



Installers/Stakeholders,

Below you will find important updates and information regarding the UniSource Electric, Inc.'s (UNSE) Renewable Energy program.

Recently the Arizona Corporation Commission (Commission) ruled on APS's application to adjust how Net Energy Metering (NEM) is administered to residential customers with distributed renewable energy systems. In that ruling, the Commission ordered APS to require that all new solar customers sign a disclaimer as part of their renewable project application and interconnection agreement. Although UNSE is currently not subject to the recent Commission decision, it has decided to require all new solar customers to submit a signed disclaimer consistent with the Commission's decision in the APS matter, and to ensure that customers are aware of potential future changes to rates and charges that may impact their decision.

The disclaimer acknowledges the following:

1. The PV system is subject to the current rates, rules and regulations established by the Commission. The Commission may alter its rules and regulations and/or change rates in the future. If this occurs, the system is subject to those changes and the customer will be responsible for paying any future increases to electricity rates, charges or service fees from UNSE.
2. UNSE electricity rates, charges and service fees are determined by the Commission and are subject to change based upon the decision of the Commission. These future adjustments may positively or negatively impact any potential savings or the value of the PV system.
3. Any future electricity rate projections which may be presented to the Customer are not produced, analyzed or approved by UNSE or the Commission. They are based on projections formulated by external third parties not affiliated with UNSE or the Commission.

Starting on April 21, 2014, all projects that have yet to be installed are required to submit an executed disclaimer as a condition precedent to interconnection and must be completed prior to a meter set.

NOTE: THE RATES AND CHARGES UNDER THIS AGREEMENT ARE SUBJECT TO CHANGE BASED ON FUTURE COMMISSION DECISIONS.

If you have questions, please email us at renewables@uesaz.com

Thank you,

UNSE Renewable Energy Resources