



---

## ARIZONA CORPORATION COMMISSION

---

FOR RELEASE: August 12, 2014

MEDIA CONTACT: Rebecca Wilder (602) 542-0844

### **Corporation Commission Approves Fortis/ Unisource Energy Merger**

PHOENIX—The Arizona Corporation Commission today approved the acquisition of Unisource Energy/Tucson Electric Power by Fortis Inc., a Canadian company. The companies, along with other parties with an interest in the case submitted a settlement agreement of the terms.

“I applaud this merger, which will be a boon for customers in Southern and Northern Arizona,” said Chairman Bob Stump. “It will improve access to capital on more favorable terms and benefit ratepayers, in the process.”

According to the settlement agreement, the merger is expected to balance the interests of the company and its customers and provide substantial benefits to the public such as providing \$30 million of direct customer benefits over 5 years, through bill credits of \$10 million payable in year one, and \$5 million per year payable in years 2 – 5.

Fortis has agreed to maintain existing employee levels with UNS and TEP for at least 4 years, retain senior management and maintain their headquarters in Tucson. Fortis will continue to support low-income assistance programs at or above current levels and continue its charitable giving and community programs.

The agreement also strengthens UNS Energy’s financial position which will enhance their ability to provide safe, reliable service. Fortis will immediately inject \$220 million of equity capital. UNS Energy and TEP will become part of a larger and more financially secure company with a stronger credit rating. This merger will also improve the regulated utilities’ access to capital to meet their needs.

###