

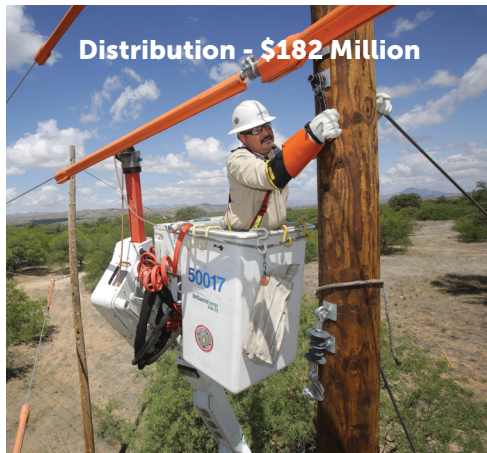
Supporting Safe, Reliable Service

Request for New 2024 Rates is First in Seven Years

UniSource Energy Services is seeking updated rates beginning in February 2024 to support safe, reliable service and our development of new energy resources. Current rates are based on costs from 2014. Since then, UniSource has invested more than \$330 million to expand and upgrade our electric systems to reliably serve our customers' expanding energy needs.

Investments in Our Energy Grid

The proposed rates cover the cost of grid improvements, technology upgrades and other investments that have allowed UniSource to provide strong reliability including:



Managing Higher Costs

UniSource limited the average annual growth of its operations and maintenance costs to less than 2.1 percent between 2015 and 2021, despite average annual inflation of 2.5 percent during that period.

Serving Expanding Energy Needs

Peak energy demand on UniSource's local energy grid has increased by 16 percent since 2014, driven by hotter weather and a nearly 8 percent increase in our customer base.

Customer Impact

The proposed rates would not take effect until February 2024 at the earliest. Average residential customers with typical usage would see an increase in their monthly bill of \$18.52 if new rates are approved and take effect in 2024. This projected increase will vary based on usage, and customers' total bills also will be affected by changes to fuel and purchased power rates between now and then. Customers can mitigate the impact through energy efficiency, possibly in combination with time-of-use pricing plans that offer lower rates during off-peak periods.

UniSource's monthly CARES discount would increase to \$18 for qualifying residential customers whose household income does not exceed 200 percent of the federal poverty level. UniSource also is proposing to eliminate its transaction fees for many credit card payments made by residential and small business customers as well as for cash payments made at third-party payment processors.

UniSource's request will be reviewed by the Arizona Corporation Commission (ACC) in a process that will include opportunities for public input. For more details, visit uesaz.com/rate-proposal

