

ORIGINAL



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THIS AMENDMENT:		
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AZ CORP COMMISSION
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2005 OCT 14 P 4:46

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GLEASON PROPOSED AMENDMENT #2

DATE PREPARED: October 14, 2005

COMPANY: UNS Gas, Inc.

DOCKET NO: G-04204A-05-0596

OPEN MEETING DATES: October 18 and 19, 2005

AGENDA ITEM: U-2

Page 7, after line 25 INSERT new Finding of Fact to read:

“34. Staff’s proposed surcharge design is reasonable with respect to implementing a \$0.19 per therm commodity surcharge beginning in November 2005 and the addition of \$0.06 per therm in January 2006 to pay for the anticipated El Paso rate increase. However, we are concerned that reducing the resulting \$0.25 per therm surcharge to \$0.05 per therm beginning in November 2006 will increase the undercollected bank balance to \$16.2 million by January 2007 and that the undercollected balance will continue to increase unabated. This will weaken the Company’s financial condition. It will increase the amount that the ratepayers will ultimately have to pay while fostering the impression of a lesser impact that may not materialize. Therefore, we will adopt ‘Scenario 12,’ as described on the list attached to Staff’s memorandum.”

Renumber to conform

Page 8

STRIKE lines 19 and 20
INSERT:

“IT IS THEREFORE ORDERED that UNS Gas, Inc. shall implement a \$.019 per therm PGA surcharge beginning November 2005 and an additional \$0.06 per therm PGA surcharge beginning in January 2006, for a total PGA surcharge of \$0.25 per therm, which shall remain in effect until either the undercollected PGA bank balance is zero or the Commission orders otherwise.”

Make all conforming changes