

ORIGINAL
MEMORANDUM



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305M

TO: Docket Control
FROM: Ernest G. Johnson
Director
Utilities Division
DATE: June 1, 2004

RE: STAFF COMPLIANCE FILING – DECISION NO. 66861
UNISOURCE GAS, INC.
(DOCKET NO.'S E-01032C-00-0751, G-01032A-02-0598, E-01933A-02-0914,
E-01032C-02-0914, G-01032A-02-0914, G-01032E-03-0515)

Pursuant to Decision No. 66861 in the above-referenced dockets, Unisource Gas, Inc. (UNS) was required to "submit its outreach program, including all bill inserts and proposed advertisements and press releases for Commission Staff approval, such that the program is approved by the Commission Staff no later than May 2004." Staff worked with UNS during the months of April and May to finalize the outreach program, bill inserts, advertisements, and press releases. By this memorandum to docket, Staff approves the public outreach efforts submitted by UNS. Thus, Staff and UNS have met the compliance requirement referenced above. Attached to this memorandum and docketed are the finalized public outreach materials. This filing is being made on June 1, 2004, in that May 31, 2004, fell on a holiday.

EGJ:VW

Originator: Vicki Wallace

Cc: Service List w/o attachments

Arizona Corporation Commission

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AZ CORP COMMISSION
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PROPOSED UES OUTREACH SCHEDULE 2004

COMMUNICATIONS

JUNE

* Gas Price Update Bill Insert – Will begin with late June bills and run through late July to reach all customers as soon as possible.

* Gas Price Press Release – Will be posted on UES Web site and distributed by fax June 30 to the following media outlets:

COMPANY	FAX
Nogales International	5207613115
Arizona Daily Sun (Flagstaff)	9287744790
Kingman Daily Miner	9287533796
The Daily Courier (Prescott)	9284452062
Prescott Valley Tribune	9287723393
White Mountain Independent (Show Low)	9283334130
Today's News Herald (Lake Havasu City)	9288552637
Cottonwood Journal Extra	9286340823
Verde Valley News	9286342312
Sedona Red Rock News	9282826011
Mohave Valley Daily News	9287637820
Winslow Mail	9282894151
Holbrook Tribune News	9285243541
Economic Development Journal of Mohave County	9287631510
Williams Grand Canyon News	9286354887
KAFF/KMGN (Flagstaff)	9287742988
KNAU (Flagstaff)	9285236202
KVNA (Flagstaff)	9287745852
KAAA/KFLG/KLUK/KNKK/ (Bullhead City)	9287633775
KZUL (Lake Havasu City)	9288557996
KGMN (Kingman)	9287531978
KZUA/KDJI (Holbrook)	9285243561
KRFM/KSNX/KVSL/KVWM (Show Low)	9285373991
KINO (Winslow)	9282893366
KAHM/KYCA (Prescott)	9284451700
KAZM (Sedona)	9282822230
KKLD/KVRD/KYBC/KZGL (Cottonwood)	9286322295
KNOT/KMOR (Prescott)	9284456852
KPPV/KQNA (Prescott)	9284420448
Radio Maxima (Nogales)	5202878290
KNAZ-TV (NBC – Flagstaff)	9285270022

JULY

* Energy Saving Tips Bill Insert (Two sided insert. Both English and Spanish versions included in all bills)

* Budget Billing Insert (Spanish on back)

AUGUST

* CARES Bill insert (Spanish on back)

* Low Income Assistance Bill Insert (Spanish on back)

* CARES Print Advertisement – Will run for a single week, Aug. 9-15, in the following publications:

Arizona Daily Sun (Flagstaff)

Cottonwood Journal Extra

Daily Courier (Prescott)

Holbrook Tribune News

Kingman Daily Miner

Mohave Valley Daily News

Nogales International

Prescott Valley Tribune

Sedona Red Rock News

Today's News Herald (Lake Havasu City)

Verde Valley News

White Mountain Independent (Show Low)

Williams Grand Canyon News

Winslow Mail

These publications are listed in association with their home city, but their circulation often extends into nearby communities. These are the publications we intend to use at this time. But if advertising in any one of these publications is unavailable or otherwise impractical during the given time period, UES reserves the right to substitute another publication in the same market, if available. UES also reserves the right to add additional publications to increase the reach of its outreach program. Print advertisement will run with spot color (red) if available. If not, the ad will appear in black, white and grayscale. UES reserves the right to change the run dates if doing so would likely increase exposure.

* CARES Radio Advertisement - Will air for two weeks, Aug. 9-22, on the following radio stations.

KAAA - Kingman

KFLG - Kingman

KGMM - Kingman

KLUK - Kingman

KNKK - Kingman

KZKE - Kingman

KJJJ - Lake Havasu City

KNTR - Lake Havasu City

KRRK - Lake Havasu City

KZUL - Lake Havasu City

KOFH - Nogales

KZNO - Nogales

KFPB - Prescott Valley

KQNA - Prescott Valley

KPPV - Prescott Valley
KNOT - Prescott
KAZM - Sedona
KQST - Sedona
KZGL - Cottonwood
KKLD - Cottonwood
KVRD - Cottonwood
KAFF - Flagstaff
KMGH - Flagstaff
KVNA - Flagstaff
KFLX - Flagstaff
KZUA - Holbrook
KDJI - Holbrook
KRFM - Show Low
KSNX - Show Low
KVSL - Show Low
KVWM - Show Low
KINO - Winslow

Stations are listed in association with their home city, but their reach often extends into neighboring communities. These are the stations we intend to use at this time. But if advertising on any one of these stations is unavailable or otherwise impractical during the given time period, UES reserves the right to substitute another radio station in the same market, if available. UES also reserves the right to add additional radio stations to increase the reach of its outreach program. UES reserves the right to change run dates if doing so would likely increase exposure.

* CARES Television Advertisement - Will air for one week, Aug. 9-15, on cable television networks in and around major UES markets, including Flagstaff, Kingman, Lake Havasu City, Prescott, Sedona, Show Low and Nogales. Will also air on KNAZ, the NBC affiliate in Flagstaff and the only locally operated television station in the UES service territory. UES reserves the right to change run dates if doing so would likely increase exposure.

SEPTEMBER

* Gas Price Bill Insert (Updated)

* Gas Price Press Release (Updated) - Will be posted on UES Web site and faxed to the previously indicated list of media outlets on Sept. 13. UES reserves the right to modify this date if doing so would likely increase exposure.

* Gas Price Print Advertisement - Will run for a single week, Sept. 13-19, in the previously indicated list of print publications, with the same applicable caveats.

* Gas Price Radio Advertisement - Will air for two weeks, Sept. 13-26, on the previously indicated radio stations, with the same applicable caveats.

* Gas Price Television Advertisement - Will air for two weeks, Sept. 13-26, on cable television networks in and around major UES markets, including Flagstaff, Kingman, Lake Havasu City, Prescott, Sedona, Show Low and Nogales. Will also air on KNAZ, the NBC affiliate in Flagstaff and the only locally operated television station in the UES service territory.

OCTOBER

* CARES Bill Insert (Repeat - or updated as necessary - as required. Spanish on back)

NOVEMBER

* Gas Price Bill Insert (Updated)

* Gas Price Press Release (Updated) – Will be posted on UES Web site and faxed to the previously indicated list of media outlets on Nov. 15. UES reserves the right to modify this date if doing so would likely increase exposure.

DECEMBER

* Energy Saving Tips Insert (Repeat – or updated as necessary) (Two sided insert. English version only in Northern Arizona; Both English and Spanish versions in Southern Arizona)

ADDITIONAL OUTREACH – CARES

Customer Assistance Residential Energy Support (CARES)

The CARES discount program serves customers in Coconino, Mohave, Navajo, Santa Cruz and Yavapai Counties.

Mission

To reach out and contact other community agencies and to work with such agencies to increase CARES program participation.

Future Outreach Efforts

- Brochures and applications are being updated to reflect the proposed changes to the certification requirements.
- Customers will be certified by UNS Gas personnel to reduce the 45 day waiting period to obtain certification for acceptance in the program. The waiting period will be reduced to approximately 30 days.
- Monthly internal reports about increased enrollments will be available to assess the success of the outreach program.
- Brochures and applications are available in all lobbies and are distributed to agencies that provide services to the elderly and low-income.
- The CARES program will be listed in the People's Information Guide published and distributed by the Arizona Community Action Agency.
- Program information will be available on the web at uesaz.com under Low Income Programs. It also will be listed on the ArizonaSelfHelp website, which lists all programs that exist for low-income people, and is available to individuals but is well-used by agencies and low-income advocates.
- Training and messaging will be provided to the call centers to suggest the program and to refer customers to appropriate agencies as necessary.
- Display posters will be used in UES customer service lobbies (in communities where most low-income people pay in person) and will be distributed to partner agencies.
- UES representatives will provide opportunities for customers to sign up at local health or back-to-school "fairs" that offer information specifically to qualified low-income people, i.e.: free vaccinations and check-ups, etc.
- Brochures will be available for distribution in emergency food boxes through local food banks.
- Brochures and applications are/will be distributed to the following community action agencies. This list does not preclude applications being made available to any community action agency not identified on the list below.

Apache County

Round Valley Food Bank
St. John's Food Bank

Coconino County

Coconino County Community Services
Northern Arizona Council of Governments (NACOG)
Salvation Army (Flagstaff)
Adult Center (Flagstaff)
Weed & Seed (a business located in a low-income neighborhood in Flagstaff)
Catholic Social Services (Cottonwood)
Big Brothers/Big Sisters of Flagstaff
Flagstaff Family Food Center
United Way of Northern Arizona

Mohave County

Western Arizona Council of Governments (Kingman and Lake Havasu City)
Interagency (Lake Havasu City)
Catholic Social Services of Mohave County
ElderCare
Kingman Area Food Bank

Kingman Regional Medical Center
Lake Havasu City Food Bank
Social Service InterAgency Council of Lake Havasu City
United Way of Colorado River (Kingman)
United Way of Lake Havasu

Santa Cruz County

Southeastern Arizona Community Action Program (Nogales)
Amado Community Food Bank
East Santa Cruz County Community Food Bank
Nogales Crossroads Mission
United Way of Santa Cruz County
Boys and Girls Clubs of Santa Cruz County

Navajo County

Madonna House (Winslow)
Northern Arizona Council of Governments
United Way of Northern Arizona

Yavapai County

Catholic Social Services (Prescott)
Northern Arizona Council of Governments
Salvation Army, Prescott Corps
St. Vincent de Paul Food Bank (Prescott)
United Way of Prescott
Yavapai Food Banks (Regional -- HQ Prescott)
Yavapai Regional Medical Center (Prescott)

Contacts:

UniSource Energy Services

Betsy Bolding, Director, Consumer Affairs (520) 884-3677

Rebecca Chavez, Program Specialist (520) 745-3414

UNS Gas, Inc.

Nancy Davis, Supervisor, Customer Accounting & Collections (928) 226-2218

Alan Molise, Customer Service Supervisor (928) 226-2225

UNS Electric, Inc.

Eileen Jacobson, Energy Service Representative (928) 681-8962



FOR IMMEDIATE RELEASE

News Media Contact: Joe Salkowski, (520) 884-3625

June XX, 2004

Page 1 of 3

UES URGES CUSTOMERS TO PREPARE FOR HIGH WINTER GAS BILLS

Flagstaff, Ariz. – UniSource Energy Services (UES) is encouraging customers to prepare now for winter gas bills that are expected to be comparable to those from last winter.

Wholesale gas prices are expected to remain high this summer, driving up a cost that UES passes along to customers. Although a surcharge for past gas costs will be removed from bills after Oct. 31, 2004, recent wholesale prices continue to push these pass-through gas costs steadily higher.

As a result, UES predicts its gas service will cost about 90 cents per therm between December 2004 and March 2005. That amount, which does not include taxes or a \$7 monthly residential customer charge, is similar to the price customers paid this past winter.

Dennis Nelson, Chief Operating Officer of UES, said the projected cost represents the company's best estimate at this time. Fluctuations in the wholesale gas market could significantly increase or decrease the actual amount customers will pay for gas this coming winter, Nelson said.

"Since gas costs are likely to remain high through the rest of the year, customers should take action now to reduce their winter heating bills," Nelson said.

UES offers several options to help customers make their winter gas bills more manageable:

- **Budget Billing.** UES's Budget Billing program eliminates seasonal swings in energy costs by charging a fixed monthly amount based on customers' estimated annual gas use. Since most people use more gas when the weather gets cold, Budget Billing typically reduces winter bills and increases summer bills by spreading out home heating costs across warm weather months.

Customers who sign up for the program now would likely be billed an amount that represents an increase over their typical summer bill and a savings off their typical winter bill. UES adjusts the amount periodically to account for changes in usage, so customers' costs will rise if they increase their year-round energy use.

- **Energy Efficiency.** UES can help customers find ways to reduce their bills through conserving energy. Our Web site, uesaz.com, features a variety of energy saving tips as well as the new UES Energy Advisor, an interactive guide to improving a home's energy efficiency. Customers also can contact their local UES office for more energy saving advice.
- **Low-Income Assistance.** UES offers several programs designed to help those hardest hit by high energy costs.

Our CARES program offers discounts of up to \$15 per month to customers whose household income does not exceed 150 percent of the federal poverty level. A family of four earning \$2,357 or less per month is eligible for assistance through CARES. To find out if they qualify for this discount, customers need to contact their local UES office soon to ensure that their registration can be completed before heating season arrives.

UES has joined its customers in supporting Warm Spirit, a program that provides qualified customers with emergency assistance in paying their bills. Earlier this year, UES made a \$50,000 contribution to the customer-funded program to help address needs that arose during last winter's heating season.

UES also provided an additional \$50,000 earlier this year to its weatherization program, which supports the efforts of social service agencies to help low income customers make their homes more energy efficient. The program provides up to \$2,000 per home for increased insulation, weather stripping, furnace replacement and other improvements.

To apply for weatherization assistance or Warm Spirit funds, customers can contact these agencies in the following communities:

Coconino County: Salvation Army (for Warm Spirit program)
 507 N. Humphreys, Flagstaff
 (928) 774-1403

Northern Arizona Council of Governments
 (for weatherization assistance)
 119 E. Aspen Ave. Flagstaff
 (928) 774-1895

Mohave County: Western Arizona Council of Governments
 208 N. 4th St., Kingman
 (928) 753-6247

Interagency Council
 1940 Mesquite Ave., Suite I, Lake Havasu City
 (928) 453-5800

Kingman Resource Center
 2795 Northern Ave., Suite C, Kingman
 (928) 692-2046

Navajo County: Salvation Army
161 E. Deuce of Clubs, Show Low
(928) 532-4673

Madonna House (for Warm Spirit funds)
213 Jefferson St., Winslow
(928) 289-9284

Santa Cruz County: Southeastern Arizona Community Action Program
490 Chenoweth, Nogales, Ariz.
(520) 287-5066

Yavapai County: Catholic Social Services
736 Main St., Cottonwood (928) 634-4254

Catholic Social Services
434 W. Gurley St. (928) 778-2531

For more information about any of these programs, customers are encouraged to call or visit their local UES office, call 1-800-635-8033 or visit the company's Web site at uesaz.com. Also, customers should look for future bill inserts promoting these programs.

UniSource Energy Services, a subsidiary of UniSource Energy Corporation (NYSE: UNS), provides electricity and natural gas to more than 200,000 customers across Arizona. For more information about UES, visit uesaz.com. For more information about UniSource Energy Corporation, visit unisourceenergy.com.

Please Read!

Important Information About Your Gas Bills

UniSource Energy Services expects the cost of natural gas service during this upcoming winter will be similar to the prices customers paid this past winter.

- The cost of gas service from UES is expected to reach approximately 90 cents per therm between December 2004 and March 2005. (See chart 1)
- After incorporating taxes, fees and a \$7 monthly residential customer charge, average gas bills are expected to reach a seasonal peak of \$116 in January 2005. (See chart 2) Customers who use more than the average amount of gas will pay higher bills.
- These figures represent our best estimate at this time. Fluctuations in the wholesale gas market could significantly increase or decrease the actual amount customers will pay for gas this coming winter.

Why will bills remain high this winter?

- The wholesale price of gas has remained historically high, forcing up a cost that UES passes along to customers.
- The cost of gas is included in both our Basic Cost of Service, which remains the same each month, and our Purchased Gas Adjustment (PGA), which varies according to the average cost of gas over the previous 12 months.
- The PGA charge has increased steadily since last winter to reflect higher gas prices.

- A separate PGA Surcharge that contributed to higher bills this past winter will be removed in November 2004. But due to increases in the PGA charge, this winter's bills are expected to remain nearly as high as those from last winter.

What steps has UES taken to purchase gas at a reasonable price?

- Our purchasing strategies are designed to seek stable prices for gas in hopes of protecting customers from dramatic price fluctuations in the wholesale market.
- UES has begun buying more natural gas ahead of time through long-term contracts that lock in fixed prices for our customers.

What can customers do to reduce winter gas bills?

- Reduce gas use with energy efficient appliances and other conservation efforts.
- Enroll in Budget Billing and pay a fixed monthly amount based on estimated year-round gas usage.
- Take advantage of programs designed to assist low income customers, including CARES, Warm Spirit and weatherization assistance.
- Please look in upcoming UES bills for separate bill inserts that offer more information on each of these programs

Chart 1: Projected Per Therm Charge for UES Gas Service

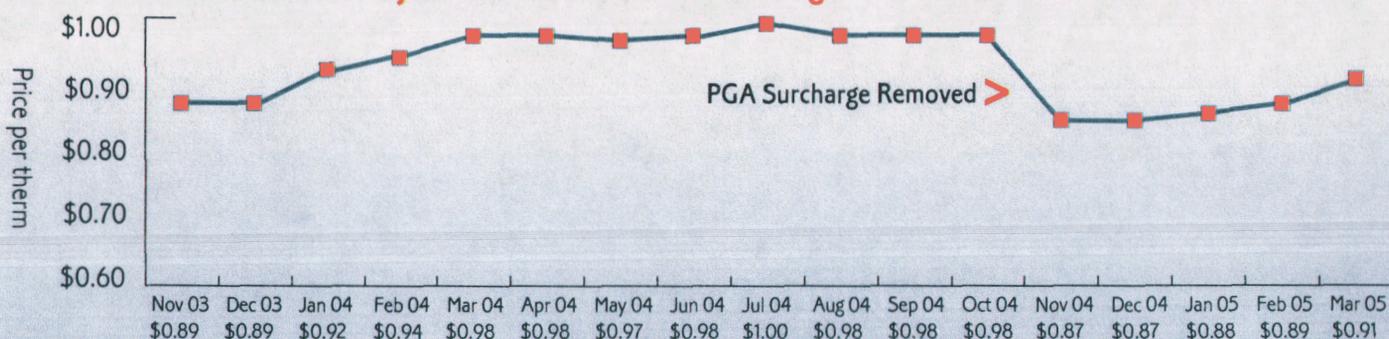
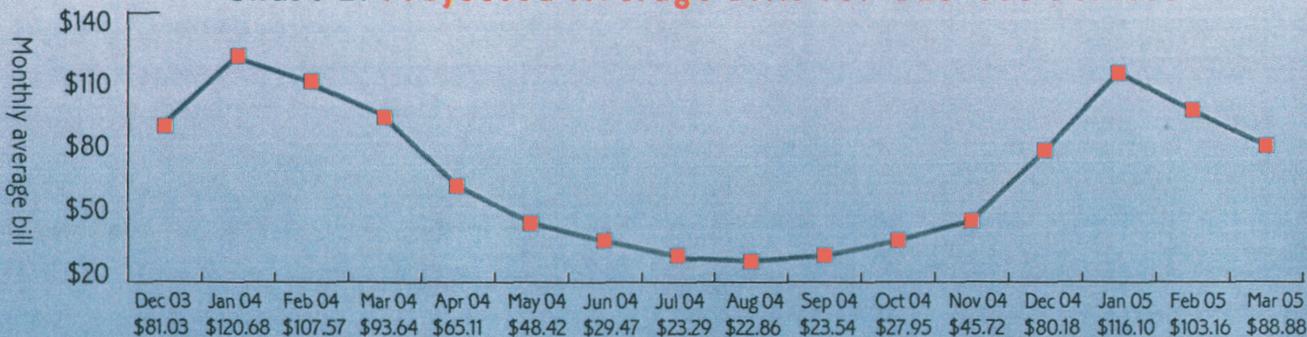


Chart 2: Projected Average Bills for UES Gas Service



For more information about gas prices or to learn about ways to reduce your winter bills, contact your local UES office, call 1-800-635-8033 or visit our Web site at uesaz.com.

UniSourceEnergy
SERVICES

Energy Efficiency Tips

To Make Your Home - And Your Wallet - More Comfortable

Most Americans are just like you — they use natural gas heat to warm their homes and families. Using energy wisely and taking the time to just check little things will make a big difference in how much natural gas you use and how much you spend on your natural gas bill. Below are a few tips to help you plan how to conserve energy and save money.

Keep The Cold Out

Consumers can take easy, inexpensive steps to reduce household energy consumption and minimize energy loss. Reducing air leaks could cut as much as 10 percent from an average household's monthly energy bill. For example, consumers can:

- Seal leaks around doors, windows, and other openings such as pipes or ducts, with caulk or weather-stripping. The most common places where air escapes in homes are:

- a** floors, walls, ceilings
- b** ducts
- c** fireplace
- d** plumbing penetrations
- e** doors
- f** windows

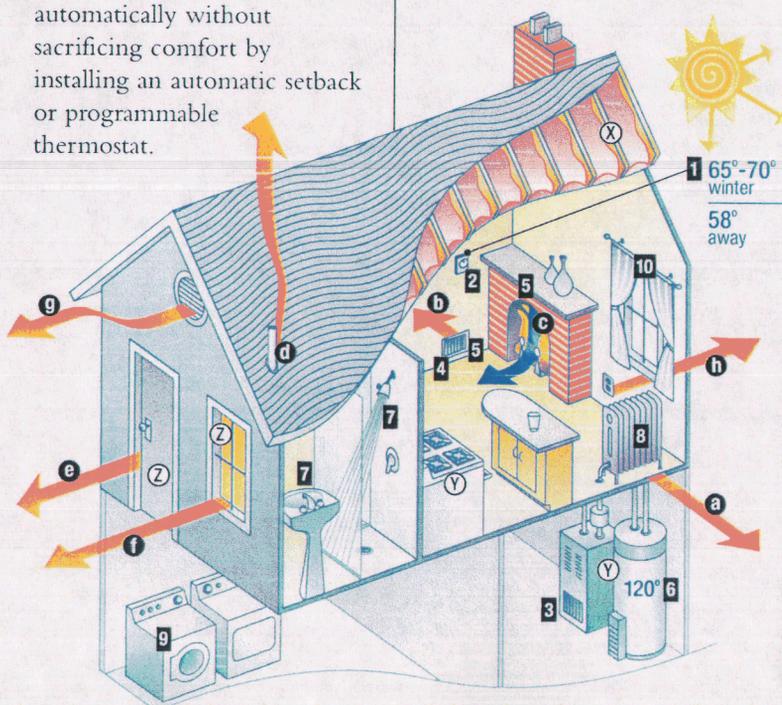
- g** fans and vents
- h** electric outlets

Use Energy Wisely

- 1** Set your thermostats between 65 and 70 degrees during the winter, and at 58 degrees when you'll be away from home for more than a day. While sleeping, add an extra blanket for warmth. Bear in mind that warmer temperatures are recommended for homes with ill or elderly persons or infants.
- 2** Turn down thermostats automatically without sacrificing comfort by installing an automatic setback or programmable thermostat.

New studies indicate that your heating system will run less if you restrict temperature variances in your home to no more than 3 degrees.

- 3** Change or clean furnace filters once a month during the heating season. Furnaces consume less energy if they "breathe" more easily. Use receipt of your natural gas bill as a reminder.
- 4** Warm air rises, so use registers to direct warm air-flow across the floor.



Maximize Your Home's Energy Efficiency = Minimize Your Utility Bill

5 Close vents and doors in unused rooms and close dampers on unused fireplaces.

6 Set water heater temperatures at 120 degrees. A family of four, each showering for five minutes a day, uses 700 gallons of water each week. By lowering the thermostat on the water heater to 120 degrees, families can cut water heating bills without sacrificing comfort.

SAVINGS: Turning down the unit's thermostat to 120 degrees can help you save money, since water-heating is a typical family's third-largest energy expense, accounting for about 14 percent of utility bills.

7 Install water-flow restrictors in showerheads and faucets.

8 If radiators are located near cold walls, place a sheet of aluminum foil between the radiator and the wall to reflect heat back into the room.

9 Run washing machines and clothes dryers with a full load.

10 On sunny days, open draperies and blinds to let the sun's warmth in. Close them at night to insulate against cold air outside.

Plan for Long-Term Energy-Efficiency Improvements

X Check to see if attic and basement have the recommended levels of insulation.

Y Check the heating system and replace old, outdated appliances with high-efficiency natural gas models. When buying new appliances, compare energy efficiency ratings and annual operating costs.

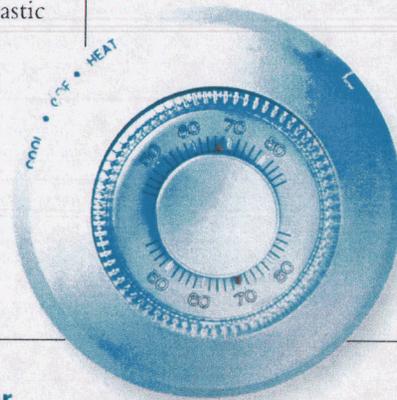
Z Install storm or thermal windows and doors or double-paned glass. A less expensive alternative is plastic sheeting, which can be temporarily fastened over doors and windows to prevent drafts and retain heat.

Sources for More Information on Using Energy Wisely

www.energysavers.gov: The U.S. Department of Energy offers helpful energy saving advice through its Office of Energy Efficiency and Renewable Energy

www.ase.org: The Alliance to Save Energy has posted some tips on its web site to help consumers avoid "\$ticker \$hock" this winter.

www.aga.org: The American Gas Association website is a valuable resource for understanding the benefits and availability of clean, safe, reliable natural gas.



Budget Billing

Our Budget Billing program allows you to pay a fixed monthly amount based on your estimated annual gas use.

Special Assistance for

Low-Income Households

Our CARES program offers discounted rates for qualifying customers. For example, a family of four earning \$2,357 or less can qualify for CARES. We also work

with local social service agencies to provide emergency bill payment assistance and to help low-income customers improve the energy efficiency of their homes.



For more energy saving tips or information about UES programs, contact your local UES office, call 1-800-635-8033 or visit our Web site at uesaz.com.

Take the Heat Off Your Winter Gas Bills with Budget Billing

If you rely on natural gas to keep your home comfortable during the winter, your gas bills will rise when the temperature starts to fall. But you can eliminate these seasonal swings in your energy costs by signing up for Budget Billing with UniSource Energy Services.

Our Budget Billing program allows you to pay a fixed monthly amount based on your estimated annual gas use. Since most people use more gas when the weather gets cold, Budget Billing usually reduces winter bills and increases summer bills by spreading out heating costs across warm weather months. (See chart below)

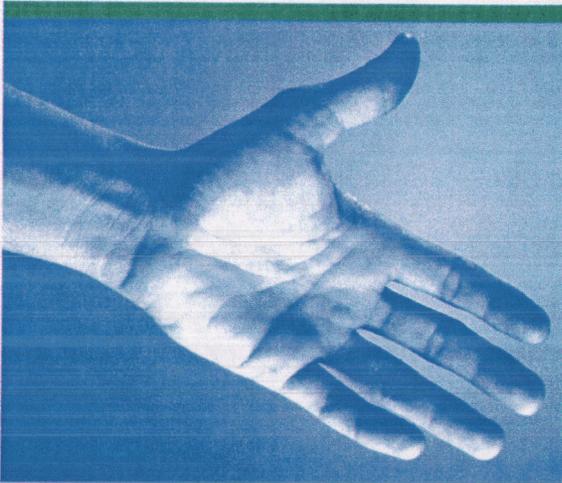
We adjust Budget Billing payments periodically to reflect changing gas prices as well as changes in usage. So if you increase your annual energy use, your Budget Billing payment will rise. Conserving energy remains the best way to reduce your energy expenses year round.

Signing up for Budget Billing is easy. You can enroll at any time of year. Just call or visit your local UES office, call 1-800-635-8033 or visit us online at uesaz.com.

How Budget Billing Affects A Monthly Gas Bill



UniSourceEnergy
SERVICES
Energizing Arizona



A Helping Hand for Low Income Customers

UniSource Energy Services is working with social service agencies in your area to help those hit hardest by high energy costs.

Our Warm Spirit program provides low-income customers with emergency assistance in paying their bills. The program is funded primarily through voluntary contributions from our customers, but UES has provided additional funds to help meet growing needs.

We also sponsor social service agencies' efforts to help low-income residents make their homes more energy efficient. Our weatherization program provides up to \$2,000 per home for increased insulation, weather stripping, furnace replacement and other improvements.

To apply for Warm Spirit funds or weatherization assistance, please contact these agencies in a community near you:

Coconino County:

Salvation Army (for Warm Spirit program)
507 N. Humphreys, Flagstaff (928) 774-1403

Northern Arizona Council of Governments
(for weatherization assistance)
119 E. Aspen Ave., Flagstaff (928) 774-1895

Mohave County:

Western Arizona Council of Governments
208 N. 4th St., Kingman (928) 753-6247

Interagency Council
1940 Mesquite Ave., Suite I, Lake Havasu City (928) 453-5800

Navajo County:

Salvation Army
161 E. Deuce of Clubs, Show Low (928) 532-4673

Madonna House (for Warm Spirit funds)
213 Jefferson St., Winslow (928) 289-9284

Santa Cruz County:

Southeastern Arizona Community Action Program
490 Chenoweth, Nogales, Ariz. (520) 287-5066

Yavapai County:

Catholic Social Services
736 Main St., Cottonwood (928) 634-4254

Catholic Social Services
434 W. Gurley St., Winslow (928) 778-2531

UniSource Energy Services also offers reduced rates for low income customers. Our CARES program provides discounts of up to \$15 per month to customers whose household income does not exceed 150 percent of the federal poverty level. For example, a family of four earning \$2,357 or less per month is eligible for CARES rates.

To see if you qualify for CARES, or for more information on any UES program, call or visit your local UES office, call 1-800-635-8033 or visit our Web site at uesaz.com.

UniSourceEnergy
SERVICES
Energizing Arizona

UniSource Energy Services
"Gas Price Ad"
Radio
90 seconds

(Music in background)

ANNOUNCER: While the weather's still warm outside, it's time to start thinking about the cost of heating your home this winter.

UniSource Energy Services expects that gas service will cost about the same this winter as it did last winter – about 90 cents per therm. That amount doesn't include taxes or a \$7 monthly charge, and the actual rate could be higher or lower due to fluctuations in the wholesale gas market.

UES can help make your winter bills more manageable. Our Budget Billing program eliminates seasonal swings in your energy expenses by charging you the same fixed amount every month. Budget Billing usually reduces winter bills and increases summer bills by spreading out your home heating costs across warm weather months.

~~We also can show you ways to cut expenses by using less gas. Visit our Web site at uesaz.com~~ for energy-saving tips and the brand new UES Energy Advisor, an interactive guide to energy conservation. Optimizing your use of gas and conserving as much as possible is the best way to reduce your bills.

UES works with local social service agencies to help low-income customers pay their bills and make their homes more energy efficient. Our CARES program also provides discounts of up to \$15 per month to qualifying customers. A family of four earning \$2,357 or less per month can qualify for CARES.

To learn more about any of these programs, please contact your local UES office, call 1-800-635-8033 or visit us online at uesaz.com.

UniSource Energy Services
"Gas Price Ad"
 Television
 30 seconds

Video	Audio
Tight shot of a furnace firing up; fade into image of a UES gas bill on a table; that image blurs.	NARRATOR: UniSource Energy Services would like to help you prepare for high heating costs this winter.
Full overlay with line graph showing trend in gas price from winter of 2003-04 through winter of 2004-05.	We expect gas service will cost about the same this winter as it did last winter. The cost could be higher, depending on the price UES must pay for gas.
Video of someone setting a programmable thermostat (or doing something else that would save them money, like caulking a window, etc.)	You can lower your bills by conserving energy.
Graphic showing the effect of budget billing on a bar graph displaying a year's worth of gas bills - the big peak you see for winter bills would get leveled off.	Our Budget Billing program can reduce your winter bills – while increasing your summer bills – with a fixed monthly charge for service.
Smiling customer service agent nods her head, mouths the words "Yes, we can help you" into a headset phone and types something into her computer.	We also offer assistance to low-income customers.
Previous image fades into a full overlay with animated version of UniSource Energy Services logo (like on the web site); the 1-800 number and the URL appear beneath.	For more information, please contact your local UES office or visit us online at uesaz.com .

UniSource Energy Services
"CARES Gas Program"
.60 seconds

If you're having trouble making ends meet, UniSource Energy Services would like to help. Our CARES program is designed to help low-income customers pay their winter gas bills.

If you qualify, CARES can reduce your bills by up to \$15 a month from November through April, when gas expenses typically reach their peak. A family of four earning less than \$2,357 a month is eligible for CARES. Income limits vary for households of different sizes.

Thousands of UES customers already receive CARES discounts, but many more who might be eligible have never applied. To see if you qualify, please contact us as soon as possible and ask about signing up for CARES.

It can take up to 30 days to verify program eligibility. So if you hope to qualify for CARES discounts this winter, please apply now.

For more information, contact your local UES office, call 1-800-635-8033 or visit us online at uesaz.com.

UniSource Energy Services
 "CARES Gas Program"
 Television Ad
 30 seconds

VIDEO

AUDIO

<p>A couple sits at a table looking at a pile of bills. The woman shakes her head as if she doesn't know what to do.</p>	<p>NARRATOR: If you're having trouble making ends meet, UniSource Energy Services offers a way to help you pay your winter gas bills.</p>
<p>Fade to full overlay with small UES logo on top and animated text highlighting each word of the acronym in succession : "CARES – Customer Assistance Residential Energy Support."</p>	<p>Our CARES program can save qualified low-income customers as much as \$15 a month from November through April.</p>
<p>The woman talks on the phone, seemingly asking for help.</p>	<p>Thousands of customers receive CARES discounts, but many who might be eligible have never applied.</p>
<p>Smiling UES customer service agent talks to customer on the phone, types into computer; possibly cut to someone who looks like they're verifying an application</p>	<p>To see if you qualify, please contact us soon. It takes up to 30 days to verify program eligibility.</p>
<p>Previous image fades into a full overlay with animated version of UniSource Energy Services logo (like on the web site). The 1-800 number and url appear underneath.</p>	<p>For more information, contact your local UES office or visit us online at uesaz.com</p>

Need Help Paying Your

Winter Gas Bills?

You might qualify for CARES discounts from UniSource Energy Services

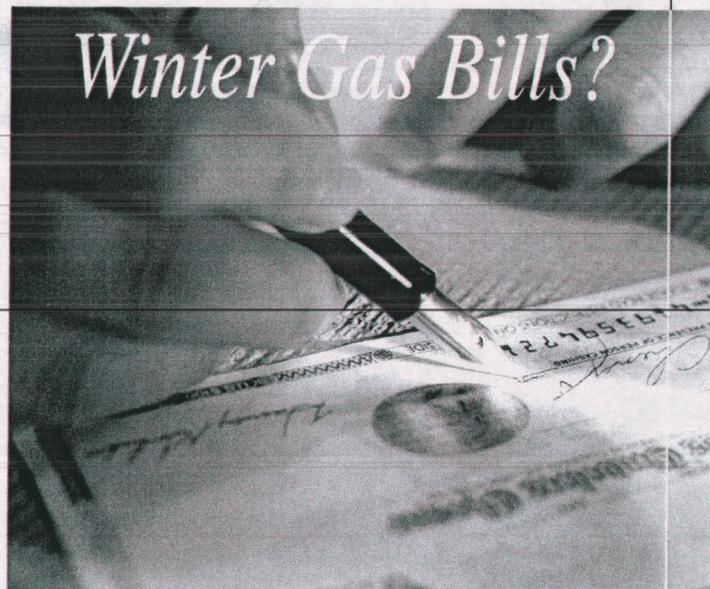
If you're having trouble making ends meet, UniSource Energy Services would like to help. Our Customer Assistance Residential Energy Support (CARES) program offers discounts designed to help low-income customers pay their winter gas bills.

From November through April, CARES offers a 15 cent-per therm discount for up to 100 therms of gas use each month. That means **qualifying customers can reduce their energy expenses by up to \$15 per month** during a season when gas bills typically reach their peak.

To qualify for CARES discounts, customers must have household incomes that do not exceed 150 percent of the federal poverty level. (See chart below)

CARES Income Guidelines

Number of People in Household	Monthly Income Less Than
1	\$ 1,164
2	\$ 1,562
3	\$ 1,959
4	\$ 2,357
5	\$ 2,754
6	\$ 3,152
7	\$ 3,549
8	\$ 3,947
9	\$ 4,344
10	\$ 4,742
More than 10	\$4,742 plus \$398 for each additional person



Thousands of UES customers are receiving CARES discounts, yet many more who may qualify for assistance have never applied. We can't determine if you are eligible for the program unless you fill out an application. So if you think you might qualify, please contact your local UES office as soon as possible and ask about signing up for CARES.

It can take up to 30 days to verify program eligibility after an application is submitted. If you hope to qualify for CARES this winter, please apply promptly to be sure your application is processed in time.

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UniSourceEnergy
SERVICES
Energizing Arizona

Need Help Paying Your Winter Gas Bills?

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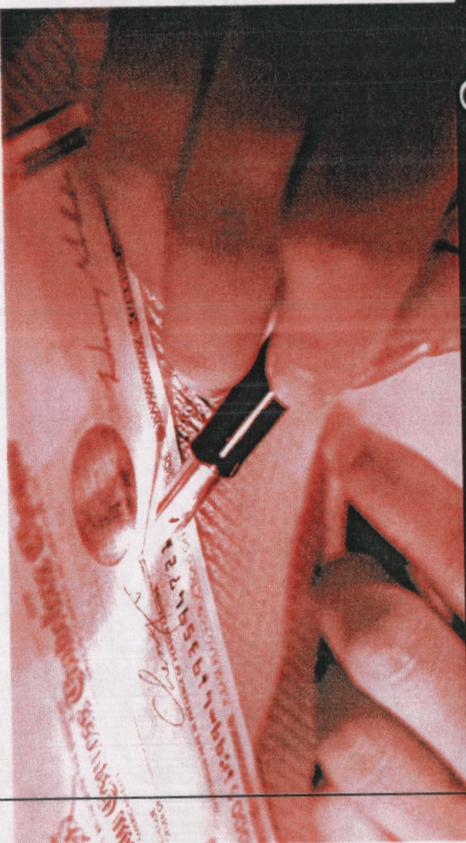
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