

TUCSON ELECTRIC POWER CO

Form S-4

May 15, 2015

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As filed with the Securities and Exchange Commission on May 15, 2015

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

TUCSON ELECTRIC POWER COMPANY
(Exact name of Registrant as specified in its charter)

Arizona
(State or other jurisdiction
of incorporation)

4911
(Primary Standard Industrial
Classification Code Number)

86-0062700
(I.R.S. Employer
Identification Number)

88 East Broadway Boulevard

Tucson, AZ 85701

(520) 571-4000

(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

Todd C. Hixon Esq.

Kevin P. Larson

Vice President and General Counsel

Senior Vice President and Chief Financial Officer

Tucson Electric Power Company

Tucson Electric Power Company

88 E. Broadway Boulevard

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(Name and address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

John T. Hood, Esq.

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101 Park Avenue

New York, New York 10178

(212) 309-6281

Approximate date of commencement of proposed offer of securities to the public: As soon as practicable after the effective date of this registration statement.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. "

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If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 under the Securities Exchange Act of 1934:

Large accelerated filer " Accelerated filer "

Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company "

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer) "

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer) "

CALCULATION OF REGISTRATION FEE

Title of Each Class of	Amount to	Proposed	Proposed	
		Maximum	Maximum	
Securities to be Registered	be Registered	Offering Price	Aggregate	Amount of
		Per Note⁽¹⁾	Offering Price⁽¹⁾	Registration Fee
3.05% Senior Notes due 2025	\$300,000,000	100%	\$300,000,000	\$34,860

⁽¹⁾ Estimated solely for purposes of calculating the registration fee pursuant to Rule 457(f) under the Securities Act of 1933, as amended (the Securities Act).

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until this registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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The information in this prospectus is not complete and may be changed. We may not complete the exchange offer and issue these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion, dated [], 2015

PROSPECTUS

TUCSON ELECTRIC POWER COMPANY

Offer to Exchange

\$300,000,000 aggregate principal amount of 3.05% Senior Notes due 2025

For

\$300,000,000 aggregate principal amount of 3.05% Senior Notes due 2025 registered under the Securities Act of 1933, as amended

We are offering to exchange all of our outstanding 3.05% Senior Notes due 2025 that were issued in a private placement on February 27, 2015, and which we refer to as the old notes, for an equal aggregate amount of our 3.05% Senior Notes due 2025, which have been registered with the Securities and Exchange Commission (the SEC) and which we refer to as the exchange notes. We refer to the old notes and the exchange notes collectively as the notes. If you participate in the exchange offer, you will receive registered 3.05% Senior Notes due 2025 for your old 3.05% Senior Notes due 2025 that are properly tendered. The terms of the exchange notes are substantially identical to those of the old notes, except that the transfer restrictions and registration rights relating to the old notes will not apply to the exchange notes. In addition, the exchange notes bear a different CUSIP number than the old notes.

MATERIAL TERMS OF THE EXCHANGE OFFER

The exchange offer expires at 5:00 p.m., New York City time, on _____, 2015, unless extended.

We will exchange all old notes that are validly tendered and not validly withdrawn prior to the expiration of the exchange offer.

You may withdraw tendered old notes at any time prior to the expiration of the exchange offer.

The only conditions to completing the exchange offer are that the exchange offer not violate any applicable law or applicable interpretation of the staff of the SEC and no injunction, order or decree has been or is issued that would prohibit, prevent or materially impair our ability to proceed with the exchange offer.

We will not receive any cash proceeds from the exchange offer.

There is no active trading market for the notes and we do not intend to list the exchange notes on any securities exchange or to seek approval for quotations through any automated quotation system.

Each broker-dealer that receives exchange notes for its own account pursuant to the exchange offer acknowledges that it will deliver a prospectus in connection with any resale of such exchange notes. The letter of transmittal accompanying this prospectus states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of exchange notes received by it in exchange for old notes where such old notes were acquired by such broker-dealer as a result of market-making activities or other trading activities. We have agreed that, for a period of 180 days after the expiration of the exchange offer, we will make this prospectus available to any broker-dealer for use in connection with any such resale. See Plan of Distribution beginning on page 142 of this prospectus.

Investing in the exchange notes involves risks. See Risk Factors beginning on page 11 of this prospectus.

Neither the SEC nor any state securities commission has approved or disapproved of the exchange notes or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is _____, 2015

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You should rely only on the information contained in this prospectus. We have not authorized anyone to provide you with different information. We are not making an offer of these securities in any state or other jurisdiction where the offer is not permitted. You should not assume that the information contained in this prospectus is accurate as of any date other than the date on the front of this prospectus.

Table of Contents**DEFINITIONS**

The abbreviations and acronyms used in this prospectus are defined below:

2010 Credit Agreement	The 2010 Credit Agreement consists of a \$200 million revolving credit and LOC facility together with an \$82 million LOC facility to support tax-exempt bonds
2010 Reimbursement Agreement	Reimbursement Agreement, dated December 14, 2010, between TEP, as borrower, and a financial institution
2013 Covenants Agreement	A Lender Rate Mode Covenants Agreement between TEP and the purchaser of \$100 million of unsecured tax-exempt bonds that were issued on behalf of TEP in November 2013 and sold in a private placement
2013 TEP Rate Order	A rate order issued by the ACC resulting in a new rate structure for TEP, effective July 1, 2013
2014 Credit Agreement	The 2014 Credit Agreement consists of a \$130 million term loan commitment and a \$70 million revolving credit commitment
ACC	Arizona Corporation Commission
APS	Arizona Public Service Company
BART	Best Available Retrofit Technology
Base O&M	A non-GAAP financial measure that represents the fundamental level of operating and maintenance expense related to our business
Base Rates	The portion of TEP's Retail Rates attributed to generation, transmission, distribution, and customer costs. Base Rates exclude authorized charges designed to recover specific costs that are passed through to customers including fuel and purchased energy costs, energy efficiency program costs, certain environmental compliance costs, and a portion of renewable energy costs
Btu	British thermal unit(s)
Cooling Degree Days	An index used to measure the impact of weather on energy usage calculated by subtracting 75 from the average of the high and low daily temperatures
DG	Distributed Generation
DSM	Demand Side Management
ECA	Environmental Compliance Adjustor
EE	Energy Efficiency
FERC	Federal Energy Regulatory Commission
Fortis	Fortis Inc., a corporation incorporated under the Corporations Act of Newfoundland and Labrador, Canada, whose principal executive offices are located at Fortis Place, Suite 1100, 5 Springdale Street, St. John's, NL A1E 0E4
Four Corners	Four Corners Generating Station
GAAP	Generally Accepted Accounting Principles in the United States
GBtu	Billion British thermal units
GWh	Gigawatt-hour(s)
Gila River Unit 3	Unit 3 of the Gila River Generating Station
Heating Degree Days	An index used to measure the impact of weather on energy usage calculated by subtracting the average of the high and low daily temperatures from 65
kV	Kilo-volt(s)
kWh	Kilowatt-hour(s)
LFCR	Lost Fixed Cost Recovery

LOC	Letter of Credit
Merger	The acquisition of UNS Energy in 2014 pursuant to the Agreement and Plan of Merger between UNS Energy and FortisUS Inc.
MMBtu	Million British thermal units
MW	Megawatt(s)
MWh	Megawatt-hour(s)

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Navajo	Navajo Generating Station
PNM	Public Service Company of New Mexico
PPA	Power Purchase Agreement
PPFAC	Purchased Power and Fuel Adjustment Clause
ppb	Parts per billion
REC	Renewable Energy Credit
Regional Haze Rules	Rules promulgated by the EPA to improve visibility at national parks and wilderness areas
RES	Renewable Energy Standard
Retail Rates	Rates designed to allow a regulated utility an opportunity to recover its reasonable operating and capital costs and earn a return on its utility plant in service
San Juan	San Juan Generating Station
SCR	Selective Catalytic Reduction
SES	Southwest Energy Solutions, Inc.
SJCC	San Juan Coal Company
SNCR	Selective Non-Catalytic Reduction
Springerville	Springerville Generating Station
Springerville Coal Handling Facilities	Coal handling facilities at Springerville used by all four Springerville units
Springerville Coal Handling Facilities Leases	Leases for coal handling facilities at Springerville used in common by all four Springerville units
Springerville Common Facilities	Facilities at Springerville used in common by all four Springerville units
Springerville Common Facilities Leases	Leveraged lease arrangements relating to an undivided one-half interest in certain Springerville Common Facilities
Springerville Unit 1	Unit 1 of the Springerville Generating Station
Springerville Unit 1 Leases	Leveraged lease arrangement relating to Springerville Unit 1 and an undivided one-half interest in certain Springerville Common Facilities
Springerville Unit 2	Unit 2 of the Springerville Generating Station
Springerville Unit 3	Unit 3 of the Springerville Generating Station
Springerville Unit 4	Unit 4 of the Springerville Generating Station
SRP	Salt River Project Agricultural Improvement and Power District
Sundt	H. Wilson Sundt Generating Station
Sundt Unit 4	Unit 4 of the H. Wilson Sundt Generating Station
TEP	Tucson Electric Power Company, the principal subsidiary of UNS Energy Corporation
Third-Party Owners	Wilmington Trust Company and William J. Wade, as Owner Trustee and Co-trustee under a separate trust agreement with each of the remaining two owner participants, Alterna Springerville LLC (Alterna) and LDVF1 TEP LLC (LDVF1) (Alterna and LDVF1, together with the Owner Trustees and Co-trustees, the Third-Party Owners)
Tri-State	Tri-State Generation and Transmission Association, Inc.
UNS Electric	UNS Electric, Inc., an indirect wholly-owned subsidiary of UNS Energy
UNS Energy	UNS Energy Corporation, the parent company of TEP, whose principal executive offices are located at 88 East Broadway Boulevard, Tucson, Arizona 85701
UNS Energy affiliates	Affiliated subsidiaries of UNS Energy including UNS Electric, Inc., UNS Gas, Inc., and Southwest Energy Solutions, Inc.
UNS Gas	UNS Gas, Inc., an indirect wholly-owned subsidiary of UNS Energy

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PROSPECTUS SUMMARY

*This summary highlights information contained elsewhere in this prospectus. This summary may not contain all of the information that is important to you, and it is qualified in its entirety by the more detailed information and financial statements, including the notes to those financial statements, appearing elsewhere in this prospectus. Before making an investment decision, we encourage you to consider the information contained in this prospectus, including the risks discussed under the heading *Risk Factors* beginning on page 11 of this prospectus.*

The Company

We were incorporated in the State of Arizona in 1963. We are a vertically integrated utility that provides regulated electric service to approximately 417,000 retail customers in southeastern Arizona. Our service territory covers 1,155 square miles and includes a population of approximately one million people in the greater Tucson metropolitan area in Pima County, as well as parts of Cochise County. We provide electric utility service to a diverse group of residential, commercial, industrial, and public sector customers. Major industries served include copper mining, cement manufacturing, defense, health care, education, military bases and other governmental entities. We also sell electricity to other utilities and power marketing entities, located primarily in the western United States.

We are a wholly-owned subsidiary of UNS Energy Corporation, or UNS Energy, a utility services holding company. UNS Energy is an indirect wholly-owned subsidiary of Fortis Inc., which is a leader in the North American electric and gas utility business.

At March 31, 2015, we owned 2,448 MW of nominal generating capability.

Our principal executive offices are located at 88 East Broadway Boulevard, Tucson, Arizona 85701. Our telephone number is (520) 571-4000.

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Summary of the Terms of the Exchange Offer

*The following summary contains basic information about the exchange offer. It does not contain all the information that may be important to you. For a more complete description of the exchange offer, you should read the discussions under the heading *The Exchange Offer*.*

Exchange Notes	\$300,000,000 aggregate principal amount of 3.05% Senior Notes due 2025. The terms of the exchange notes are substantially identical to those of the old notes, except that the transfer restrictions and registration rights relating to the old notes will not apply to the exchange notes, and the exchange notes will not provide for the payment of additional interest in the event of a registration default. In addition, the exchange notes bear a different CUSIP number than the old notes.
Old Notes	\$300,000,000 aggregate principal amount of 3.05% Senior Notes due 2025, which were issued in a private placement on February 27, 2015.
The Exchange Offer	<p>We are offering to exchange the exchange notes for a like principal amount of the old notes.</p> <p>In the exchange offer, we will exchange registered 3.05% Senior Notes due 2025 for old 3.05% Senior Notes due 2025.</p> <p>We will accept any and all old notes validly tendered and not withdrawn prior to 5:00 p.m., New York City time, on _____, 2015. Holders may tender some or all of their old notes pursuant to the exchange offer. However, old notes may be tendered only in denominations of \$2,000 and integral multiples of \$1,000.</p> <p>In order to be exchanged, an outstanding old note must be properly tendered and accepted. All old notes that are validly tendered and not withdrawn will be exchanged. As of the date of this prospectus, there are \$300,000,000 aggregate principal amount of 3.05% Senior Notes due 2025 outstanding. We will issue exchange notes promptly after the expiration of the exchange offer. See <i>The Exchange Offer Terms of the Exchange Offer</i>.</p>
Registration Rights Agreement	In connection with the private placement of the old notes, we entered into a registration rights agreement with Mitsubishi UFJ Securities (USA), Inc., SunTrust Robinson Humphrey, Inc. and U.S. Bancorp Investments,

Inc. as representatives of the several initial purchasers (the Initial Purchasers). Under the registration rights agreement, you are entitled to exchange your old notes for exchange notes with substantially identical terms. This exchange offer is intended to satisfy these rights. After the exchange offer is complete, except as set forth in the next paragraph, you will no longer be entitled to any exchange or registration rights with respect to your old notes.

The registration rights agreement requires us to file a registration statement for a continuous offering in accordance with Rule 415 under the Securities Act for your benefit if you would not receive

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freely tradable exchange notes in the exchange offer or you are ineligible to participate in the exchange offer, provided that you indicate that you wish to have your old notes registered under the Securities Act.

Resales of the Exchange Notes

We believe that the exchange notes issued in the exchange offer may be offered for resale, resold or otherwise transferred by you without compliance with the registration and prospectus delivery requirements of the Securities Act as long as:

- (1) you are acquiring the exchange notes in the ordinary course of your business;
- (2) you are not engaging in and do not intend to engage in a distribution of the exchange notes;
- (3) you do not have an arrangement or understanding with any person or entity to participate in the distribution of the exchange notes; and
- (4) you are not our affiliate as that term is defined in Rule 405 under the Securities Act.

Our belief is based on interpretations by the staff of the SEC, as set forth in no-action letters issued to third parties unrelated to us. We have not asked the staff for a no-action letter in connection with this exchange offer, however, and we cannot assure you that the staff would make a similar determination with respect to the exchange offer.

If you are an affiliate of ours, or are engaging in or intend to engage in or have any arrangement or understanding with any person to participate in the distribution of the exchange notes:

you cannot rely on the applicable interpretations of the staff of the SEC;

you will not be entitled to participate in the exchange offer; and

you must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction.

Each broker-dealer that receives exchange notes for its own account in the exchange offer for old notes that were acquired as a result of market-making or other trading activities must acknowledge that it will comply with the prospectus delivery requirements of the Securities Act in connection with any offer to resell or other transfer of the exchange notes issued in the exchange offer.

Furthermore, any broker-dealer that acquired any of its old notes directly from us, in the absence of an exemption therefrom,

may not rely on the applicable interpretation of the staff of the SEC's position contained in *Exxon Capital Holdings Corp.*, SEC no-action letter (April 13, 1988), *Morgan, Stanley & Co. Inc.*,

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SEC no-action letter (June 5, 1991) and *Shearman & Sterling*, SEC no-action letter (July 2, 1993); and

must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale of the exchange notes.

See Plan of Distribution.

Expiration Date

The exchange offer will expire at 5:00 p.m., New York City time, on _____, 2015, unless we decide to extend the exchange offer. We do not intend to extend the exchange offer, although we reserve the right to do so.

Conditions to the Exchange Offer

The exchange offer is subject to customary conditions, including that it not violate any applicable law or any applicable interpretation of the staff of the SEC. The exchange offer is not conditioned upon any minimum principal amount of private notes being tendered for exchange. See The Exchange Offer Conditions.

Procedures for Tendering Old Notes

The old notes were issued as global securities in fully registered form without coupons. Beneficial interests in the old notes that are held by direct or indirect participants in The Depository Trust Company (DTC) through certificateless depository interests are shown on, and transfers of the old notes can be made only through, records maintained in book-entry form by DTC with respect to its participants.

If you wish to exchange your old notes for exchange notes pursuant to the exchange offer, you must transmit to U.S. Bank National Association, as exchange agent, on or prior to the expiration of the exchange offer, either:

a computer-generated message transmitted through DTC's Automated Tender Offer Program system (ATOP) and received by the exchange agent and forming a part of a confirmation of book-entry transfer in which you acknowledge and agree to be bound by the terms of the letter of transmittal; or

a properly completed and duly executed letter of transmittal, which accompanies this prospectus, or a facsimile of the letter of transmittal,

together with your old notes and any other required documentation, to the exchange agent at its address listed in this prospectus and on the front cover of the letter of transmittal.

By delivering a computer-generated message through DTC's ATOP system, you will represent to us, as set forth in the letter of transmittal, among other things, that:

any exchange notes received by you will be acquired in the ordinary course of your business;

at the time of commencement of the exchange offer, you had no arrangements or understandings with any person to participate in the distribution of any notes;

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you are not an affiliate of Tucson Electric Power Company or, if you are an affiliate, you will comply with the registration and prospectus delivery requirements of the Securities Act;

if you are not a broker-dealer, that you are not engaged in, and do not intend to engage in, the distribution of any exchange notes; and

if you are a broker-dealer, that you will receive exchange notes for your own account in exchange for old notes that were acquired as a result of market-making activities or other trading activities and that you will be required to acknowledge that you will deliver a prospectus in connection with any resale of such exchange notes.

Special Procedures for Beneficial Owners	If you are the beneficial owner of old notes that are registered in the name of a broker, dealer, commercial bank, trust company or other nominee, and you wish to tender your old notes in the exchange offer, you should promptly contact the person in whose name your old notes are registered and instruct that person to tender on your behalf. If you wish to tender on your own behalf, you must, prior to completing and executing the letter of transmittal and delivering your notes, either make appropriate arrangements to register ownership of the old notes in your name or obtain a properly completed bond power from the person in whose name your old notes are registered. The transfer of registered ownership may take considerable time. See The Exchange Offer Procedures for Tendering.
Acceptance of Old Notes and Delivery of Exchange Notes	Except under the circumstances summarized above under Conditions to the Exchange Offer, we will accept for exchange any and all old notes that are properly tendered in the exchange offer prior to 5:00 p.m., New York City time, on the expiration date for the exchange offer. The exchange notes to be issued to you in an exchange offer will be delivered promptly following the expiration of the exchange offer. See The Exchange Offer Terms of the Exchange Offer.
Withdrawal Rights	You may withdraw any tender of your old notes at any time prior to 5:00 p.m., New York City time, on the expiration date of the exchange offer. We will return to you any old notes not accepted for exchange for any reason without expense to you as promptly as we can after the expiration or termination of the exchange offer. See The Exchange Offer Withdrawal Rights.

Exchange Agent

U.S. Bank National Association, the trustee under the indenture governing the notes, is serving as the exchange agent in connection with the exchange offer.

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Consequences of Failure to Exchange

If you do not participate or properly tender your old notes in the exchange offer:

you will retain old notes that are not registered under the Securities Act and that will continue to be subject to restrictions on transfer that are described in the legend on the old notes;

you will not be able, except in very limited instances, to require us to register your old notes under the Securities Act;

you will not be able to offer to resell or transfer your old notes unless they are registered under the Securities Act or unless you offer to resell or transfer them pursuant to an exemption under the Securities Act; and

the trading market for your old notes will become more limited to the extent that other holders of old notes participate in the exchange offer.

Federal Income Tax Consequences

Your exchange of old notes for exchange notes in the exchange offer will not result in any gain or loss to you for U.S. federal income tax purposes. See Material United States Federal Income Tax Considerations.

Table of Contents**Summary of the Terms of the Exchange Notes**

The summary below describes the principal terms of the exchange notes. Certain of the terms and conditions described below are subject to important limitations and exceptions. The Description of Exchange Notes section of this prospectus contains a more detailed description of the terms and conditions of the exchange notes. For purposes of this portion of the Summary, references to the Company, we, our and us refer only to Tucson Electric Power Company, and not to its subsidiaries.

Issuer	Tucson Electric Power Company
Securities Offered	\$300.0 million aggregate principal amount of 3.05% Senior Notes due 2025
Maturity Date	The exchange notes will mature on March 15, 2025.
Interest Rate	Interest on the exchange notes will accrue at a rate of 3.05% per annum.
Interest Payment Dates	Interest on the exchange notes began accruing on February 27, 2015 and will be payable semi-annually in arrears on each March 15 and September 15, beginning on September 15, 2015, and at maturity.
Optional Redemption	We may redeem the notes at any time or from time to time, in whole or in part, at the applicable redemption price as described under the heading Description of Notes Optional Redemption herein.
Security and Ranking	The exchange notes will be our direct unsecured and unsubordinated general obligations and will rank equally with all of our other existing and future unsecured and unsubordinated debt, will be senior in right of payment to any subordinated debt that we may issue in the future and will be junior to any of our existing and future secured debt to the extent of the value of the collateral securing such secured debt. In 2013, we retired all mortgage bonds which had been outstanding under our indenture of mortgage and deed of trust, dated as of December 1, 1992, to The Bank of New York Mellon, successor trustee, as amended and supplemented, and discharged the lien and security interest on our utility assets created thereunder. See Description of Notes Ranking herein.
Limitation on Secured Debt	As long as the exchange notes are outstanding, we will not create, issue, incur or assume any debt secured by a lien upon any of our property

(other than Excepted Property, as described below), except for certain permitted secured debt, unless the notes are also secured by that lien. See Description of Notes Limitation on Secured Debt herein.

Sinking Fund

There is no sinking fund for the exchange notes.

Additional Issuances

We may from time to time, without the consent of the holders of the notes, create and issue additional notes having the same terms and

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conditions as the notes in all respects, except for the issue date, public offering price and, if applicable, the first interest payment date, so that the additional issuance is consolidated and forms a single series with the previously outstanding notes.

Use of Proceeds

We will not receive any cash proceeds from the issuance of the exchange notes pursuant to the exchange offer. In consideration for issuing the exchange notes as contemplated in this prospectus, we will receive in exchange a like principal amount of outstanding old notes, the terms of which are substantially identical to the exchange notes. The outstanding old notes surrendered in exchange for the exchange notes will be retired and cancelled and cannot be reissued. Accordingly, the issuance of the exchange notes will not result in any change in our capitalization. We have agreed to bear the expenses of the exchange offer. No underwriter is being used in connection with the exchange offer.

Book-Entry Form

The exchange notes will be issued in book-entry form and will be represented by permanent global certificates deposited with, or on behalf of, The Depository Trust Company, which we refer to as DTC, and registered in the name of Cede & Co., as nominee of DTC. Beneficial interests in any of the exchange notes will be shown on, and transfers will be effected only through, records maintained by DTC or its nominee, and any such interest may not be exchanged for certificated securities, except in limited circumstances described herein. See Description of Exchange Notes Book-Entry System.

Material United States Federal Income Tax Considerations

Holders are urged to consult their own tax advisors with respect to the U.S. federal, state, local and foreign tax considerations related to the purchase, ownership and disposition of the exchange notes. See Material United States Federal Income Tax Considerations.

Trustee

The trustee for the exchange notes will be U.S. Bank National Association.

Governing Law

The indenture and the old notes are, and the exchange notes will be, governed by the laws of the State of New York without regard to conflict of laws principles thereof.

Risk Factors

You should refer to the section entitled Risk Factors and other information included in this prospectus for an explanation of certain risks of investing in the notes.

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RISK FACTORS

In addition to the other information included in this prospectus, including the matters addressed under Forward-Looking Statements, you should carefully consider the following risk factors before investing in the exchange notes.

We are subject to certain risks due to the nature of the business activities we conduct. The risks discussed below, any of which could materially and adversely affect our business, financial condition, liquidity, cash flows and results of operations, are not the only risks we face. We may experience additional risks and uncertainties not currently known to us; or, as a result of developments occurring in the future, conditions that we currently deem to be immaterial may also materially and adversely affect our business, financial condition, liquidity, cash flows and results of operations.

RISKS RELATED TO THE EXCHANGE NOTES

We may be able to issue substantially more debt.

The indenture does not limit the amount of unsecured indebtedness we may issue. The indenture also permits us to incur secured debt, subject to certain limitations, as described further under Description of Exchange Notes - Limitation on Secured Debt herein.

In the event of a bankruptcy or insolvency, holders of our secured indebtedness, if any, and other secured obligations will have a prior secured claim to any collateral securing such indebtedness or other obligations.

Holders of our secured indebtedness, if any, will have claims that are prior to your claims as holders of the exchange notes to the extent of the value of the assets securing that other indebtedness. Our rights to incur secured indebtedness are described under Description of Exchange Notes Limitation on Secured Debt .

Accordingly, in the event of any distribution or payment of our assets in any foreclosure, dissolution, winding-up, liquidation, reorganization, or other bankruptcy proceeding, holders of secured indebtedness will have a prior claim to those of our assets that constitute their collateral. Holders of the exchange notes will participate in our remaining assets ratably with all holders of our unsecured and unsubordinated indebtedness that is deemed to be of the same class as the exchange notes, and potentially with all our other general creditors, based upon the respective amounts owed to each holder or creditor. In any of the foregoing events, we cannot assure you that there will be sufficient assets to pay amounts due on the exchange notes.

If an active trading market does not develop for the exchange notes, you may be unable to sell the exchange notes or to sell them at a price you deem sufficient.

The exchange notes are a new issue of securities with no established trading market. We do not intend to apply for listing of the exchange notes on any national securities exchange or to arrange for the exchange notes to be quoted on any automated system. We provide no assurance as to:

the liquidity of any trading market that may develop for the exchange notes;

the ability of holders to sell their exchange notes; or

the price at which holders would be able to sell their exchange notes.

Even if a trading market develops, the exchange notes may trade at higher or lower prices than their principal amount or purchase price. If a market for the exchange notes does not develop, purchasers may be unable to resell the exchange notes for an extended period of time. Consequently, a holder of exchange notes may not be able to liquidate its investment readily, and the exchange notes may not be readily accepted as collateral for loans. In addition, market-making activities will be subject to restrictions under the Securities Act and the Exchange Act.

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RISKS RELATED TO THE EXCHANGE OFFER

If you fail to exchange your old notes, they will continue to be restricted securities and may become less liquid.

Notes that you do not tender or that we do not accept will, following the exchange offer, continue to be restricted securities, and you may not offer to sell them except under an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities laws. We will issue the exchange notes in exchange for the old notes in the exchange offer only following the satisfaction of the procedures and conditions set forth in The Exchange Offer Procedures for Tendering. Because we anticipate that most holders of the old notes will elect to exchange their outstanding notes, we expect that the liquidity of the market for the old notes remaining after the completion of the exchange offer will be substantially limited. Any old notes tendered and exchanged in the exchange offer will reduce the aggregate principal amount of the outstanding old notes at maturity. Further, following the exchange offer, if you did not tender your old notes, you generally will not have any further registration rights, and such notes will continue to be subject to certain transfer restrictions.

Broker-dealers may become subject to the registration and prospectus delivery requirements of the Securities Act, and any profit on the resale of the exchange notes may be deemed to be underwriting compensation under the Securities Act.

Any broker-dealer that acquires exchange notes in the exchange offer for its own account in exchange for old notes that it acquired through market-making or other trading activities must acknowledge that it will comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction by that broker-dealer. Any profit on the resale of the exchange notes and any commission or concessions received by a broker-dealer may be deemed to be underwriting compensation under the Securities Act.

You may not receive the exchange notes in the exchange offer if the exchange offer procedures are not properly followed.

We will issue the exchange notes in exchange for your old notes only if you properly tender such notes before expiration of the exchange offer. Neither we nor the exchange agent is under any duty to give notification of defects or irregularities with respect to the tenders of the old notes for exchange. If you are the beneficial holder of old notes that are held through your broker, dealer, commercial bank, trust company or other nominee, and you wish to tender such notes in the exchange offer, you should promptly contact the person through whom your old notes are held and instruct that person to tender on your behalf.

RISKS RELATED TO TUCSON ELECTRIC POWER COMPANY

The business and financial results of Tucson Electric Power Company (TEP) are subject to a number of risks and uncertainties, including those set forth below. These risks and uncertainties fall primarily into five major categories: revenues, regulatory, environmental, financial, and operational.

REVENUES

National and local economic conditions can negatively affect the results of operations, net income, and cash flows at TEP.

Economic conditions have contributed significantly to a reduction in TEP's retail customer growth and lower energy usage by the company's residential, commercial, and industrial customers. As a result of weak economic conditions,

TEP's average retail customer base grew by less than 1% in each year from 2010 through 2014 compared with average increases of approximately 2% in each year from 2005 to 2009. TEP estimates that a 1% change in annual retail sales could impact pre-tax net income and pre-tax cash flows by approximately \$6 million.

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New technological developments and compliance with the ACC's Energy Efficiency Standards will continue to have a significant impact on retail sales, which could negatively impact TEP's results of operations, net income, and cash flows.

Research and development activities are ongoing for new technologies that produce power or reduce power consumption. These technologies include renewable energy, customer-owned generation, and appliances, equipment, and control systems. Further development and use of these technologies and compliance with the ACC's Energy Efficiency Standard could negatively impact the results of operations, net income, and cash flows of TEP.

The revenues, results of operations, and cash flows of TEP are seasonal, and are subject to weather conditions and customer usage patterns, which are beyond the companies' control.

TEP typically earns the majority of its operating revenue and net income in the third quarter because retail customers increase their air conditioning usage during the summer. Conversely, TEP's first quarter net income is typically limited by relatively mild winter weather in its retail service territory. Cool summers or warm winters may reduce customer usage, adversely affecting operating revenues, cash flows, and net income by reducing sales.

TEP is dependent on a small segment of large customers for future revenues. A reduction in the electricity sales to these customers would negatively affect our results of operations, net income, and cash flows.

TEP sells electricity to mines, military installations, and other large industrial customers. In 2014, 35% of TEP's retail kWh sales were to 608 industrial and mining customers. Retail sales volumes and revenues from these customer classes could decline as a result of, among other things: economic conditions; commodity prices; decisions by the federal government to close military bases; the effects of EE and DG; or the decision by customers to self-generate all or a portion of the energy needs. A reduction in retail kWh sales to TEP's large customers would negatively affect our results of operations, net income, and cash flows.

REGULATORY

TEP is subject to regulation by the ACC, which sets the company's Retail Rates and oversees many aspects of its business in ways that could negatively affect the company's results of operations, net income, and cash flows.

The ACC is a constitutionally created body composed of five elected commissioners. Commissioners are elected state-wide for staggered four-year terms and are limited to serving a total of two terms. As a result, the composition of the commission, and therefore its policies, are subject to change every two years.

The ACC is charged with setting retail electric rates that provide electric utilities with an opportunity to recover their costs of service and earn a reasonable rate of return. As part of the ACC's process of establishing the retail electric rates charged by TEP, the ACC could disallow the recovery of certain costs, if deemed they were imprudently incurred. The decisions made by the ACC on such matters impact the net income and cash flows of TEP.

Changes in federal energy regulation may negatively affect the results of operations, net income, and cash flows of TEP.

TEP is subject to the impact of comprehensive and changing governmental regulation at the federal level that continues to change the structure of the electric and gas utility industries and the ways in which these industries are regulated. TEP is subject to regulation by the FERC. The FERC has jurisdiction over rates for electric transmission in interstate commerce and rates for wholesale sales of electric power, including terms and prices of transmission

services and sales of electricity at wholesale prices.

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As a result of the Energy Policy Act of 2005, owners and operators of bulk power systems, including TEP, are subject to mandatory transmission standards developed and enforced by NERC and subject to the oversight of the FERC. Compliance with modified or new transmission standards may subject TEP to higher operating costs and increased capital costs. Failure to comply with the mandatory transmission standards could subject TEP to sanctions, including substantial monetary penalties.

ENVIRONMENTAL

TEP is subject to numerous environmental laws and regulations that may increase its cost of operations or expose it to environmentally-related litigation and liabilities. Many of these regulations could have a significant impact on TEP due to its reliance on coal as its primary fuel for electric generation.

Numerous federal, state, and local environmental laws and regulations affect present and future operations. Those laws and regulations include rules regarding air emissions, water use, wastewater discharges, solid waste, hazardous waste, and management of coal combustion residuals.

These laws and regulations can contribute to higher capital, operating, and other costs, particularly with regard to enforcement efforts focused on existing power plants and new compliance standards related to new and existing power plants. These laws and regulations generally require us to obtain and comply with a wide variety of environmental licenses, permits, authorizations, and other approvals. Both public officials and private individuals may seek to enforce applicable environmental laws and regulations. Failure to comply with applicable laws and regulations may result in litigation, and the imposition of fines, penalties, and a requirement by regulatory authorities for costly equipment upgrades.

Existing environmental laws and regulations may be revised and new environmental laws and regulations may be adopted or become applicable to our facilities. Increased compliance costs or additional operating restrictions from revised or additional regulation could have an adverse effect on our results of operations, particularly if those costs are not fully recoverable from our customers. TEP's obligation to comply with the EPA's BART determinations as a participant in the San Juan, Four Corners, and Navajo plants, coupled with the financial impact of future climate change legislation, other environmental regulations and other business considerations, could jeopardize the economic viability of these plants or the ability of individual participants to meet their obligations and continue their participation in these plants. TEP cannot predict the ultimate outcome of these matters.

TEP also is contractually obligated to pay a portion of the environmental reclamation costs incurred at generating stations in which it has a minority interest and is obligated to pay similar costs at the mines that supply these generating stations. While TEP has recorded the portion of its costs that can be determined at this time, the total costs for final reclamation at these sites are unknown and could be substantial.

Proposed federal regulations to limit greenhouse gas emissions would, if adopted in the form proposed, result in a shift in generation from coal to natural gas and renewable generation and could increase TEP's cost of operations.

In June 2014 the EPA proposed carbon emission standards to reduce greenhouse gas emissions from existing power plants. EPA's proposal for Arizona would result in a significant shift in generation from coal to natural gas and renewables and could lead to the early retirement of coal generation in Arizona by 2020. The EPA is scheduled to finalize those standards by summer 2015. These proposed regulations would, if adopted in the form proposed, result in a change in the composition of TEP's generating fleet. As of January 30, 2015, approximately 54% of TEP's generating capacity is fueled by coal. In 2014, approximately 68% of our total electricity resources were fueled by coal. The final rule issued by the EPA could significantly impair the ability to operate certain of TEP's coal-fired generation plants on

an economically viable basis or at all. A substantial change in TEP's generation portfolio could result in increased cost of operations and/or additional capital investments. The impact of final regulations to address carbon emissions will depend on the specific terms of those measures and cannot be determined at this time.

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Early closure of TEP's coal-fired generation plants resulting from environmental regulations could result in TEP recognizing material impairments in respect of such plants and increased cost of operations if recovery of our remaining investments in such plants and the costs associated with such early closures were not permitted through rates charged to customers.

TEP's coal-fired generating stations may be required to be closed before the end of their useful lives in response to recent or future changes in environmental regulation, including potential regulation relating to greenhouse gas emissions. If any of the coal-fired generation plants, or coal handling facilities, from which TEP obtains power are closed prior to the end of their useful life, TEP could be required to recognize a material impairment of its assets and incur added expenses relating to accelerated depreciation and amortization, decommissioning, reclamation and cancellation of long-term coal contracts of such generating plants and facilities. Closure of any of such generating stations may force TEP to incur higher costs for replacement capacity and energy. TEP may not be permitted full recovery of these costs in the rates it charges its customers.

FINANCIAL

The third-party co-owners of Springerville Unit 1 have failed to pay their pro-rata share of the costs and expenses associated with Springerville Unit 1.

TEP owns 49.5% of Springerville Unit 1 and two separate third-parties own the remaining 50.5%. Starting in January 2015, TEP is obligated to operate Springerville Unit 1 for these Third-Party Owners under an existing facility support agreement. TEP and the Third-Party Owners disagree on several key aspects of this agreement, including the allocation of Springerville Unit 1 operating and maintenance expenses, capital improvement costs, and transmission rights. In addition, in late 2014 the Third-Party Owners filed separate complaints at the FERC and in New York State court that include allegations that TEP violated certain provisions of the facility support agreement in relation to TEP's operation of Springerville Unit 1. Because of these disagreements and the pending litigation, the Third-Party Owners have refused to pay some or all of their pro-rata share of such Springerville Unit 1 costs and expenses. The Third