
**TUCSON ELECTRIC
POWER COMPANY**

*Summary Plan
Description
for*

**PENSION TRUST PLAN FOR
EMPLOYEES OF THE TUCSON
ELECTRIC POWER COMPANY
REPRESENTED BY I.B.E.W.
LOCAL 1116**

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All terms in bold letters have special definitions found in the Glossary at the front of this Summary Plan Description or in a special section defining them.

INTRODUCTION

This Summary Plan Description, or “SPD,” describes the Pension Trust Plan for Employees of Tucson Electric Power Company Represented by I.B.E.W. Local 1116 (the “**Plan**”). The **Plan** is a defined benefit plan under Section 414(j) of the Internal Revenue Code. The benefits under the **Plan** are funded by the **Plan’s** assets, which are maintained in trust (the “Trust”) for the benefit of **Plan Participants** and their **Spouses** or beneficiaries. This SPD describes the terms of the Plan as in effect on July 1, 2025.

The **Plan** and Trust are lengthy, written documents that set forth the provisions of the retirement program. In order to find out how the **Plan** and Trust affect you and your family, you could read the actual documents (copies are available to you at the offices of the **Company** during regular business hours). In order to provide you with a basic understanding of your rights and benefits under the **Plan**, as required by law, we have prepared this SPD, which describes the provisions of the **Plan** and Trust.

This SPD does not interpret, extend or change the **Plan** or Trust in any way. In case of a conflict between this SPD and the actual provisions of the **Plan** or Trust, the provisions of the **Plan** or Trust will govern your rights and benefits.

GLOSSARY

Actuarial Equivalent	an amount of equivalent value when computed on the basis of actuarial tables and assumptions as stated in the Plan document.
Average Monthly Pay	the average of your five highest Monthly Pay Rates on any five consecutive February firsts or, if greater, the average of your Monthly Pay Rates on the last five February firsts on which you were an Eligible Employee . If you were an Eligible Employee on February first of less than five calendar years, then Average Monthly Pay will be the average of your Monthly Pay Rates on February first of all such calendar years.
Break in Employment	your resignation, discharge, death or retirement from or by the Company or a related company, or the first anniversary of the first date on which you remain absent from work for (with some exceptions) any reason other than resignation, discharge, death or retirement. However, if the Break in Employment occurs as a result of your pregnancy or birth or adoption of your child, a Break in Employment will not be effective until the second anniversary of the first date on which you remain absent from work.
Company	Tucson Electric Power Company and any subsidiary or related company that has, with the approval of the board of directors, adopted the Plan .
Credited Service	your Years of Service (including one-twelfth of a year for each month or partial month of Service) that you accrue while you are employed by the Company as an Eligible Employee . You will not accrue Credited Service for any period during which you perform no hour of service following resignation, discharge, retirement or failure to return from any unpaid leave of absence, and prior to any Reemployment Date . In no event will your Credited Service prior to January 1, 1991 be less than the Credited Service , if any, that you accrued under the Plan as it was in effect before January 1, 1991.
Early Retirement Date	the first day of any month before your Normal Retirement Date after you have attained age 55, completed at least 10 years of Credited Service , and given at least 120 days advance notice to the Pension Committee. If you retire or otherwise terminate employment on or after January 1, 1997, you may retire early with less than 10 years of Credited Service and without attaining age 55, if (i) you are an Inactive Participant who becomes a participant in the Salaried Plan , and (ii) you qualify for and elect to commence an early retirement benefit under the Salaried Plan . If you were hired prior to January 1, 2011 and you terminate

employment with the **Company** prior to your **Normal Retirement Date** and on or after January 1, 1996, you may elect an **Early Retirement Date** that is the first day of any month following the date you terminate employment if the sum of your attained age at your last birthday and your years of **Credited Service** equal at least 85.

Eligible Employee any person employed by the **Company** and represented by I.B.E.W. Local 1116.

Employee any person employed by the **Company** or a related company.

Employment Date the date on which the **Employee** first completes an hour of service with the **Company** or a related company.

Inactive Participant a former **Participant** who remains employed by the **Company** but whose conditions of employment have been changed such that he or she is no longer an **Eligible Employee**. An example of an **Inactive Participant** would be an **Employee** who, when first hired by the **Company**, is an **Eligible Employee** and becomes a **Participant** in the **Plan**, and then is transferred to a salaried position with the **Company** and thus is no longer an **Eligible Employee**.

Late Retirement Date the first day of any month following your **Normal Retirement Date** on which you elect to retire.

Military Service Disability or Disabled due to Military Service the inability to engage in any substantially gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months, which was incurred while you were performing qualified military service as defined in Section 414(u)(5) of the Code and for which the Department of Defense, Department of Veterans Affairs or a comparable state agency has made a verification or certification of your disability.

Monthly Pay Rate your straight time hourly pay rate multiplied by 173.3 hours. Your straight time hourly rate is the hourly pay rate for your job classification as determined pursuant to Exhibit A to the collective bargaining agreement between the **Company** and the Union. Your straight time hourly rate shall not include any pay upgrades that you may receive. If you are performing services as a Union business agent, you shall be treated as if you continued employment in the same position that you had prior to becoming a Union business agent and, solely for purposes of determining your **Monthly Pay Rate**, your **Monthly Pay Rate** will be adjusted to reflect any hourly rate increases associated with that

position during the period of time in which you are performing services as a Union business agent. For plan years (that is, calendar years) beginning on or after January 1, 2025, the maximum total annual pay that can be taken into account under the **Plan** is \$350,000. This limitation may increase for cost-of-living under IRS rules.

Normal Form of Retirement Benefit a monthly annuity beginning on your **Early, Normal or Late Retirement Date** that is payable for the greater of your lifetime or 48 months.

Normal Retirement Age and Normal Retirement Date your **Normal Retirement Age** is age 65; your **Normal Retirement Date** is the first day of the month that coincides with or next follows your attainment of the **Normal Retirement Age**.

Optional Forms of Payment the **Actuarial Equivalent** forms of benefit payment that you will receive only if you make a written election on the form provided by the Pension Committee. **Optional Forms of Payment** are described in the Methods Of Payment section.

Participant any **Eligible Employee** who becomes eligible for participation in the **Plan**.

Plan Pension Trust Plan for Employees of Tucson Electric Power Company Represented by I.B.E.W. Local 1116, as amended from time to time.

Qualified Joint and Survivor Annuity a joint and survivor annuity which will pay you a monthly payment for your lifetime and, following your death, a percentage of the amount of your monthly pension shall continue to your **Spouse** for his or her lifetime, provided you have been legally married throughout the one year period ending on your benefit commencement date (**Early, Normal or Late Retirement Date**) or date of death.

Reemployment Date the date on which the **Employee** first completes an hour of service with the **Company** or a related company following resignation, discharge, retirement or failure to return from any unpaid leave of absence.

Required Beginning Date your **Required Beginning Date** is April 1 of the first calendar year that starts after the later of the year in which you reach the applicable age listed below or the year in which you retire:

- Age 70½ if you were born before July 1, 1949;
- Age 72 if you were born on or after July 1, 1949 but before January 1, 1951;

- Age 73 if you were born on or after January 1, 1951 but before January 1, 1960; and
- Age 75 if you were born on or after January 1, 1960.

Salaried Plan	the Tucson Electric Power Company Salaried Employees Retirement Plan, as amended from time to time.
Service	each period commencing on your Employment Date and continuing until you incur a Break in Employment , and each period commencing on your Reemployment Date and continuing until your subsequent Break in Employment .
Spouse	effective as of June 26, 2013, the person of the opposite or same sex, who is legally married to you on the date on which a benefit under the Plan becomes payable to you or on your behalf. A former Spouse will be treated as a Spouse or surviving Spouse to the extent provided for in a qualified domestic relations order satisfying the requirements of Section 414(p) of the Code.
Standard Retirement Benefit	if you are unmarried, a single life annuity that will pay you a monthly benefit for your lifetime; if you are married, a Qualified Joint and Survivor Annuity .
Total and Permanent Disability	effective as of January 26, 2009 means that a Participant is entitled to and is receiving disability benefits under a Company sponsored long-term disability plan.
Year of Service	means each 365 days of Service completed.

Collective Bargaining Agreement

The **Plan** is maintained pursuant to a collective bargaining agreement. A copy of the collective bargaining agreement may be obtained by **Participants** and beneficiaries upon written request to the Pension Committee and is available for examination by **Participants** and beneficiaries at the Compensation and Benefits offices of Tucson Electric Power Company and at the Union Hall.

Eligibility And Participation

You automatically become a **Plan Participant** on the date you become an **Eligible Employee**.

Vesting

Vesting is an expression of irrevocable ownership rights you have in your pension benefits, based on **Years of Service**. You are 0% vested until you have completed five **Years of Service**, at which time you become 100% vested. Upon reaching your **Normal Retirement Age**, your vested percentage will automatically become 100% if you are then an **Employee**.

Once you become vested, the benefit you have earned, based on your **Credited Service**, cannot be forfeited (so long as you live) even though you may leave the employment of the **Company** before retiring.

Beneficiary Designation

You may designate a beneficiary by submitting a written instruction to the Pension Committee concerning to whom or in what payment form benefits are to be distributed. If you are married and name someone other than your **Spouse** as your beneficiary, written spousal consent will be required. (Please see the Spousal Consent section for more details.) If you do not designate a beneficiary or if your beneficiary is not living at the time of your death, your distribution will be paid in the following successive preference order:

- 1) Your surviving **Spouse**
- 2) Your surviving children
- 3) Your surviving parents
- 4) Your surviving brothers and sisters
- 5) Personal representative of your estate, not personally but in his, her or its representative capacity.

Break in Employment

You will incur a **Break in Employment** on the one-year anniversary following your resignation, discharge, death or retirement from the **Company** or a related company. However, if your absence is a result of your pregnancy, the birth or adoption of your child (or child care for a period immediately following birth or adoption of your child), you will not incur a **Break in Employment** until the second year anniversary following your resignation, discharge, death or retirement from the **Company** or a related company.

You will not incur a **Break in Employment** if your absence is due to an authorized leave of absence, layoff not to exceed one year, military service, or sick leave, provided you return to work immediately following such absence.

If, before you have completed at least five **Years of Service**, you incur a **Break in Employment** that lasts for five or more consecutive years, you will forfeit all of your **Years of Service** and **Credited Service** previously credited to you. If you forfeit your **Years of Service** and **Credited Service** earned prior to your **Break in Employment**, you will be treated as a new **Eligible Employee** under the **Plan** if you are rehired and are eligible to participate in the **Plan**.

If you incur a **Break in Employment** after you have completed at least five **Years of Service**, you shall immediately become a **Participant** in the **Plan** upon your reemployment (if then an **Eligible Employee**), and all your **Years of Service** and years of **Credited Service** previously earned will be reinstated.

Reemployment

If you are reemployed by the **Company** prior to incurring a **Break in Employment**, you will have your prior **Years of Service** and **Credited Service** reinstated immediately.

If you are receiving retirement benefit payments, have not yet reached your **Normal Retirement Date**, and you are reemployed by the **Company**, your benefit payments will be suspended. Your benefit payments will be adjusted in accordance with the **Plan** and resume after you again retire.

If you are receiving retirement benefit payments and are reemployed by the **Company** after your **Normal Retirement Date**, your benefits will continue to be paid without regard to your reemployment.

If you are reemployed after receiving a lump sum distribution, you will not be required or allowed to repay the distribution to the **Plan**. Instead, you will be entitled to resume participation in the **Plan**. Your future benefits will be reduced by the **Actuarial Equivalent** of your prior distribution.

Contributions To The Plan

The **Company** pays for the entire cost of the **Plan**; thus, you are not required to contribute toward your pension benefits. The **Company** contributes to the **Plan** an amount that is calculated on an actuarial basis to be sufficient to provide for the payment of benefits to **Participants** at retirement. The money is held in the Trust for the purpose of providing benefits to **Plan Participants** and their **Spouses** or beneficiaries.

Retirement Benefits At Normal Retirement Date

You may elect to retire and receive a Normal Retirement Benefit on your **Normal Retirement Date**. This benefit will begin on your **Normal Retirement Date** and will be payable in one of the forms of benefit payment described in the Methods Of Payment section.

If your **Normal** or **Late Retirement Date** is after December 31, 2010, the amount of your **Normal Form of Retirement Benefit** will be equal to the greater of (i) or (ii) where (i) is 1.125% of your **Average Monthly Pay** (with the result at least \$17.00 but no more than \$37.00) multiplied by your **Credited Service** and (ii) is 1.34% of your **Average Monthly Pay** (with the result at least \$17.00) multiplied by your **Credited Service** up to a maximum of 38 years of **Credited Service**. However, the foregoing 38-year maximum does not apply if the result obtained by subtracting the number 10 from your attained age on your birthday in calendar year 1995 is greater than 38, in which case your maximum years of **Credited Service** for purposes of the foregoing formula will be your attained age in 1995 reduced by 10.

Your retirement benefit is payable in addition to any Social Security payments for which you qualify.

Example of Benefit at Normal Retirement Date:

Normal Retirement Date: June 1, 2025

Average Monthly Pay: \$2,500

Credited Service: 39 years

Greater of (i) or (ii):

(i)	1.125% of Average Monthly Pay: 1.125% x \$2,500 =	\$ 28.13
	multiplied by Credited Service:	<u>x 39.00</u>
	equals Normal Monthly Retirement Benefit	\$1,097.07
(ii)	1.34% of Average Monthly Pay: 1.34% x \$2,500 =	\$ 33.50
	multiplied by Credited Service:	<u>x 38.00</u>
	equals Normal Monthly Retirement Benefit	\$1,273.00

The greater of the results under (i) or (ii) is \$1,273.00. Thus, \$1,273.00 is the applicable Normal Monthly Retirement Benefit under this example. Note that, under (ii) above, only 38 years of **Credited Service** can be taken into account because the **Participant's** attained age in calendar year 1995 (age 35) minus 10 results in the number 25.

The benefit described above is your **Normal Form of Retirement Benefit**. However, unless you affirmatively elect this form of benefit, you will receive the **Standard Retirement Benefit** (as described in the Methods Of Payment section), which is the **Actuarial Equivalent** of the **Normal Form of Retirement Benefit**.

Retirement Benefits After Normal Retirement Date

If you remain employed past your **Normal Retirement Date**, the payment of your benefit will be delayed until your **Late Retirement Date**. Your **Normal Form of Retirement Benefit** will be calculated in the same manner as if you had retired on your **Normal Retirement Date**, except **Average Monthly Pay** and **Credited Service** will be determined as of your **Late Retirement Date**.

Retirement Benefits At Early Retirement Date

You may elect to retire from active employment and receive an Early Retirement Benefit on your **Early Retirement Date**. This benefit will begin on your **Early Retirement Date** and will be payable in one of the forms of benefit payment described in the Methods Of Payment section.

Your Normal Form of Retirement Benefit will be calculated in the same manner as described above, as if your Early Retirement Date had been your Normal Retirement Date, using Credited Service and Average Monthly Pay at your Early Retirement Date. Your Early Retirement Benefit is then determined by multiplying your benefit by the appropriate reduction factor in accordance with the schedule below. However, if you were hired prior to January 1, 2011, the reduction will not apply, as of your Early Retirement Date, if such date is on or after December 31, 1994, and, on your Early Retirement Date, the sum of (i) your age attained at your last birthday, and (ii) years of Credited Service, equals at least 85.

Early Retirement Benefit Reduction Schedule:

Age at Retirement	Reduction Factor	Benefit as a % of Normal Retirement Benefit
64	0%	100%
63	0%	100%
62	0%	100%
61	16.3%	83.7%
60	20.4%	79.6%
59	24.5%	75.5%
58	28.6%	71.4%
57	32.6%	67.4%
56	36.7%	63.3%
55	40.8%	59.2%

Example of Benefit at Early Retirement Date:

Normal Retirement Date: June 1, 2025
 Early Retirement Date: June 1, 2015
 Average Monthly Pay: \$2,500
 Credited Service (to Early Retirement Date): 20 years
 Age as of Early Retirement Date: 55

Greater of (i) or (ii):

- | | | |
|------|---|----------|
| (i) | 1.125% of Average Monthly Pay: 1.125% X \$2,500 = | \$ 28.13 |
| | multiplied by Credited Service: | x 20 |
| | equals Normal Monthly Retirement Benefit | \$562.60 |
| (ii) | 1.34% of Average Monthly Pay: 1.34% x \$2,500 = | \$ 33.50 |
| | multiplied by Credited Service: | x 20 |
| | equals Normal Monthly Retirement Benefit | \$670.00 |

The greater of the results under (i) and (ii) above is \$670.00. Because the sum of the **Participant's** attained age (age 55) and years of **Credited Service** (20) is less than 85, the \$670.00 amount is reduced for early commencement as described below:

	\$670.00
reduced by Early Retirement Reduction	
\$670.00 X 40.8% = \$273.36	<u>-\$273.36</u>
equals Monthly Early Retirement Benefit	<u>\$396.64*</u>

Note:* This benefit is your **Normal Form of Retirement Benefit. However, unless you affirmatively elect this form of benefit, you will receive the **Standard Retirement Benefit** (as described in the Methods Of Payment section), which is the **Actuarial Equivalent** of the **Normal Form of Retirement Benefit**.

In the preceding example, if the **Participant** had at least 30 years of **Credited Service** at his or her **Early Retirement Date**, then the Early Retirement Reduction shown above would not apply, because (i) the **Early Retirement Date** is after December 31, 1994, (ii) the **Participant** was hired before December 31, 2010, and (iii) the **Participant's** attained age (55) plus **Credited Service** (30) would equal 85.

Benefits If You Terminate Employment Before Retirement Age

If you terminate your employment and are 0% vested, no benefits will be payable to you under the **Plan**. You will be entitled to receive a Termination Retirement Benefit if, for reasons other than death, disability retirement or other retirement, you terminate your employment with the **Company** before you are eligible to receive an Early or Normal Retirement benefit, and after you have completed at least five **Years of Service**. Your Termination Retirement Benefit will be paid on your **Normal Retirement Date** in the form of the appropriate **Standard Retirement Benefit** unless you elect one of the **Optional Forms of Payment** described in the Methods Of Payment section. If you have been credited with at least 10 years of **Credited Service** at the time you terminate employment (or such other applicable **Credited Service** required for early retirement as of your termination date), you may elect to have your Termination Retirement Benefit begin on an **Early Retirement Date** at any time after attaining age 55. Notwithstanding the foregoing, effective October 1, 2012, if you are entitled to receive a Termination Retirement Benefit, you may make a qualified election to receive your Termination Retirement Benefit at any time following your severance from employment and prior to your **Normal Retirement Date**, or, if applicable, your **Early Retirement Date**. Your Termination Retirement Benefit under the **Normal Form of Retirement Benefit** will be calculated in the same manner as described above, as if your termination date had been your **Normal Retirement Date**, using **Average Monthly Pay** and **Credited Service** at your termination date. If you are eligible for and elect to commence your Termination Retirement Benefit at an **Early Retirement Date**, then your Early Retirement Benefit is determined by multiplying your Termination Retirement Benefit by the appropriate percentage reduction factor in accordance with the schedule below. However, if you were hired prior to January 1, 2011, the reduction will not apply, as of your **Early Retirement Date**, if such date is on or after December 31, 1994, and, on your **Early Retirement Date**, the sum of (i) your age attained at your last birthday, and (ii) years of **Credited Service**, equals at least 85.

Termination Retirement Benefit Reduction Schedule:

Age	Reduction Factor	Benefit as a % of Normal Retirement Benefit
65	0%	100%
64	4.1%	95.9%
63	8.2%	91.8%
62	12.2%	87.8%
61	16.3%	83.7%
60	20.4%	79.6%
59	24.5%	75.5%
58	28.6%	71.4%
57	32.6%	67.4%
56	36.7%	63.3%
55	40.8%	59.2%

Benefits If You Become Disabled

Disability Benefit Prior to January 26, 2009

You will become eligible for a Disability Retirement Benefit only if you become entitled to disability payments under the federal Social Security Act between January 1, 1997 and January 25, 2009, and you have completed at least 10 years of **Credited Service**.

The monthly amount payable to you as a Disability Retirement Benefit will be calculated in the same manner as your Normal Retirement Benefit, based on your **Average Monthly Pay** and years of **Credited Service** completed as of your disability date. Such amount will be reduced by the monthly equivalent (or monthly **Actuarial Equivalent** if paid in a lump sum) of any amounts which are payable to you under applicable workers' compensation, disability compensation or similar laws (except the federal Social Security Act), and will be payable as a temporary life annuity.

The Disability Retirement Benefit will commence six months after your date of disability and continue until your disability payments under the federal Social Security Act are discontinued. However, if you are still receiving Social Security disability benefits on your **Normal Retirement Date**, you shall receive, in lieu of a Disability Retirement Benefit, the Normal Retirement Benefit to which you are entitled, based on your **Average Monthly Pay** and **Credited Service** completed as of your disability date, provided you have completed all applications, forms and other documents required to commence benefits under the **Plan**.

Disability Benefit On and After January 26, 2009

Effective January 26, 2009, if you have ten or more years of **Credited Service** and you terminate employment with the **Company** due to **Total and Permanent Disability** or you terminate employment with the **Company** due to **Military Service Disability**, you shall continue to accrue **Credited Service** during the period commencing on the date you terminate employment with the **Company** on account of **Total and Permanent Disability** or **Military Service Disability** and ending on the earliest of (1) your benefit commencement date, (2) the date on which you are no longer **Totally and Permanently Disabled** or **Disabled due to Military Service** or (3) your **Normal Retirement Date**.

Such additional **Credited Service** shall only be provided if you were a **Participant** in the **Plan** on the date of your termination of employment due to **Total and Permanent Disability** or **Military Service Disability**.

Payment Of Benefits

Benefits will generally begin at these times:

- For a person who attains his or her **Normal Retirement Age**, benefits will commence on his or her **Normal Retirement Date**.
- For a person who reaches **Normal Retirement Age** and delays retirement, benefits will commence on his or her **Late Retirement Date**. In no event may benefits be delayed beyond the **Required Beginning Date**.
- For a person who is eligible for an **Early Retirement Date** and who elects to retire on such date, benefits will commence on such **Early Retirement Date**.
- For a person eligible to receive a Disability Retirement Benefit prior to January 26, 2009, benefits will commence six months after his or her date of disability.
- For a person eligible to receive a Termination Retirement Benefit, benefits generally begin on his or her **Normal Retirement Date**. However, if the person has at least 10 years of **Credited Service** and has attained age 55 at his or her employment termination date, benefits may also commence as of his or her **Early Retirement Date**. A person eligible for a Termination Retirement Benefit also may elect to receive his or her benefit at any time following termination of employment.
- For a person who terminates employment when the **Actuarial Equivalent** present value of his or her vested benefit is \$5,000 or less, within a reasonable time following such termination.

Methods Of Payment

All of the forms of retirement benefit paid to you under the **Plan** are the **Actuarial Equivalent** to your **Normal Form of Retirement Benefit**. This is true whether you receive the **Standard Retirement Benefit** described in “A” below, or elect an **Optional Form of Payment** described in “B” below.

A. Standard Retirement Benefit

Unless you elect otherwise from the **Optional Forms of Payment** listed in “B” below, your benefit will automatically be paid in one of the following **Actuarial Equivalent** forms, depending upon your marital status at the time of your termination or retirement:

Unmarried: A single life annuity that will pay you a monthly benefit for your lifetime.

Married: A **Qualified Joint and Survivor Annuity** which will pay you a monthly payment for your lifetime and, following your death, 66 $\frac{2}{3}$ % of the amount of your monthly pension shall continue to the **Spouse** to whom you were married at your retirement for his or her lifetime, provided you have been legally married throughout the one year period ending on your benefit commencement date (**Early, Normal or Late Retirement Date**).

The amount of each monthly payment will generally be smaller under this form of payment than the amount paid to unmarried **Participants** because payments are actuarially adjusted to account for the fact that payments will be made over the lives of two people instead of just one.

Notwithstanding the foregoing, if the **Actuarial Equivalent** present value of your vested benefit is \$5,000 or less when you terminate employment, you will receive your benefit in a single lump sum (which you may elect to have rolled over to a new plan) within a reasonable time following your termination. If the **Actuarial Equivalent** present value of your vested benefit exceeds \$1,000, you must consent in writing to the lump sum distribution.

B. Optional Forms Of Payment

Subject to the rules for distribution of small benefits discussed above, you may elect payment of your retirement benefit in any of the **Actuarial Equivalent** forms of payment described below in lieu of receiving your benefit in the form of the appropriate **Standard Retirement Benefit** described above.

*(a) A certain and continuous annuity which will pay you a monthly payment for your lifetime, with a guarantee that 48 monthly payments will be made, regardless of your death. (Note: this is the **Normal Form of Retirement Benefit**.)

***(b) A joint and survivor annuity that will pay you a monthly payment for your lifetime and, following your death, either 100%, 75% or 66 $\frac{2}{3}$ % of the amount of your monthly pension shall continue to a named joint annuitant, if living, for the lifetime of the joint annuitant.

*(c) A certain and continuous annuity which will pay you a monthly payment for your lifetime, with a guarantee that 120 monthly payments will be made, regardless of the time of your death.

*(d) A single cash lump sum that is the **Actuarial Equivalent** of the retirement benefit payable at your **Normal Retirement Date** (or **Late Retirement Date**, if the resulting cash sum is greater) assuming payment of the retirement benefit began at that time, paid in lieu of the monthly retirement benefit otherwise payable. The calculation of any **Actuarial**

Equivalent lump-sum benefit under the **Plan** depends upon (i) your **Normal** or **Late Retirement Benefit** accrued to the date of calculation (which is your termination date or retirement date), (ii) your age at the date of calculation, and (iii) the interest rate and mortality table prescribed by law. The amount of your **Normal** or **Late Retirement Benefit** is then converted from a monthly amount into a “present value” payable as a lump-sum. In general, for any given monthly amount of **Normal** or **Late Retirement Benefit**, the younger you are, or the higher the interest rate(s), the smaller the lump-sum will be. Any such cash lump-sum payment will be in lieu of all other benefits under the **Plan**.

The Pension Protection Act of 2006 places restrictions on your ability to receive certain types of distributions based on the funded status of the **Plan**. Currently, the **Plan** is not subject to any restrictions on distributions. In the event that the **Plan** becomes subject to restrictions on distributions, the Pension Committee will notify you.

- * If you are married, your **Spouse** must consent in writing to these forms of payment. Please see the Spousal Consent section for further details on the spousal consent requirement.
- ** If you are married, your **Spouse** must consent in writing to your choice of a beneficiary other than your **Spouse**.

Death Benefits

A. Death while employed after age 55 or Early Retirement eligibility

If you are a vested “active **Participant**” and you die after attaining age 55 or becoming eligible for early retirement, your surviving **Spouse** or beneficiary will be entitled to a life annuity. The life annuity will equal the benefit your **Spouse** or beneficiary would have been entitled to if you survived until your retirement date, elected a 100% joint and survivor annuity, named your **Spouse** or beneficiary as joint annuitant and commenced benefits on the first day of the following month.

For purposes of the death benefits payable under the **Plan**, you are an “active **Participant**” if you die while actively employed by the **Company**, while receiving Disability Retirement Benefits under the **Plan**, while performing qualified military service (as such term is defined in Section 414(u)(5) of the Code) or while receiving **Credited Service** under the **Plan** due to your **Total and Permanent Disability**.

For purposes of the death benefits payable under the **Plan**, your “retirement date” means your **Early Retirement Date** if you satisfied the applicable service requirement prior to your death and, in all other cases, your **Normal Retirement Date**.

For purposes of death benefits payable under the **Plan**, to qualify as a surviving **Spouse**, you must have been legally married to the **Spouse** throughout the one year period ending on the date of your death.

B. Death while employed prior to age 55 and prior to Early Retirement eligibility

If you are a vested active **Participant** and you die before you attain age 55 and before you become eligible for early retirement, your surviving **Spouse** will be entitled to a life

annuity. The life annuity will equal the 50% survivor portion of the **Qualified Joint and Survivor Annuity** to which you and your **Spouse** would have been entitled, determined as if you had terminated from service on your date of death, survived to your retirement date, and elected to receive a 50% **Qualified Joint and Survivor Annuity**.

C. Death following termination of employment prior to attaining early retirement

If you die as a vested former **Employee** who had accrued at least one hour of service on or after January 1, 1976 but did not satisfy the requirements for early retirement prior to termination of employment and did not commence benefits under the **Plan** prior to your death, your **Spouse** shall be entitled to a life annuity. The life annuity will equal the 50% survivor portion of the **Qualified Joint and Survivor Annuity** to which you and your **Spouse** would have been entitled, if you had survived to your retirement date and elected to receive a 50% **Qualified Joint and Survivor Annuity**.

D. Death following termination of employment after early retirement eligibility

If you die as a vested former **Employee** who had accrued at least one hour of service on or after January 1, 1976, who was eligible for early retirement prior to termination of employment, and who dies before commencing benefits under the **Plan**, your surviving **Spouse** will be entitled to a life annuity. The life annuity will equal the benefit your **Spouse** would have been entitled to if you had elected a 100% joint and survivor annuity, named your **Spouse** as joint annuitant and commenced benefits on the first day of the first month following your death.

E. Death while employed after age 65

If you die as a vested active Participant who has attained age 65, your surviving **Spouse** or beneficiary shall be entitled to a life annuity. The life annuity will equal the benefit your **Spouse** or beneficiary would have been entitled to if you had elected a 100% joint and survivor annuity, had named such surviving **Spouse** or beneficiary as joint annuitant and had retired on the first day of the first month following your death.

In addition to the provisions described above, if you are a **Participant** who is at least 65 years old and has not actually retired, you may elect to have pre-retirement death benefits paid as follows:

- A monthly retirement benefit to a named joint annuitant in an amount equal to and in accordance with the benefit that would have been paid to the joint annuitant if you had elected a 100% joint and survivor annuity (see the Methods Of Payment – Optional Forms Of Payment section) and retired on the first day of the first month after your death; or
- A monthly retirement benefit to a designated beneficiary in an amount equal to and in accordance with the benefit that would have been paid to a designated beneficiary if you had elected a 120-month certain and continuous annuity (see the Methods Of Payment – Optional Forms Of Payment section) and died on the first day of the first month after your death.

F. Small Benefits

If the **Actuarial Equivalent** present value of your vested benefit is \$5,000 or less at the time of your death, your beneficiary will receive your benefit in a single lump sum within a reasonable time following your death. If the **Actuarial Equivalent** present value of your vested benefit exceeds \$1,000, your beneficiary must consent in writing to a lump sum distribution.

G. Timing of Death Benefits

The death benefits described above will commence on the later of (1) the first day of the month following the date of the your death or (2) the earlier of (A) the first day of the month in which you would have attained your **Early Retirement Date** (if you satisfied the service requirements for early retirement as of the date of your death) or (B) the first day of the month in which you would have attained your **Normal Retirement Date**, as applicable, had you survived.

H. Death after retirement

If you are receiving a retirement benefit and die, your **Spouse**, joint annuitant or beneficiary (if surviving) shall receive benefits as provided under the terms of the form of benefits that you have elected.

If you die while performing qualified military service, you will be deemed to have resumed employment with the **Company** in accordance with your reemployment rights under USERRA on the day preceding your death and will be deemed to have terminated employment on the day of your death. Your **Spouse** or beneficiary will be entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service, unless such benefit accruals are specifically provided for elsewhere in the **Plan**) provided under the **Plan** as though such reemployment and termination described in the preceding sentence occurred.

Important Note: If you are married and elect to designate anyone other than your **Spouse** as your beneficiary under the **Plan** if you should die, your election will be valid only if your **Spouse** provides written consent. See “Spousal Consent” below.

Special Rules Governing Certain Former Employees of Century Power Corporation

If you are a **Participant** in the **Plan** who (i) was employed by Century Power Corporation (“CPC”) at CPC’s Springerville Generating Station (“Springerville”) at the time the **Company** acquired Springerville, (ii) became an **Eligible Employee** as a result of such acquisition of Springerville, and (iii) was a participant as of December 15, 1992 under the “Pension Trust Plan for Employees of Century Power Corporation Represented by I.B.E.W. Local 1116” as in effect on December 15, 1992 (the “CPC Plan”), then your benefits under the **Plan** are subject to certain rules, as described below:

- Your **Service** under the **Plan** includes all “Continuous Service,” as defined in the CPC Plan, which you were credited with under the CPC Plan as of December 15, 1992.

- Your **Credited Service** under the **Plan** includes all “Credited Service,” as defined in the CPC Plan, which you were credited with under the CPC Plan as of December 15, 1992.
- Your **Average Monthly Pay** under the **Plan** is determined by including your monthly pay rates with CPC as of (i) any January 1 on or before January 1, 1992, and (ii) December 15, 1992.
- Your Normal Monthly Retirement Benefit under the **Plan** will not be less than the normal monthly retirement benefit you had accrued as of December 15, 1992 pursuant to the terms of the CPC Plan (your “CPC Plan Benefit”). You are 100% vested in your CPC Plan Benefit.
- Your Early Retirement Benefit under the **Plan** will not be less than your CPC Plan Benefit reduced for early commencement under the terms of the CPC Plan.
- If you die before attaining age 65 while employed by the **Company** as an **Eligible Employee** (or while receiving a Disability Retirement Benefit), the monthly benefit payable to your surviving spouse, if any, will be at least (i) 50% of your CPC Plan benefit, or, if greater, (ii) the monthly surviving spouse benefit, payable under the terms of the CPC Plan, which is attributable to your CPC Plan Benefit.
- If you die after attaining age 65 while employed by the **Company** as an **Eligible Employee**, the monthly benefit payable to your surviving spouse, if any, will be at least the monthly surviving spouse benefit, payable under the terms of the CPC Plan, which is attributable to your CPC Plan Benefit.

Spousal Consent

An election by a married **Participant** to receive his or her benefit in any form other than the **Qualified Joint and Survivor Annuity** requires the consent of the **Participant’s Spouse**. In addition, if the **Spouse** is not going to be the sole beneficiary of the **Participant**, the **Spouse’s** consent to the additional beneficiary is required. The **Spouse’s** consent must be in writing and be witnessed by a **Plan** representative or notary public. If another beneficiary or beneficiaries are chosen, the names of those beneficiaries must be mentioned on the consent form. If a married **Participant** elects an **Optional Form of Payment** for an alternate beneficiary, the election will be considered invalid if not accompanied by a completed spousal consent form available from the Pension Committee.

Qualified Domestic Relations Orders

As required by federal law, the terms of the **Plan** provide that you may not assign any portion of your **Plan** benefit to another party. An exception to this rule is in the case of a Qualified Domestic Relations Order, or “QDRO,” issued by a court in the event you and your **Spouse** become divorced. A QDRO may assign all or a portion of your benefits under the **Plan** to your **ex-Spouse**, and the **Plan** is required to follow the QDRO if it meets the requirements of applicable law. If you are going through a divorce, you should contact the Plan Administrator regarding the **Plan’s** procedures for QDROs, which you can obtain, without charge, from the Plan Administrator.

Rollovers of Lump Sum Payments

There are two kinds of rollovers. The rules regarding rollovers apply to **Plan** benefits paid in the form of a single cash lump sum. Monthly retirement payments, and minimum annual distributions made from the **Plan** because you have attained your **Required Beginning Date** may not be rolled over under any circumstances.

The first kind of rollover is a “direct rollover.” For lump-sum payments of \$200 or more, you may choose to have the **Plan** make a “direct rollover” of your payment from the Trustee of the **Plan** to the trustee or custodian of an “eligible retirement plan.” An “eligible retirement plan” includes: (1) an individual retirement account described in Section 408(a) of the Internal Revenue Code; (2) an individual retirement annuity described in Section 408(b) of the Internal Revenue Code; (3) a qualified plan described in Section 401(a) of the Internal Revenue Code; (4) an annuity plan described in Section 403(a) of the Internal Revenue Code; (5) an annuity contract described in Section 403(b) of the Internal Revenue Code; (6) an eligible deferred compensation plan described in Section 457(b) of the Internal Revenue Code maintained by a state, political subdivision of a state, or an agency or instrumentality of either; and (7) a Roth IRA described in Section 408A(b) of the Internal Revenue Code, provided that any distribution to such Roth IRA is made in accordance with the provisions of Section 408A of the Internal Revenue Code. (Alternatively, you may still choose to have your payment made directly to you instead of payment in the form of a “direct rollover.”)

Under a “direct rollover,” you instruct the **Plan** to directly roll over a qualifying lump-sum payment to an “eligible retirement plan,” and you will not include the amount of the distribution in your income for the year in which the distribution is made. If only part of your distribution is directly rolled over, the amount you retain will be taxed currently.

Under the second kind of rollover, you elect to have the lump sum paid to you first, and then within 60 days of receipt you may roll over all or part of it into an “eligible retirement plan.” You will not include the amount rolled over within 60 days in your income for the year in which the distribution is made. However, this second kind of rollover is not a “direct rollover,” and the lump-sum distribution, when first paid to you, is subject to the withholding rules described in the following paragraph.

If you receive any part of your lump-sum distribution in a form other than as a “direct rollover” made to an “eligible retirement plan,” federal income tax withholding equal to 20% of the amount not directly rolled over must, by federal law, be withheld from the amount not directly rolled over when that amount is distributed to you. As noted above, this is true even if you subsequently roll over all or part of the distribution amount within 60 days to an “eligible retirement plan.” In this case, if you wish to roll over the entire amount of your distribution (that is, the gross distribution before the deduction for 20% mandatory federal tax withholding) within 60 days in order to avoid current taxation on the entire amount, you will have to add, from your own resources, an additional amount representing the 20% previously withheld for federal income tax.

In addition to the mandatory 20% federal tax withholding that applies to lump-sum benefits not paid as a “direct rollover,” other federal and/or state tax withholding may apply to your distribution unless you elect in writing that such withholding not be made. The Pension Committee will provide you with the appropriate forms for making such an election.

THE FOREGOING INFORMATION ON ROLLOVERS IS NOT INTENDED TO BE A COMPREHENSIVE GUIDE TO THE FEDERAL INCOME TAX TREATMENT APPLIED TO DISTRIBUTIONS FROM QUALIFIED RETIREMENT PLANS. THE PLAN DOES NOT PROVIDE TAX OR OTHER LEGAL ADVICE. FURTHERMORE, THE LAWS REGARDING TAXATION OF PLAN DISTRIBUTIONS ARE EXTREMELY COMPLEX AND CHANGE FREQUENTLY. EACH PARTICIPANT, THEREFORE, IS RESPONSIBLE FOR AND URGED TO OBTAIN COMPETENT LEGAL, TAX AND/OR ACCOUNTING ADVICE REGARDING THE TAX CONSEQUENCES OF DISTRIBUTIONS BASED UPON HIS OR HER PARTICULAR SITUATION.

Claims Procedure

As a general rule, you are not required to file a claim for benefits under the **Plan**. If you do not receive a benefit you think you are entitled to, or if you are dissatisfied with the determination of your benefits, eligibility, participation, or any other right or interest under this **Plan**, you may file a written claim with the Pension Committee (Plan administrator) in accordance with the claims procedures described below. Please note that in order to file suit in a state or Federal court, you must first exhaust these claims procedures (*i.e.*, you must complete the entire claims process, including filing an appeal).

Different rules apply depending on whether or not your claim relates to a **Military Service Disability** benefit. Your claim relates to a **Military Service Disability** benefit if it relates to a determination of your **Military Service Disability** under the **Plan**. These rules are summarized below.

If your claim (other than a **Military Service Disability** claim) is wholly or partially denied, notice of the decision shall be furnished to you within 90 days after receipt of the claim by the Committee. If, however, the Committee determines that special circumstances require an extension of time to process the claim, written notice (including an explanation of the special circumstances requiring an extension and the date by which the Committee expects to render the benefits determination) will be furnished to you before the end of the original 90-day period. In no event will such extension be for more than 90 days from the end of the initial 90-day period.

The denial notice will be in writing, and will include the following:

- A. The specific reason or reasons for the denial;
- B. Specific reference to the pertinent **Plan** provisions upon which the denial is based;
- C. A description of any additional material or information necessary for you to perfect the claim and an explanation of why such material or information is necessary; and
- D. An explanation of the **Plan's** appeal procedure including the time limits applicable to the **Plan's** appeal procedures, and a statement of your right to bring a civil action under ERISA.

You have the right to appeal a denial of a claim under the **Plan** to the Committee. Such appeal (other than a **Military Service Disability** claim) may be accomplished by sending a written notice of appeal to the Committee within 60 days after you receive notification of the denial. After you have filed a notice of appeal with the Committee, you or your authorized representative may review

pertinent documents and may submit issues and comments in writing including reasons why your claim should be allowed.

You may request, free of charge, reasonable access to, and copies of, all documents, records, and other information “relevant” to your claim for benefits. Review of your claim shall take into account all comments, documents, records and other information submitted by you relating to the claim, without regard to whether such documents, records or other information were submitted or considered in the initial benefit determination. “Relevant” means that documents, records or other information were relied upon in making the benefit determination; were submitted, considered, or generated in the course of making the benefit determination, even if the Committee did not rely on them in making the benefit determination; or demonstrate compliance with the administrative processes and safeguards required for making of the benefit determination.

A decision by the Committee will be made within 60 days of the date that your written notice of appeal is filed with the Committee. If special circumstances require an extension of the 60-day period, you will be notified before the end of the original 60-day period. At most, your appeal will be decided within 120 days.

The Committee’s decision will be in writing and shall include specific reasons for the decision. If your appeal is denied, your denial notice will set forth:

- A. The specific reason or reasons for denial of the claim;
- B. Reference to the specific **Plan** provisions upon which the denial is based;
- C. A statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claimant’s claim for benefits; and
- D. A statement of the claimant’s right to bring a civil action under ERISA.

Special Rules for Military Service Disability Claims

If your **Military Service Disability** claim is wholly or partially denied, the Committee shall furnish notice of the decision to you within 45 days after receipt of the claim. If, however, the Committee determines that special circumstances require an extension of time to process the claim, written notice (including an explanation of the special circumstances requiring an extension and the date by which the Committee expects to render the benefits determination) will be furnished to you before the end of the original 45-day period. The extension will be for a period of 30 days from the end of the initial 45-day period. If the Committee determines that an additional extension is required, written notice (including an explanation of the special circumstances requiring an additional extension and the date by which the Committee expects to render the benefits determination) will be furnished to you before the end of the initial 30-day extension. In no event will such additional extension be for more than 30 days from the end of the 75-day period (the original 45-day period plus the extension of 30 days).

The notice of denial will be in writing, and will include the following:

- A. The specific reason or reasons for the denial;

- B. Reference to the specific **Plan** provisions upon which the denial is based;
- C. A description of any additional material or information necessary for you to perfect the claim and an explanation of why such material or information is necessary;
- D. A statement whether any internal rule, guideline, protocol or other similar criterion was relied on for the denial, and if so, a statement that such internal rule, guideline, protocol or similar criterion will be provided free of charge upon request;
- E. A statement that you are entitled to receive, upon request and free of charge, the names of any medical and/or vocational experts whose advice was sought with respect to the benefit determination without regard to whether the advice was relied upon in deciding the appeal;
- F. A statement that you are entitled to receive, upon request and free of charge, an explanation of any medical and/or vocational findings, if the adverse determination was based in whole or in part on such findings;
- G. An explanation of the **Plan's** appeal procedure, including the time limits applicable to the **Plan's** appeal procedures, and a statement of your right to bring a civil action under ERISA; and
- H. The following statement: "You and your **Plan** may have other voluntary alternative dispute resolution options such as mediation. One way to find out what may be available is to contact your local U.S. Department of Labor Office and your State insurance regulatory agency."

You have the right to appeal a denial of a **Military Service Disability** claim under the **Plan** to the Committee. Such appeal may be accomplished by sending a written notice of appeal to the Committee 180 days after you receive notification of the denial. After you have filed a notice of appeal with the Committee, you or your authorized representative may review pertinent documents and may submit documents, records, issues and comments in writing including reasons why your claim should be allowed.

You may request, free of charge, reasonable access to, and copies of, all documents, records, and other information "relevant" to your claim for benefits. Review of your claim shall take into account all comments, documents, records and other information submitted by the claimant relating to the claim, without regard to whether such documents, records or other information were submitted or considered in the initial benefit determination. "Relevant" means that documents, records or other information were relied upon in making the benefit determination; were submitted, considered, or generated in the course of making the benefit determination, even if the Committee did not rely on them in making the benefit determination; or demonstrate compliance with the administrative processes and safeguards required for making of the benefit determination.

If the appeal is from a decision based in whole or in part on a medical judgment, a health care professional who has appropriate training and experience in the field of medicine involved in the medical judgment, other than the health care professional who was consulted in connection with the initial benefit determination or a subordinate of such health care professional, will be consulted. No deference will be given to the initial adverse benefits determination and the appeal will be decided by neither the individual who made the initial adverse benefits determination nor a subordinate of such individual.

A decision will be made within 45 days of the date that your written notice of appeal is filed with the Committee. If special circumstances require an extension of the 45-day period, you will be notified. At most, your claim will be decided within 90 days.

The Committee's decision will be in writing and shall include specific reasons for the decision. If your appeal is denied, your denial notice will set forth:

- A. The specific reason or reasons for denial of the claim;
- B. Reference to the specific **Plan** provisions upon which the denial is based;
- C. A statement whether any internal rule, guideline, protocol or other similar criterion was relied on for the denial, and if so, a statement that such internal rule, guideline, protocol or similar criterion will be provided free of charge upon request;
- D. A statement that you are entitled to receive, upon request and free of charge, the name of any medical and/or vocational experts whose advice was sought with respect to the benefit determination;
- E. A statement that you are entitled to receive, upon request and free of charge, an explanation of any medical and/or vocational findings, if the adverse determination was based in whole or in part on such findings;
- F. A statement that you are entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim for benefits;
- G. A statement of your right to bring a civil action under ERISA; and
- H. The following statement: "You and your **Plan** may have other voluntary alternative dispute resolution options such as mediation. One way to find out what may be available is to contact your local U.S. Department of Labor Office and your State insurance regulatory agency."

Benefit Amount – Voluntary Appeal to Arbitration Board

If you are not satisfied with a disposition of a claim regarding the amount of your benefit, you may request that such dispute may become subject to arbitration proceedings. The Board of Arbitration shall consist of two people selected by the Pension Committee and two by the Union. In the event that the four members of the Arbitration Board cannot agree on all matters referred to them, the **Plan** also provides for the selection of a fifth member. The decision of the Arbitration Board shall be put in writing and such majority decision shall be final and binding upon all parties.

Decisions Final; Procedures Mandatory

A decision on review or appeal shall be binding and conclusive upon all persons whomsoever. Additionally, to the extent permitted by law, completion of these claims procedures shall be a mandatory precondition that must be complied with prior to commencement of a legal or equitable action in connection with the **Plan**.

Amendment Or Termination Of The Plan

Unless required to comply with any provision of law or government regulations, the **Plan** may not be amended (except by mutual consent of the **Company** and the Union).

The **Company** has adopted the **Plan** expecting to maintain it indefinitely. Because future conditions cannot be predicted, however, the **Company** reserves the right to terminate the **Plan** and its contributions into the Trust for just cause at any time by following proper legal procedure and the terms and conditions set forth in the **Plan**, and after securing the consent and approval of the Internal Revenue Service and the board of directors. “Just cause” means business necessity, bankruptcy, insolvency, or by directive of any federal, state, or legal subdivision having jurisdiction of such matter.

If the **Plan** is terminated, the accrued benefits of all affected **Participants** will become 100% vested.

Benefits Insured By The PBGC

Your pension benefits under the **Plan** are insured by the Pension Benefit Guaranty Corporation (PBGC), a federal insurance agency. If the **Plan** terminates (ends) without enough money to pay all benefits, the PBGC will step in to pay pension benefits. Most people receive all of the pension benefits they would have received under their plan, but some people may lose certain benefits.

The PBGC guarantee generally covers: (1) normal and early retirement benefits; (2) disability benefits if you become disabled before the **Plan** terminates; and (3) certain benefits for your survivors.

The PBGC guarantee generally does not cover: (1) benefits greater than the maximum guaranteed amount set by law for the year in which the **Plan** terminates; (2) some or all of benefit increases and new benefits based on **Plan** provisions that have been in place for fewer than 5 years at the time the **Plan** terminates; (3) benefits that are not vested because you have not worked long enough for the **Company**; (4) benefits for which you have not met all of the requirements at the time the **Plan** terminates; (5) certain early retirement payments (such as supplemental benefits that stop when you become eligible for Social Security) that result in an early retirement monthly benefit greater than your monthly benefit at the **Plan’s** normal retirement age; and (6) non-pension benefits, such as health insurance, life insurance, certain death benefits, vacation pay, and severance pay.

Even if certain of your benefits are not guaranteed, you still may receive some of those benefits from the PBGC depending on how much money your **Plan** has and on how much the PBGC collects from employers.

For more information about the PBGC and the benefits it guarantees, ask your Plan administrator or contact the PBGC’s Technical Assistance Division, 1200 K Street N.W., Suite 930, Washington, D.C. 20005-4026 or call 202-326-4000 (not a toll-free number). TTY/TDD users may call the federal relay service toll-free at 1-800-877-8339 and ask to be connected to 202-326-4000. Additional information about the PBGC’s pension insurance program is available through the PBGC’s website on the Internet at <http://www.pbgc.gov>.

Limitations On Benefits

The Internal Revenue Service has established rules limiting the amount of benefits payable from qualified plans, as well as rules limiting the dollar amount of compensation considered for benefit accrual purposes. You will be notified if these rules apply to you.

Rights under ERISA

As a **Participant** in the **Plan**, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all **Plan Participants** shall be entitled to:

Receive Information About Your Plan and Benefits

Examine, without charge, at the Plan administrator's office and at other specified locations, such as worksites and union halls, all documents governing the **Plan**, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the **Plan** with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.

Obtain, upon written request to the Plan administrator, copies of documents governing the operation of the **Plan**, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The administrator may make a reasonable charge for the copies.

Receive a notice of the **Plan's** funding status. The Plan administrator is generally required by law to furnish each participant with a copy of this annual funding notice no later than 120 days after the close of each plan year.

Obtain a statement telling you whether you have a right to receive a pension at normal retirement age (age 65) and if so, what your benefits would be at normal retirement age if you stop working under the **Plan** now. If you do not have a right to a pension, the statement will tell you how many more years you have to work to get a right to a pension. This statement must be requested in writing and is not required to be given more than once every twelve (12) months. The **Plan** must provide the statement free of charge.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for **Plan Participants**, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your **Plan**, called "fiduciaries" of the **Plan**, have a duty to do so prudently and in the interest of you and other **Plan Participants** and beneficiaries. No one, including your employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA.

Enforce Your Rights

If your claim for a pension benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of **Plan** documents or the latest annual report from the **Plan** and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the Plan administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator. If you have a claim for benefits that is denied or ignored, in whole or in part, you may file suit in a state or Federal court. In addition, if you disagree with the **Plan's** decision or lack thereof concerning the qualified status of a domestic relations order or a medical child support order, you may file suit in Federal court. If it should happen that **Plan** fiduciaries misuse the **Plan** money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

Assistance with Your Questions

If you have any questions about your **Plan**, you should contact the Plan administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

THIS SPD IS AS ACCURATE AS POSSIBLE AT TIME OF DISTRIBUTION. IT WILL BE UPDATED FROM TIME TO TIME AS REQUIRED BY ERISA. NOTHING HEREIN IS A CONDITION OF EMPLOYMENT OR IN ANY WAY AFFECTS OTHER CONDITIONS OF EMPLOYMENT.

IMPORTANT INFORMATION

Plan Name: Pension Trust Plan for Employees of Tucson Electric Power Company Represented by I.B.E.W. Local 1116

Plan Sponsor and Address: Tucson Electric Power Company
88 E. Broadway Blvd.
Mail Stop HQE202
Tucson, AZ 85701

Employer Identification Number: 86-0062700

Plan Number: 002

Plan Administrator: Pension Committee
c/o Tucson Electric Power Company
88 E. Broadway Blvd.
Mail Stop HQE202
Tucson, AZ 85701
Telephone (520) 884-3702

The Plan administrator is designated as an agent for all purposes of legal process. Service of legal process may be made upon the Plan administrator or the Trustee.

Type of Administration: Committee appointed by Board of Directors of the **Company**.

Funding Medium: Trust Fund

Trustee: Russell Investments Trust Company

Trustee's Address: 1301 Second Avenue
18th Floor
Seattle, WA 98101