,800,637,545   |

FOOTNOTE DATA

Schedule Page: 300 Line No.: 12 Column: b

Includes December 2023 Unbilled Revenues:

Customer Class -

|                        |                   |
|------------------------|-------------------|
| Residential            | 29,024,171        |
| Commercial             | 14,874,526        |
| Industrial             | 8,227,402         |
| Public Street Lighting | 184,299           |
|                        | <u>52,310,398</u> |

Schedule Page: 300 Line No.: 12 Column: c

Includes December 2022 Unbilled Revenues:

Customer Class -

|                        |                   |
|------------------------|-------------------|
| Residential            | 24,072,262        |
| Commercial             | 11,391,286        |
| Industrial             | 6,276,398         |
| Public Street Lighting | 139,480           |
|                        | <u>41,879,426</u> |

Schedule Page: 300 Line No.: 17 Column: b

FERC 451 Miscellaneous Service Revenues:

|   |           |
|---|-----------|
| Primarily Service Transfer and Connect Fees | 4,631,759 |
|---|-----------|

Schedule Page: 300 Line No.: 17 Column: c

FERC 451 Miscellaneous Service Revenues:

|   |           |
|---|-----------|
| Primarily Service Transfer and Connect Fees | 4,648,075 |
|---|-----------|

Schedule Page: 300 Line No.: 21 Column: b

FERC 456 Other Electric Revenues:

|   |                    |
|---|--------------------|
| Renewable Energy Surcharge  | 63,749,224         |
| Fees for Operating Springerville Unit 3 on Behalf of Tri-State Generation and Transmission Association              | 44,357,176         |
| Demand Side Management Revenue  | 33,369,225         |
| Lost Fixed Cost Recovery  | 32,169,670         |
| Fees for Operating Springerville Unit 4 on Behalf of Salt River Project Agricultural Improvement and Power District | 20,663,219         |
| EDF Trading North America Asset Management Agreement Revenue  | 20,469,478         |
| Tax Expense Adjustor Mechanism  | 6,104,000          |
| Control Area Service Fees   | 3,473,652          |
| Transmission Cost Adjustor Mechanism  | 2,504,740          |
| Open Access Transmission Tariff   | 1,824,332          |
| Environmental Compliance Adjustor   | 1,271,960          |
| California Independent System Operator  | 504,167            |
| Sales for Resale - Gas Sales  | 442,142            |
| Items < \$250,000   | 1,002,609          |
|   | <u>231,905,594</u> |

Schedule Page: 300 Line No.: 21 Column: c

FERC 456 Other Electric Revenues:

|   |                    |
|---|--------------------|
| Renewable Energy Surcharge  | 60,009,842         |
| Lost Fixed Cost Recovery  | 26,021,302         |
| Fees for Operating Springerville Unit 3 on Behalf of Tri-State Generation and Transmission Association              | 22,265,543         |
| EDF Trading North America Asset Management Agreement Revenue  | 21,088,769         |
| Demand Side Management Revenue  | 20,925,348         |
| Fees for Operating Springerville Unit 4 on Behalf of Salt River Project Agricultural Improvement and Power District | 17,613,660         |
| Control Area Service Fees   | 4,555,746          |
| Tax Expense Adjustor Mechanism  | 3,657,287          |
| Environmental Compliance Adjustor   | 1,140,037          |
| Transmission Cost Adjustor Mechanism  | 838,707            |
| Sales for Resale - Gas Sales  | 483,444            |
| Open Access Transmission Tariff   | (543,735)          |
| Items < \$250,000   | 976,693            |
|   | <u>179,032,643</u> |

TUCSON ELECTRIC POWER COMPANY  
 FERC FORM 1 - ELECTRIC OPERATION AND MAINTENANCE EXPENSES  
 FERC FORM 1 PAGES 320, 321, 322 and 323  
 YEAR/PERIOD OF REPORT: END OF 2023/Q4

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| Line No. | Account (a)   | Amount for Current Year (b) | Amount for Previous Year (c) |
|----------|---|-----------------------------|------------------------------|
| 1        | 1. POWER PRODUCTION EXPENSES  |                             |                              |
| 2        | A. Steam Power Generation   |                             |                              |
| 3        | Operation   |                             |                              |
| 4        | (500) Operation Supervision and Engineering                             | 8,281,130                   | 8,893,917                    |
| 5        | (501) Fuel  | 182,522,366                 | 192,936,158                  |
| 6        | (502) Steam Expenses  | 48,832,548                  | 42,086,795                   |
| 7        | (503) Steam from Other Sources  | —                           | -                            |
| 8        | (Less) (504) Steam transferred-CR.                                      | 104,824                     | 166,504                      |
| 9        | (505) Electric Expenses   | 3,921,111                   | 3,022,365                    |
| 10       | (506) Miscellaneous Steam Power Expenses                                | 10,083,508                  | 12,778,918                   |
| 11       | (507) Rents   | 116,429                     | 111,301                      |
| 12       | (509) Allowances  | 1,486,148                   | -                            |
| 13       | TOTAL Operation (Enter Total of Lines 4 thru 12)                        | 255,138,416                 | 259,662,950                  |
| 14       | Maintenance   |                             |                              |
| 15       | (510) Maintenance Supervision and Engineering                           | 4,785,333                   | 5,898,588                    |
| 16       | (511) Maintenance of Structures   | 6,144,211                   | 8,034,069                    |
| 17       | (512) Maintenance of Boiler Plant                                       | 54,414,605                  | 45,221,050                   |
| 18       | (513) Maintenance of Electric Plant                                     | 24,459,786                  | 7,279,911                    |
| 19       | (514) Maintenance of Miscellaneous Steam Plant                          | 9,479,528                   | 9,728,196                    |
| 20       | TOTAL Maintenance (Enter Total of Lines 15 thru 19)                     | 99,283,463                  | 76,161,814                   |
| 21       | Total Power Production Expenses-Steam Power (Entr Tot lines 13 & 20)    | 354,421,879                 | 335,824,764                  |
| 22       | B. Nuclear Power Generation   |                             |                              |
| 23       | Operation   |                             |                              |
| 24       | (517) Operation Supervision and Engineering                             | -                           | -                            |
| 25       | (518) Fuel  | -                           | -                            |
| 26       | (519) Coolants and Water  | -                           | -                            |
| 27       | (520) Steam Expenses  | -                           | -                            |
| 28       | (521) Steam and Other Sources   | -                           | -                            |
| 29       | (Less) (522) Steam Transferred-CR.                                      | -                           | -                            |
| 30       | (523) Electric Expenses   | -                           | -                            |
| 31       | (524) Miscellaneous Nuclear Power Expense                               | -                           | -                            |
| 32       | (525) Rents   | -                           | -                            |
| 33       | TOTAL Operation (Enter Total of Lines 24 thru 32)                       | -                           | -                            |
| 34       | Maintenance   |                             |                              |
| 35       | (528) Maintenance and Supervision Engineering                           | -                           | -                            |
| 36       | (529) Maintenance of Structures   | -                           | -                            |
| 37       | (530) Maintenance of Reactor Plant Equipment                            | -                           | -                            |
| 38       | (531) Maintenance of Electric Plant                                     | -                           | -                            |
| 39       | (532) Maintenance of Miscellaneous Nuclear Plant                        | -                           | -                            |
| 40       | TOTAL Maintenance (Enter Total of Lines 35 thru 39)                     | -                           | -                            |
| 41       | TOTAL Power Production Expenses-Nuc. Power (Entr tot lines 33 & 40)     | -                           | -                            |
| 42       | C. Hydraulic Power Generation   |                             |                              |
| 43       | Operation   |                             |                              |
| 44       | (535) Operation and Supervision Engineering                             | -                           | -                            |
| 45       | (536) Water for Power   | -                           | -                            |
| 46       | (537) Hydraulic Expenses  | -                           | -                            |
| 47       | (538) Electric Expenses   | -                           | -                            |
| 48       | (539) Miscellaneous Hydraulic Power Generation Expenses                 | -                           | -                            |
| 49       | (540) Rents   | -                           | -                            |
| 50       | TOTAL Operation (Enter Total of Lines 44 thru 49)                       | -                           | -                            |
| 51       | C. Hydraulic Power Generation (continued)                               |                             |                              |
| 52       | Maintenance   |                             |                              |
| 53       | (541) Maintenance Supervision and Engineering                           | -                           | -                            |
| 54       | (542) Maintenance of Structures   | -                           | -                            |
| 55       | (543) Maintenance of Reservoirs, Dams, and Waterways                    | -                           | -                            |
| 56       | (544) Maintenance of Electric Plant                                     | -                           | -                            |
| 57       | (545) Maintenance of Miscellaneous Hydraulic Plant                      | -                           | -                            |
| 58       | TOTAL Maintenance (Enter Total of lines 53 thru 57)                     | -                           | -                            |
| 59       | TOTAL Power Productions Expenses-Hydraulic Power (tot of lines 50 & 58) | -                           | -                            |

TUCSON ELECTRIC POWER COMPANY

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FERC FORM 1 - ELECTRIC OPERATION AND MAINTENANCE EXPENSES

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YEAR/PERIOD OF REPORT: END OF 2023/Q4

| Line No. | Account (a)  | Amount for Current Year (b) | Amount for Previous Year (c) |
|----------|--|-----------------------------|------------------------------|
| 60       | D. Other Power Generation  |                             |                              |
| 61       | Operation  |                             |                              |
| 62       | (546) Operation Supervision and Engineering                          | 8,017,718                   | 6,326,253                    |
| 63       | (547) Fuel   | 249,114,656                 | 307,392,841                  |
| 64       | (548) Generation Expenses  | 5,384,884                   | 6,127,257                    |
| 65       | (549) Miscellaneous Other Power Generation Expenses                  | 872,562                     | 930,337                      |
| 66       | (550) Rents  | 709,978                     | 721,600                      |
| 67       | TOTAL Operation (Enter Total of lines 62 thru 66)                    | 264,099,798                 | 321,498,288                  |
| 68       | Maintenance  |                             |                              |
| 69       | (551) Maintenance Supervision and Engineering                        | 4,280,736                   | 3,131,747                    |
| 70       | (552) Maintenance of Structures                                      | 1,663,703                   | 1,797,494                    |
| 71       | (553) Maintenance of Generating and Electric Plant                   | 8,711,695                   | 8,045,670                    |
| 72       | (554) Maintenance of Miscellaneous Other Power Generation Plant      | 2,396,748                   | 2,122,628                    |
| 73       | TOTAL Maintenance (Enter Total of lines 69 thru 72)                  | 17,052,882                  | 15,097,539                   |
| 74       | TOTAL Power Production Expenses-Other Power (Enter Tot of 67 & 73)   | 281,152,680                 | 336,595,827                  |
| 75       | E. Other Power Supply Expenses                                       |                             |                              |
| 76       | (555) Purchased Power  | 231,966,999                 | 198,080,383                  |
| 77       | (556) System Control and Load Dispatching                            | 5,810,498                   | 7,040,114                    |
| 78       | (557) Other Expenses   | 6,717,686                   | 6,461,622                    |
| 79       | TOTAL Other Power Supply Exp (Enter Total of lines 76 thru 78)       | 244,495,183                 | 211,582,119                  |
| 80       | TOTAL Power Production Expenses (Total of lines 21, 41, 59, 74 & 79) | 880,069,742                 | 884,002,710                  |
| 81       | 2. TRANSMISSION EXPENSES   |                             |                              |
| 82       | Operation  |                             |                              |
| 83       | (560) Operation Supervision and Engineering                          | 1,602,553                   | 1,714,596                    |
| 84       |  |                             |                              |
| 85       | (561.1) Load Dispatch- Reliability                                   | 1,578,837                   | 1,120,207                    |
| 86       | (561.2) Load Dispatch- Monitor and Operate Transmission System       | 1,615,021                   | 1,403,268                    |
| 87       | (561.3) Load Dispatch-Transmission Service and Scheduling            | 1,252,594                   | 1,145,824                    |
| 88       | (561.4) Scheduling , System Control. And Dispatch Services           | 92,973                      | 84,545                       |
| 89       | (561.5) Reliability, Planning, and Standards Development             | 83,812                      | 63,334                       |
| 90       | (561.6) Transmission Service Studies                                 | 4                           | 4                            |
| 91       | (561.7) Generation Interconnection Studies                           | 3,490                       | 3,064                        |
| 92       | (561.8) Reliability, Planning, and Standards Development Services    | -                           | -                            |
| 93       | (562) Station Expenses   | 175,828                     | 171,665                      |
| 94       | (563) Overhead Lines Expenses  | 3,924                       | 155,070                      |
| 95       | (564) Underground Lines Expenses                                     | -                           | -                            |
| 96       | (565) Transmission of Electricity by Others                          | 72,728,154                  | 61,698,147                   |
| 97       | (566) Miscellaneous Transmission Expenses                            | 1,290,143                   | 1,030,866                    |
| 98       | (567) Rents  | 210,342                     | 40,791                       |
| 99       | TOTAL Operation (Enter Total of lines 83 thru 98)                    | 80,637,675                  | 68,631,381                   |
| 100      | Maintenance  |                             |                              |
| 101      | (568) Maintenance Supervision and Engineering                        | 316,875                     | 278,245                      |
| 102      | (569) Maintenance of Structures                                      | 41,103                      | 10,476                       |
| 103      | (569.1) Maintenance of Computer Hardware                             | 21,864                      | 60,140                       |
| 104      | (569.2) Maintenance of Computer Software                             | -                           | -                            |
| 105      | (569.3) Maintenance of Communication Equipment                       | -                           | -                            |
| 106      | (569.4) Maintenance of Miscellaneous Regional Transmission Plant     | -                           | -                            |
| 107      | (570) Maintenance of Station Equipment                               | 4,581,936                   | 4,307,794                    |
| 108      | (571) Maintenance of Overhead Lines                                  | 582,185                     | 624,894                      |
| 109      | (572) Maintenance of Underground Lines                               | -                           | -                            |
| 110      | (573) Maintenance of Miscellaneous Transmission Plant                | 19,290                      | 1,182                        |
| 111      | TOTAL Maintenance (Enter Total of lines 101 thru 110)                | 5,563,253                   | 5,282,731                    |
| 112      | TOTAL Transmission Expenses (Total of lines 99 and 111)              | 86,200,928                  | 73,914,112                   |

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 FERC FORM 1 PAGES 320, 321, 322 and 323  
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| Line No. | Account (a)  | Amount for Current Year (b) | Amount for Previous Year (c) |
|----------|--|-----------------------------|------------------------------|
| 113      | 3. REGIONAL MARKET EXPENSES  |                             |                              |
| 114      | Operation  |                             |                              |
| 115      | (575.1) Operation Supervision                                      | -                           | -                            |
| 116      | (575.2) Day-Ahead and Real-Time Market Facilitation                | -                           | -                            |
| 117      | (575.3) Transmission Rights Market Facilitation                    | -                           | -                            |
| 118      | (575.4) Capacity Market Facilitation                               | -                           | -                            |
| 119      | (575.5) Ancillary Services Market Facilitation                     | -                           | -                            |
| 120      | (575.6) Market Monitoring and Compliance                           | -                           | -                            |
| 121      | (575.7) Market Facilitation, Monitoring and Compliance Services    | -                           | -                            |
| 122      | (575.8) Rents  | -                           | -                            |
| 123      | Total Operation (Lines 115 thru 122)                               | -                           | -                            |
| 124      | Maintenance  |                             |                              |
| 125      | (576.1) Maintenance of Structures and Improvements                 | -                           | -                            |
| 126      | (576.2) Maintenance of Computer Hardware                           | -                           | -                            |
| 127      | (576.3) Maintenance of Computer Software                           | -                           | -                            |
| 128      | (576.4) Maintenance of Communication Equipment                     | -                           | -                            |
| 129      | (576.5) Maintenance of Miscellaneous Market Operation Plant        | -                           | -                            |
| 130      | Total Maintenance (Lines 125 thru 129)                             | -                           | -                            |
| 131      | TOTAL Regional Transmission and Market Op Exps (Total 123 and 130) | -                           | -                            |
| 132      | 4. DISTRIBUTION EXPENSES   |                             |                              |
| 133      | Operation  |                             |                              |
| 134      | (580) Operation Supervision and Engineering                        | 746,389                     | 685,195                      |
| 135      | (581) Load Dispatching   | 1,392,456                   | 1,668,834                    |
| 136      | (582) Station Expenses   | 316,054                     | 317,054                      |
| 137      | (583) Overhead Lines Expenses                                      | 1,231,640                   | 1,126,981                    |
| 138      | (584) Underground Lines Expenses                                   | 354,587                     | 287,386                      |
| 139      | (585) Street Lighting and Signal System Expenses                   | 2,623                       | 1,624                        |
| 140      | (586) Meter Expenses   | 1,914,966                   | 2,075,699                    |
| 141      | (587) Customer Installations Expenses                              | 99,848                      | 102,643                      |
| 142      | (588) Miscellaneous Expenses                                       | 13,963,827                  | 11,457,074                   |
| 143      | (589) Rents  | 5,771,913                   | 5,644,415                    |
| 144      | TOTAL Operation (Enter Total of lines 134 thru 143)                | 25,794,303                  | 23,366,905                   |
| 145      | Maintenance  |                             |                              |
| 146      | (590) Maintenance Supervision and Engineering                      | 827,196                     | 750,935                      |
| 147      | (591) Maintenance of Structures                                    | -                           | -                            |
| 148      | (592) Maintenance of Station Equipment                             | 3,632,913                   | 4,305,873                    |
| 149      | (593) Maintenance of Overhead Lines                                | 3,864,834                   | 3,268,252                    |
| 150      | (594) Maintenance of Underground Lines                             | 1,496,509                   | 1,497,881                    |
| 151      | (595) Maintenance of Line Transformers                             | 255,944                     | 222,626                      |
| 152      | (596) Maintenance of Street Lightning and Signal Systems           | -                           | -                            |
| 153      | (597) Maintenance of Meters  | 362,556                     | 366,430                      |
| 154      | (598) Maintenance of Miscellaneous Distribution Plant              | 580,316                     | 705,059                      |
| 155      | TOTAL Maintenance ( Total of lines 146 thru 154)                   | 11,020,268                  | 11,117,056                   |
| 156      | TOTAL Distribution Expenses (Total of lines 144 and 155)           | 36,814,571                  | 34,483,961                   |
| 157      | 5. CUSTOMER ACCOUNTS EXPENSES                                      |                             |                              |
| 158      | Operation  |                             |                              |
| 159      | (901) Supervision  | -                           | -                            |
| 160      | (902) Meter Reading Expenses                                       | 183,403                     | 268,688                      |
| 161      | (903) Customer Records and Collection Expenses                     | 22,906,472                  | 21,332,639                   |
| 162      | (904) Uncollectible Accounts                                       | 6,967,372                   | 4,260,226                    |
| 163      | (905) Miscellaneous Customer Accounts Expenses                     | -                           | -                            |
| 164      | TOTAL Customer Accounts Expenses (Total of lines 159 thru 163)     | 30,057,247                  | 25,861,553                   |

TUCSON ELECTRIC POWER COMPANY

AR9

FERC FORM 1 - ELECTRIC OPERATION AND MAINTENANCE EXPENSES

AR9 - 3

FERC FORM 1 PAGES 320, 321, 322 and 323

YEAR/PERIOD OF REPORT: END OF 2023/Q4

| Line No. | Account (a)  | Amount for Current Year (b) | Amount for Previous Year (c) |
|----------|--|-----------------------------|------------------------------|
| 165      | 6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES                       |                             |                              |
| 166      | Operation  |                             |                              |
| 167      | (907) Supervision  | —                           | -                            |
| 168      | (908) Customer Assistance Expenses                                   | 30,486,850                  | 18,087,160                   |
| 169      | (909) Informational and Instructional Expenses                       | 1,306,335                   | 1,355,994                    |
| 170      | (910) Miscellaneous Customer Service and Informational Expenses      | —                           | (514)                        |
| 171      | TOTAL Customer Service and Information Expenses (Total 167 thru 170) | 31,793,185                  | 19,442,640                   |
| 172      | 7. SALES EXPENSES  |                             |                              |
| 173      | Operation  |                             |                              |
| 174      | (911) Supervision  | —                           | -                            |
| 175      | (912) Demonstrating and Selling Expenses                             | —                           | -                            |
| 176      | (913) Advertising Expenses   | —                           | -                            |
| 177      | (916) Miscellaneous Sales Expenses                                   | —                           | -                            |
| 178      | TOTAL Sales Expenses (Enter Total of lines 174 thru 177)             | -                           | -                            |
| 179      | 8. ADMINISTRATIVE AND GENERAL EXPENSES                               |                             |                              |
| 180      | Operation  |                             |                              |
| 181      | (920) Administrative and General Sales                               | 63,498,749                  | 61,155,567                   |
| 182      | (921) Office Supplies and Expenses                                   | 24,645,304                  | 21,680,681                   |
| 183      | (Less) (922) Administrative Expenses transferred-Credit              | 25,189,065                  | 19,888,526                   |
| 184      | (923) Outside Services Employed                                      | 22,625,640                  | 21,418,347                   |
| 185      | (924) Property Insurance   | 6,819,987                   | 6,991,782                    |
| 186      | (925) Injuries and Damages   | 3,350,281                   | 3,644,454                    |
| 187      | (926) Employee Pension and Benefits                                  | 26,289,472                  | 21,415,068                   |
| 188      | (927) Franchise Requirements   | —                           | -                            |
| 189      | (928) Regulatory Commission Expenses                                 | 2,270,324                   | 1,641,173                    |
| 190      | (929) (Less) Duplicate Charges-CR                                    | 739,770                     | 669,561                      |
| 191      | (930.1) General Advertising Expenses                                 | 2,000,906                   | 1,936,624                    |
| 192      | (930.2) Miscellaneous General Expenses                               | 8,013,583                   | 7,696,841                    |
| 193      | (931) Rents  | 2,216,922                   | 1,719,846                    |
| 194      | TOTAL Operation (Enter Total of lines 181 thru 193)                  | 135,802,333                 | 128,742,296                  |
| 195      | Maintenance  |                             |                              |
| 196      | (935) Maintenance of General Plant                                   | (9,508)                     | 72,089                       |
| 197      | TOTAL Administrative & General Expenses (Total of lines 194 and 196) | 135,792,825                 | 128,814,385                  |
| 198      | TOTAL Elec Op and Maint Expns (Total 80,112,131,156,164,171,178,197) | 1,200,728,498               | 1,166,519,361                |

|                           | 2023  | 2022  |
|---------------------------|-------|-------|
| Total number of employees | 1,740 | 1,675 |

Note: 2023 total number of employees represents headcount at 12/31/2023.  
2022 total number of employees represents headcount at 12/31/2022.

TEP  
 ELECTRIC UTILITY ANNUAL REPORT  
 UTILITY SHUTOFFS / DISCONNECTS  
 12/31/23

| <b>UTILITY SHUTOFFS / DISCONNECTS</b> |  |                                     |          |
|---------------------------------------|--|-------------------------------------|----------|
| Month                                 | Termination without Notice R14-2-211.B | Termination with Notice R14-2-211.C | Other    |
| January                               |  | 4,367                               |          |
| February                              |  | 2,675                               |          |
| March                                 |  | 2,123                               |          |
| April                                 |  | 1,459                               |          |
| May                                   |  | 538                                 |          |
| June                                  |  | 0                                   |          |
| July                                  |  | 0                                   |          |
| August                                |  | 0                                   |          |
| September                             |  | 0                                   |          |
| October                               |  | 1                                   |          |
| November                              |  | 39                                  |          |
| December                              |  | 315                                 |          |
| <b>Total</b>                          | <b>0</b>                               | <b>11,517</b>                       | <b>0</b> |

**Other (description):**

**Instructions:** Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.