

April 28th, 2026

To: Melissa Manriquez, Clerk of the Pima County Board of Supervisors

From: Supervisor Jennifer Allen
Pima County Supervisor for District 3 and Chair of the Pima County Board of Supervisors
33 N. Stone Ave, 11th Floor
Tucson, AZ 85701

Re: TEP Rate Case Resolution

Dear Melissa,

Please add the following item to the Addendum Agenda for the May 5th, 2026 special Board of Supervisors meeting:

**A RESOLUTION OF THE PIMA COUNTY BOARD OF SUPERVISORS
OPPOSING THE PROPOSED RATE INCREASE BY TUCSON ELECTRIC
POWER (TEP)**

Thank you,

Supervisor Jennifer Allen

RESOLUTION 2026 - ____

A RESOLUTION OF THE PIMA COUNTY BOARD OF SUPERVISORS OPPOSING THE PROPOSED RATE INCREASE BY TUCSON ELECTRIC POWER (TEP)

WHEREAS, Tucson Electric Power (TEP) provides electric utility service to residents and businesses throughout Pima County; and

WHEREAS, TEP has proposed an increase in electric rates that would significantly impact households, small businesses, nonprofit organizations, and public institutions within Pima County; and

WHEREAS, the proposed Annual Rate Adjustment Mechanism (ARAM) would allow annual rate adjustments outside of a full rate case. The ARAM reduces regulatory review and public participation, increases the risk that costs not fully evaluated for prudence are passed on to ratepayers, and will likely lead to more frequent and compounded rate increases because the ARAM lacks sufficient safeguards to ensure transparency, affordability, and just and reasonable rates; and

WHEREAS, the rise of hyperscale data centers and other high energy industries are poised to dramatically increase power demand, thereby requiring a significant increase in energy generation infrastructure, the cost of which should be borne by the industries increasing the demand, rather than the residential ratepayer; and

WHEREAS, rising utility costs disproportionately affect low- and moderate-income residents, seniors on fixed incomes, and vulnerable populations who already face increased costs of living; and

WHEREAS, higher energy rates may negatively impact economic development, job growth, and the financial stability of small and locally owned businesses throughout the County; and

WHEREAS, access to affordable and reliable electricity is essential to public health, safety, and welfare, particularly during periods of extreme heat common in Southern Arizona; and

WHEREAS, the Pima County Board of Supervisors has a responsibility to advocate for the financial well-being of its residents and to ensure that utility rate structures are fair, transparent, and justified; and

WHEREAS, an increase in rates will have cascading consequences to County residents and businesses through increases in the total costs of living, increased demand for social services, and diminished economic competitiveness; and

WHEREAS, the effects of a rate increase directly shape the County's policy priorities, budget planning, and long-term economic development strategies; and

WHEREAS, higher energy rates impact the County's ability to achieve the goals set in previously approved plans such as Pima Prospers, the Integrated Infrastructure Plan, and Priority Climate Action Plan; and

WHEREAS, decisions made in the rate setting process impact the pace of renewable energy adoption, distributed generation, and energy efficiency programs, all of which intersect with Pima County's climate resiliency goals, land use planning, and environmental protection responsibilities; and

NOW, THEREFORE, BE IT RESOLVED that the Pima County Board of Supervisors formally opposes the proposed rate increase submitted by Tucson Electric Power and urges TEP to reconsider the scope and timing of the proposed rate increase and to pursue cost-saving measures, efficiency improvements, and alternative funding strategies that minimize impacts on customers; and

BE IT FURTHER RESOLVED that the Board formally endorses the proposed rate increase recommendations of Attorney General Kris Mayes, and directs the County Attorney to support the AG in the pursuit of that lower rate; and

BE IT FURTHER RESOLVED that the Board calls upon the Arizona Corporation Commission to carefully scrutinize the proposed rate increase, ensure full transparency and public participation in the review process, and prioritize affordability for ratepayers in Pima County; and

BE IT FURTHER RESOLVED that the Board requests that large energy industries must bear the full incremental costs of the additional power generation infrastructure required by these industries to operate; and

BE IT FURTHER RESOLVED that the Board supports proposed improvements to low-income assistance programs that align bill assistance with a customer's total energy burden, including percentage-based approaches, in order to better protect affordability for vulnerable residents;

BE IT FURTHER RESOLVED that the Board directs the County Administrator to transmit copies of this Resolution to the Arizona Corporation Commission, Tucson Electric Power, and other relevant stakeholders.

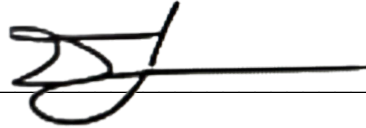
PASSED AND ADOPTED by the Pima County Board of Supervisors this 5th day of May 2026

Jennifer Allen, Chair, Board of Supervisors

ATTEST:

APPROVED AS TO FORM:

Melissa Manriquez, Clerk of the Board

A handwritten signature in black ink, appearing to be 'DJ', written over a horizontal line.

Daniel Jurkowitz, Deputy County Attorney