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BEFORE THE ARIZONA CORPORATION COMMISSION

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Commissioner

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Commissioner

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Commissioner

Arizona Corporation Commission
DOCKETED

SEP 02 2003

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IN THE MATTER OF THE APPLICATION OF THE ARIZONA ELECTRIC DIVISION OF CITIZENS COMMUNICATIONS COMPANY TO CHANGE THE CURRENT PURCHASED POWER AND FUEL ADJUSTMENT CLAUSE RATE, TO ESTABLISH A NEW PURCHASED POWER AND FUEL ADJUSTMENT CLAUSE BANK, AND TO REQUEST APPROVED GUIDELINES FOR THE RECOVERY OF COSTS INCURRED IN CONNECTION WITH THE ENERGY RISK MANAGEMENT INITIATIVES.	DOCKET NO. E-01032C-00-0751
IN THE MATTER OF THE APPLICATION OF CITIZENS COMMUNICATIONS COMPANY, ARIZONA GAS DIVISION, FOR A HEARING TO DETERMINE THE FAIR VALUE OF ITS PROPERTIES FOR RATEMAKING PURPOSES, TO FIX A JUST AND REASONABLE RATE OF RETURN THEREON, AND TO APPROVE RATE SCHEDULES DESIGNED TO PROVED SUCH RATE OF RETURN.	DOCKET NO. G-01032A-02-0598

IN THE MATTER OF THE JOINT APPLICATION OF CITIZENS COMMUNICATIONS COMPANY AND UNISOURCE ENERGY CORPORATION FOR THE APPROVAL OF THE SALE OF CERTAIN ELECTRIC UTILITY AND GAS UTILITY ASSETS IN ARIZONA, THE TRANSFER OF CERTAIN CERTIFICATES OF CONVENIENCE AND NECESSITY FROM CITIZENS COMMUNICATIONS COMPANY TO UNISOURCE ENERGY CORPORATION, THE APPROVAL OF THE FINANCING FOR THE TRANSACTIONS AND OTHER RELATED MATTERS.	DOCKET NO. E-01933A-02-0914 DOCKET NO. E-01032C-02-0914 DOCKET NO. G-01032A-02-0914

NOTICE OF FILING REVISED TARIFF PAGES

On August 4, 2003, UniSource Energy Corporation filed tariffs on behalf of UNS Gas, Inc. and UNS Electric, Inc. in compliance with Decision No. 66028, reflecting all Commission-approved changes in the gas rate case filing and to the PPFAC. Those tariffs had an effective date of August 11, 2003.

Through this Notice, UNS Gas, Inc. and UNS Electric, Inc. ("Applicants") revise certain portions of those tariffs attached as Exhibit 1. These revisions include clarifying changes to the "Tax Clause" and "Rules and Regulations" provisions of the tariffs.[1] The revisions also make certain typographical corrections to the tariffs.[2] Applicants seek these changes for clarification and to provide for consistency with similar provisions approved and in effect for Tucson Electric Power Company. Also filed with

[1] These revisions are also incorporated into the new T-1 Transportation Tariff and T-2 Transportation Tariff for which UNS Gas, Inc. seeks approval in a separate filing made September 2, 2003.

[2] Applicants will provide to Commission Staff redlined versions of these tariffs highlighting the revisions.

this Notice is a revised Pricing Plan Summary for UNS Gas, Inc. reflecting the revisions made in the August 4, 2003 filing.

Applicants respectfully request that these revisions be approved retroactively to August 11, 2003. If, however, the Commission deems these revisions as new tariff filings, Applicants will, of course, work with Commission Staff to provide any additional information necessary for the processing of these revisions.

Respectfully submitted this 2nd day of September, 2003.

LEWIS AND ROCA LLP

By _____
Thomas H. Campbell
Michael T. Hallam
40 N. Central Avenue
Phoenix, Arizona 85004
Attorneys for Applicants

ORIGINAL AND seventeen (17) copies of the foregoing hand-delivered this 2nd day of September, 2003, to:

Arizona Corporation Commission
Utilities Division – Docket Control
1200 W. Washington Street
Phoenix, Arizona 85007

COPY of the foregoing hand-delivered this 2nd day of September, 2003, to:

Jason Gellman
Lisa A. Vandenberg
Legal Division
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, Arizona 85007

Ernest Johnson, Director
Utilities Division
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, Arizona 85007

Jayne Williams

EXHIBIT 1

UniSourceEnergy SERVICES

UNS Electric, Inc.
Pricing Plan Rider No. 1
Purchased Power Fuel Adjuster Clause (PPFAC)

APPLICABILITY

The PPFAC will be applied to all customers taking Standard Offer service from the Company pursuant to the Arizona Corporation Commission ("ACC") Decision No. 66028 dated July 3, 2003.

RATE

The customer monthly bill shall consist of the applicable Pricing Plan charges and adjustments in addition to the PPFAC. The PPFAC adjuster rate may be adjusted by a true-up mechanism from time to time, and the per kWh charge modified to reflect an increase or decrease, as approved by the ACC.

PPFAC Adjuster Rate

$0.01825 per kWh

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this pricing plan.

UniSourceEnergy SERVICES

UNS Gas, Inc.
PPS-1
Pricing Plan Summary

Pricing Plan	Description	Therm Use Limits	Effective Date	Customer Charge	Margin	Gas Cost	Basic Cost of Service Rate	ACC Approving Decision No.
R-10	Residential Gas Service		8/11/03	$7.00	$0.3004	$0.4000	$0.7004	Decision No. 66028
R-12	C.A.R.E.S. (Applicable for the billing months of November through April)		8/11/03	$7.00	$0.1504	$0.4000	$0.5504	Decision No. 66028
C-20	Small Volume Commercial Service	≤ 120,000 therms	8/11/03	$11.00	$0.2420	$0.4000	$0.6420	Decision No. 66028
C-22	Large Volume Commerical Service	> 120,000 therms	8/11/03	$85.00	$0.1551	$0.4000	$0.5551	Decision No. 66028
I-30	Small Volume Industrial Service	≤ 120,000 therms	8/11/03	$11.00	$0.2122	$0.4000	$0.6122	Decision No. 66028
I-32	Large Volume Industrial Service	> 120,000 therms	8/11/03	$85.00	$0.0864	$0.4000	$0.4864	Decision No. 66028
PA-40	Small Volume Public Authority Service	≤ 120,000 therms	8/11/03	$11.00	$0.2354	$0.4000	$0.6354	Decision No. 66028
PA-42	Large Volume Public Authority Service	> 120,000 therms	8/11/03	$85.00	$0.1084	$0.4000	$0.5084	Decision No. 66028
PA-44	Special Gas Light Service		8/11/03		Various			Decision No. 66028
IR-60	Irrigation Service		8/11/03	$11.00	$0.2876	$0.4000	$0.6876	Decision No. 66028
CGS-1	Competitive Gas Service	> 10,000 therms	8/11/03		Negotiated			Decision No. 66028
CNG-1	Compressed Natural Gas Service		8/11/03	various			N/A	Decision No. 66028
EC-1	Electric Cogeneration Service		8/11/03	$85.00	$0.0488	$0.4000	$0.4488	Decision No. 66028
MISC-1	Miscellaneous Service Fees		8/11/03		Various			Decision No. 66028
NSP-1	Negotiated Sales Program		8/11/03		Negotiated			Decision No. 66028
T-1	Transportation of Customer-Secured Natural Gas	> 120,000 therms	8/11/03	Otherwise applicable base rates less embedded gas costs				Decision No. 66028
RR-1	Purchased Gas Adjustment		8/11/03					Decision No. 66028

UniSourceEnergy SERVICES

UNS Gas, Inc.
Pricing Plan R-10
Residential Gas Service

AVAILABILITY

In all territories served by Company at all points where facilities for gas service are available to the premise served.

APPLICABILITY

Subject to availability, at point of delivery, to residential gas service in individual residences and individually metered apartments when all service is metered through one meter.

RATE

A monthly net bill at the following rate plus any adjustments incorporated in this pricing plan:

Minimum Customer Charge per month @	$7.00
Basic Cost of Service Rate per therm @	$0.7004

(Base cost of gas of $0.4000 per therm is included in the basic cost of service rate)

Purchased Gas Adjustment: The basic cost of service rate set forth above shall be increased or decreased by the amount of the purchased gas adjustment for the billing month computed in accordance with the provisions of Rider RR-1. The purchased gas adjustment enables the Company to increase or decrease the basic cost of service rate in order to pass on increases or decreases in the base cost of gas to customers.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the gas or gas service sold and/or the volume of gas or gas service purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this pricing plan.

UniSourceEnergy SERVICES

UNS Gas, Inc.
Pricing Plan R-12
Company's Assistance Residential Energy Support (C.A.R.E.S.)

AVAILABILITY

In all territories served by Company at all points where facilities for gas service are available to the premise served.

APPLICABILITY

To gas service qualifying for billing under Residential Pricing Plan R-10 where the customer also has qualified for Pricing Plan R-12 as specified in the Company's plan for administration. All provisions of Pricing Plan R-10 will apply except as modified herein.

RATE

The monthly bill shall be in accordance with Pricing Plan R-10 except:

Basic Cost of Service Rate: first 100 therms or less per month will be discounted by $0.1500 per therm for the billing months of November through April.

SPECIAL CONDITIONS

1. Eligibility requirements for C.A.R.E.S. are set forth on the Company's Application and Declaration of Eligibility for Low Income Ratepayer Assistance form. Customers who desire to qualify for this pricing plan must initially make application to the Company for qualification and must obtain verification from the Arizona Department of Economic Security that the customer's household gross income does not exceed one hundred fifty percent (150%) of the federal poverty level. Qualified customers must have an approved application form on file with the Company. For each year subsequent to the initial certification, the residential customer seeking to retain eligibility for the C.A.R.E.S. must provide a personal certification that the household gross income of the residential dwelling unit involved does not exceed one hundred fifty percent (150%) of the federal poverty level.

2. Re-certification will be required prior to November 1 of each year and when a customer changes residence.

3. Eligible customers shall be billed under this pricing plan during the winter season, commencing with the next regularly scheduled billing period after the Company has received the customer's properly completed application form or re-certification.

4. Eligibility information provided by the customer on the application form may be subject to verification by the Company. Refusal or failure of a customer to provide documentation of eligibility acceptable to the Company, upon request of the Company, shall result in removal from or ineligibility for this pricing plan.

PRICING PLAN R-12 (continued)

5. Customers who wrongfully declare eligibility or fail to notify the Company when they no longer meet the eligibility requirements may be rebilled for the period of ineligibility under their otherwise applicable residential pricing plan.

6. It is the responsibility of the customer to notify the Company within thirty (30) days of any changes in the customer's eligibility status.

7. Customers with connected service to pools, spas, or hot tubs are eligible for this pricing plan only if usage is prescribed in writing by a licensed physician.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the gas or gas service sold and/or the volume of gas or gas service purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this pricing plan.

UniSourceEnergy SERVICES

UNS Gas, Inc.
Pricing Plan C-20
Small Volume Commercial Service

AVAILABILITY

In all territories served by Company at all points where facilities for gas service are available to the premise served.

APPLICABILITY

To all commercial customers whose primary business activity at the location served is not provided for under any other pricing plan, whose usage does not exceed 120,000 therms per year when all service is supplied at one point of delivery, and whose gas is metered through one meter.

RATE

A monthly net bill at the following rate plus any adjustments incorporated in this pricing plan:

Minimum Customer Charge per month @	$11.00
Basic Cost of Service Rate per therm @	$0.6420

(Base cost of gas of $0.4000 per therm is included in the basic cost of service rate)

Purchased Gas Adjustment: The basic cost of service rate set forth above shall be increased or decreased by the amount of the purchased gas adjustment for the billing month computed in accordance with the provisions of Rider RR-1. The purchased gas adjustment enables the Company to increase or decrease the basic cost of service rate in order to pass on increases or decreases in the base cost of gas to customers.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the gas or gas service sold and/or the volume of gas or gas service purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this pricing plan.

UniSourceEnergy SERVICES

UNS Gas, Inc.
Pricing Plan C-22
Large Volume Commercial Service

AVAILABILITY

In all territories served by Company at all points where facilities for gas service are available to the premise served.

APPLICABILITY

To all commercial customers whose primary business activity at the location served is not provided for under any other pricing plan and whose preceding twelve (12) month usage exceeded 120,000 therms. Service is supplied at one point of delivery and gas is metered through one meter unless the Company, at its sole discretion, chooses to provide service through multiple meters.

For new customers, their expected usage must exceed 120,000 therms per year.

Any customer transferring from this schedule may not return for a period of twelve (12) billing periods.

RATE

A monthly net bill at the following rate plus any adjustments incorporated in this pricing plan:

Minimum Customer Charge per month @	$85.00
Basic Cost of Service Rate per therm @	$0.5551

(Base cost of gas of $0.4000 per therm is included in the basic cost of service rate)

Purchased Gas Adjustment: The basic cost of service rate set forth above shall be increased or decreased by the amount of the purchased gas adjustment for the billing month computed in accordance with the provisions of Rider RR-1. The purchased gas adjustment enables the Company to increase or decrease the basic cost of service rate in order to pass on increases or decreases in the base cost of gas to customers.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the gas or gas service sold and/or the volume of gas or gas service purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this pricing plan.

UniSourceEnergy SERVICES

UNS Gas, Inc.
Pricing Plan I-30
Small Volume Industrial Service

AVAILABILITY

In all territories served by Company at all points where facilities for gas service are available to the premise served.

APPLICABILITY

To all customers whose gas usage does not exceed 120,000 therms per year, who are served through a single meter, and whose primary business activity at the location served is included in one of the following classifications of the Standard Industrial Classification Manual of the U.S. Government:

Division B – Mining: All Major Groups;
Division D – Manufacturing: All Groups; and
Division E – Company: Power Generation only.

RATE

A monthly net bill at the following rate plus any adjustments incorporated in this pricing plan:

Minimum Customer Charge per month @	$11.00
Basic Cost of Service Rate per therm @	$0.6122

(Base cost of gas of $0.4000 per therm is included in the basic cost of service rate)

Purchased Gas Adjustment: The basic cost of service rate set forth above shall be increased or decreased by the amount of the purchased gas adjustment for the billing month computed in accordance with the provisions of Rider RR-1. The purchased gas adjustment enables the Company to increase or decrease the basic cost of service rate in order to pass on increases or decreases in the base cost of gas to customers.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the gas or gas service sold and/or the volume of gas or gas service purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this pricing plan.

UniSourceEnergy SERVICES

UNS Gas, Inc.
Pricing Plan I-32
Large Volume Industrial Service

AVAILABILITY

In all territories served by Company at all points where facilities for gas service are available to the premise served.

APPLICABILITY

To all customers whose gas usage over the preceding twelve (12) months exceeded 120,000 therms, and whose primary business activity at the location served is included in one of the following classifications of the Standard Industrial Classification Manual of the U.S. Government:

Division B – Mining: All Major Groups;
Division D – Manufacturing: All Groups; and
Division E – Utility: Power Generation only.

Service is supplied at one point of delivery and gas is metered through one meter unless the Company, at its sole discretion, chooses to provide service through multiple meters.

For new customers, their expected usage must exceed 120,000 therms per year.

Any customer transferring from this pricing plan may not return for a period of twelve (12) billing months.

RATE

A monthly net bill at the following rate plus any adjustments incorporated in this pricing plan:

Minimum Customer Charge per month @	$85.00
Basic Cost of Service Rate per therm @	$0.4864

(Base cost of gas of $0.4000 per therm is included in the basic cost of service rate)

Purchased Gas Adjustment: The basic cost of service rate set forth above shall be increased or decreased by the amount of the purchased gas adjustment for the billing month computed in accordance with the provisions of Rider RR-1. The purchased gas adjustment enables the Company to increase or decrease the basic cost of service rate in order to pass on increases or decreases in the base cost of gas to customers.

PRICING PLAN I-32 (continued)

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the gas or gas service sold and/or the volume of gas or gas service purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this pricing plan.

UniSourceEnergy SERVICES

UNS Gas, Inc.
Pricing Plan PA-40
Small Volume Public Authority Service

AVAILABILITY

In all territories served by Company at all points where facilities for gas service are available to the premise served.

APPLICABILITY

To all facilities operated by governmental agencies whose primary business activity at the location served is not provided for under any other pricing plan or special contract, whose usage does not exceed 120,000 therms per year when all service is supplied at one point of delivery and gas is metered through one meter.

RATE

A monthly net bill at the following rate plus any adjustments incorporated in this pricing plan:

Minimum Customer Charge per month @	$11.00
Basic Cost of Service Rate per therm @	$0.6354

(Base cost of gas of $0.4000 per therm is included in the basic cost of service rate)

Purchased Gas Adjustment: The basic cost of service rate set forth above shall be increased or decreased by the amount of the purchased gas adjustment for the billing month computed in accordance with the provisions of Rider RR-1. The purchased gas adjustment enables the Company to increase or decrease the basic cost of service rate in order to pass on increases or decreases in the base cost of gas to customers.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the gas or gas service sold and/or the volume of gas or gas service purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this pricing plan.

UniSourceEnergy SERVICES

UNS Gas, Inc.
Pricing Plan PA-42
Large Volume Public Authority Service

AVAILABILITY

In all territories served by Company at all points where facilities for gas service are available to the premise served.

APPLICABILITY

To all facilities operated by governmental agencies whose primary business activity at the location served is not provided for under any other pricing plan or special contract. Under this pricing plan, usage over the preceding twelve (12) months must exceed 120,000 therms when all service is supplied at one point of delivery and gas is metered through one meter unless the Company, at its sole discretion, chooses to provide service through multiple meters.

For new customers, their expected usage must exceed 120,000 therms per year.

Any customer transferring from this pricing plan may not return for a period of twelve (12) billing months.

RATE

A monthly net bill at the following rate plus any adjustments incorporated in this pricing plan:

Minimum Customer Charge per month @	$85.00
Basic Cost of Service Rate per therm @	$0.5084

(Base cost of gas of $0.4000 per therm is included in the basic cost of service rate)

Purchased Gas Adjustment: The basic cost of service rate set forth above shall be increased or decreased by the amount of the purchased gas adjustment for the billing month computed in accordance with the provisions of Rider RR-1. The purchased gas adjustment enables the Company to increase or decrease the basic cost of service rate in order to pass on increases or decreases in the base cost of gas to customers.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the gas or gas service sold and/or the volume of gas or gas service purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this pricing plan.

UniSourceEnergy SERVICES

UNS Gas, Inc.
Pricing Plan PA-44
Special Gas Light Service

AVAILABILITY

In all territories served by Company at all points where facilities for gas service are available to the facilities served.

APPLICABILITY

To all public authority customers for the operation by the Company of gas lights for streets in which gas distribution facilities are located.

RATE

A monthly net bill at the following rates plus any adjustments incorporated in this pricing plan:

Single Orifice @	$23.72
Double Orifice @	$39.53
Triple Orifice @	$54.86
Quadruple Orifice @	$71.16

(Base cost of gas of $0.4000 per therm is included in the basic cost of service rate)

Purchased Gas Adjustment: The basic cost of service rate set forth above shall be increased or decreased by the amount of the purchased gas adjustment for the billing month computed in accordance with the provisions of Rider RR-1. The purchased gas adjustment enables the Company to increase or decrease the basic cost of service rate in order to pass on increases or decreases in the base cost of gas to customers.

Lake Havasu City

Lighting Group A per light per month @	$13.57
Lighting Group B per light per month @	$16.28
(Lighting Groups defined below)	

CONDITIONS

1. The following definitions shall apply for Lake Havasu City Gas Lights:

   a. Lighting Group A includes those 14 lights on McCullough Boulevard between Smoketree and Lake Havasu Avenue and those 62 lights in the Lake Havasu Mobile Trailer Parks;
   b. Lighting Group B includes those 316 lights on the Country Club Golf Course;

PRICING PLAN PA-44 (continued)

2. Contracts for gas lighting service under this pricing plan must be for a minimum term of five (5) years.

3. The cost of relocation of any gas light that is requested by the customer will be reimbursed to the Company by the customer.

4. The customer is not authorized to make any connections to gas lines serving individual gas lights or make any alteration of such lights.

5. The Company will use diligence in maintaining gas lighting service and monthly bills will not be reduced because of any gas light outage.

6. Any special contracts for public authority lighting will be based on an analysis of costs of operation, maintenance, and investment. Any contracts pursuant to this pricing plan, which provide for higher rates than set forth in this pricing plan, will be filed with the Arizona Corporation Commission for approval.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the gas or gas service sold and/or the volume of gas or gas service purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this pricing plan.

UniSourceEnergy SERVICES

UNS Gas, Inc.
Pricing Plan IR-60
Irrigation Service

AVAILABILITY

In all territories served by Company at all points where facilities for gas service are available to the premise served.

APPLICABILITY

To all irrigation customers whose primary business activity at the location served is not provided for under any other pricing plan, who operates one or more gas-fueled engines, and gas is metered through one meter.

The Company may require that gas for engine use be separately metered and billed if necessary to prevent abuse or inequity in the application of this rate.

RATE

A monthly net bill at the following rate plus any adjustments incorporated in this pricing plan:

Minimum Customer Charge per month @	$11.00
Basic Cost of Service Rate per therm @	$0.6876

(Base cost of gas of $0.4000 per therm is included in the basic cost of service rate)

Purchased Gas Adjustment: The basic cost of service rate set forth above shall be increased or decreased by the amount of the purchased gas adjustment for the billing month computed in accordance with the provisions of Rider RR-1. The purchased gas adjustment enables the Company to increase or decrease the basic cost of service rate in order to pass on increases or decreases in the base cost of gas to customers.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the gas or gas service sold and/or the volume of gas or gas service purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this pricing plan.

UniSourceEnergy SERVICES

UNS Gas, Inc.
Pricing Plan CGS-1
Competitive Gas Service

AVAILABILITY

In all territories served by Company at all points where facilities for gas service are available to the premise served.

APPLICABILITY

Applicable to natural gas use by customers that quality for service under this pricing plan according to either applicability Provision 1. or 2. below:

1. Customers whose annual requirements are greater than 10,000 therms and who in the Company's sole judgment have facilities capable of installing or using alternative fuels or energy to adequately serve their needs.

2. Customers whose requirements may be served by other natural gas suppliers at rates lower than the customer's otherwise applicable gas sales pricing plan. As a condition precedent to qualifying for service under this applicability provision, the customer must establish to the satisfaction of the Company, that bypass is economically, operationally, and physically feasible.

Any gas service rendered to customers not in conformance with the provisions of this pricing plan shall be billed at a rate equivalent to the otherwise applicable gas sales pricing plan.

RATE

The maximum service charge is the charge under the customer's otherwise applicable gas sales pricing plan.

Unless otherwise provided, the commodity charge per therm shall be determined in accordance with Condition No. 2 defined below. In no event shall the commodity charge per therm be less than the "floor" cost of gas, which is defined as the sum of (1) the weighted average commodity cost of gas purchased by the Company for system supply during the month, (2) the applicable upstream pipeline capacity charge, and (3) an amount to reflect distribution system shrinkage.

For customers qualifying for service, and if the Company is unable to serve such customer utilizing the "floor" cost of gas as set forth above, a Special Gas Procurement Agreement shall be executed and filed with the Arizona Corporation Commission ("ACC"), and the commodity charge per therm shall be determined in accordance with Condition No. 3 defined below.

With the exception of gas sales provided for under Condition No. 3, the Company shall account for sales under this pricing plan using the "floor" cost of purchased gas.

PRICING PLAN CGS-1 (*continued*)

SUPPLIER REFUNDS

If, as a result of any final Order of the Federal Energy Regulartory Commission or the ACC that is no longer subject to judicial review, the Company receives a refund from any of its upstream pipeline transporters or suppliers which is applicable to gas sales made under this Competitive Gas Service Pricing Plan, the Company shall allocate such refund to its customers based on the terms billed during the refund period. The amount allocated to the customers served under this pricing plan shall be used to reduce such customer's gas costs.

CONDITIONS

1. Any qualified customer taking service under this pricing plan shall do so by agreement.

2. The commodity charge per therm may vary from customer to customer based on value of the service and on the customer's ability to change from one energy source to another, and may be revised from time to time as costs and conditions change. In no event shall the commodity charge per therm charged to the customer, excluding gross revenue taxes, exceed the commodity charge per therm that would have been charged under the customer's otherwise applicable gas sales pricing plan, adjusted to exclude any surcharge to amortize the balance in the Gas Cost Balancing Account.

3. A Special Gas Procurement Agreement under this pricing plan is defined herein as an agreement between the Company and an applicable customer, which enumerates the provisions whereby the Company will procure specific supplies of gas for the customer. The commodity charge per therm for Special Gas Procurement Agreement customers may vary depending on the terms and conditions of the Agreement, but in no event shall be less than the variable cost of gas procured from suppliers on behalf of the customer. A sole and separate accounting of gas purchases and sales made under Special Gas Procurement Agreements shall be maintained by the Company. The cost of gas purchases made for such customers will be excluded from the Purchased Gas Adjustment in Rider RR-1. However, the Company shall credit to Account No. 191, Unrecovered Purchased Gas Costs, all upstream pipeline capacity charges collected from the customer. (Note: Upstream pipeline capacity charges will be priced at market-based rates.)

4. All customers that qualify for service under this pricing plan because of alternate energy capability must be capable of installing adequate alternate energy facilities of equivalent capacity to those natural gas facilities served hereunder. These facilities are subject to Company inspection and verification of operating capacity and capability.

PRICING PLAN CGS-1 (continued)

5. Any customer served under this pricing plan who returns to an otherwise applicable gas sales pricing plan shall be billed at the then currently effective pricing plan.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the gas or gas service sold and/or the volume of gas or gas service purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this pricing plan.

UniSourceEnergy SERVICES

UNS Gas, Inc.
Pricing Plan CNG-1
Compressed Natural Gas Service
(Separately Metered)

AVAILABILITY

In all territories served by Company at all points where facilities for gas service are available to the premise served.

APPLICABILITY

Service under this pricing plan is available to any customer where the customer purchases natural gas to be used as a motor fuel. Service will be separately metered. This rate may include compression by the Company beyond normal meter sales pressure.

RATE

Customer Charge: For customers using Compressed Natural Gas for only their own vehicle(s), the customer charge is that from the otherwise applicable pricing plan. For all others, it is $30.00 per meter per month.

Basic Cost of Service Rates: The rate will be determined by a contract between the Company and the customer. In no case will the rate be lower than the Company's cost of gas, as determined by the most recent Purchased Gas Adjustment proceeding, nor will it be higher than one hundred fifty percent (150%) of the equivalent cost of premium gasoline.

Purchased Gas Adjustment: The basic cost of service rate set forth above shall be increased or decreased by the amount of the purchased gas adjustment for the billing month computed in accordance with the provisions of Rider RR-1. The purchased gas adjustment enables the Company to increase or decrease the basic cost of service rate in order to pass on increases or decreases in the base cost of gas to customers.

CONDITIONS

1. This pricing plan does not include any road use fees or permits.
2. Customer must provide an affidavit to the Company certifying that the gas delivered will be used as motor fuel.
3. Compressor stations are subject to inspection by qualified Company personnel.

PRICING PLAN CNG-1 (continued)

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the gas or gas service sold and/or the volume of gas or gas service purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this pricing plan.

UniSourceEnergy SERVICES

UNS Gas, Inc.
Pricing Plan EC-1
Electrical Cogeneration Service

AVAILABILITY

In all territories served by Company at all points where facilities for gas service are available to the premise served.

APPLICABILITY

Service under this pricing plan is available to any customer who enters into a contract with the Company to use natural gas for the purpose of cogeneration. Cogeneration is defined as the use of thermal energy to produce electricity with recapture of by-product heat in the form of steam, exhaust heat, etc. for industrial process use, space heating, food processing, or other purposes.

RATE

A monthly net bill at the following rate plus any adjustments incorporated in this pricing plan:

Minimum Customer Charge per month @	$85.00
Basic Cost of Service Rate per therm @	$0.4488

(Base cost of gas of $0.4000 per therm is included in the basic cost of service rate)

Purchased Gas Adjustment: The basic cost of service rate set forth above shall be increased or decreased by the amount of the purchased gas adjustment for the billing month computed in accordance with the provisions of Rider RR-1. The purchased gas adjustment enables the Company to increase or decrease the basic cost of service rate in order to pass on increases or decreases in the base cost of gas to customers.

CONDITIONS

1. Gas taken under this pricing plan shall be used exclusively for the purpose of cogeneration as defined in the Applicability section of this pricing plan and not for other purposes. The gas taken under this pricing plan will be separately metered.

2. This pricing plan will not be available for standby use.

3. For the purpose of this pricing plan, the annual load factor must be sixty percent (60%) or greater. The annual load factor is defined as the customer's total annual consumption divided by the customer's peak month consumption times twelve (12). If less than a sixty percent (60%) load factor occurs for a twelve (12) month period, the rate charged will be the rate that the customer would otherwise be served under for the months in which the annual load factor did not equal sixty percent (60%).

PRICING PLAN EC-1 (continued)

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the gas or gas service sold and/or the volume of gas or gas service purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this pricing plan.

UniSourceEnergy SERVICES

UNS Gas, Inc.
Pricing Plan MISC-1
Miscellaneous Service Fees

In addition to the Pricing Plans on file and approved by the Arizona Corporation Commission for natural gas service, the following fees are also approved for the respective services listed:

Service Transfer Fee	
Transfer of service from one customer to another, when meter is not turned off, per occurrence @	$15.00
Collection Fee	
When overdue payment is collected by a Company representative at the customer's premises, per occurrence @	$20.00
Special Call Out	
When a special call-out is required, the minimum charge shall be for one hour at the Company's then prevailing after hours rate for service work on the customer's premises.	
Establishment of Service	
During regular working hours, per occurrence @	$25.00
When performed outside of regular working hours, per occurrence @	$35.00
Re-establishment, Reconnection of Service for Non-Payment	
During regular working hours, per occurrence @	$45.00
When performed outside of regular working hours, occurrence @	$55.00
Re-establishment, Reconnection of Service for Other Reasons	
During regular working hours, per occurrence @	$35.00
When performed outside of regular working hours, per occurrence @	$45.00
Customer Requested Meter Re-Reads	
When reading is correct, per occurrence @	$15.00
Customer Requested Meter Test	
When meter tests are accurate within +/- 3%, per occurrence @	$65.00
Insufficient Funds Check (NSF)	
Insufficient funds, per occurrence @	$15.00
Multiple Attempts to Connect	
When more than one failed attempt to establish service due to customer not home or facilities not ready, per occurrence @	$15.00

Regular working hours are defined as non-holiday weekdays from 8:30 AM to 4:30 PM.

UniSourceEnergy SERVICES

UNS Gas, Inc.
Pricing Plan NSP-1
Negotiated Sales Program

AVAILABILITY

In all territories served by Company at all points where facilities for gas service are available to the premise served.

APPLICABILITY

Available to all customers who receive service under the Company's T-1 pricing plan (Transportation of Customer-Secured Natural Gas), T-2 pricing plan (Transportation Service Using Dedicated Transmission Facilities), or special gas supply agreements approved by the Arizona Corporation Commission ("ACC") that meet the minimum transportation requirements under the T-1 or T-2 pricing plans.

Service under the Negotiated Sales Program ("NSP") will be the sale of natural gas to a transportation customer who has negotiated with the Company for the delivery of natural gas to the interconnection of the Company's distribution system and an upstream pipeline at the City Gate. NSP service will be firm or interruptible service at the election of the Customer.

RATE

The rates to be charged for this service shall be those negotiated between the Company and each Customer.

CONDITIONS

NSP service shall be provided subject to the provision of this pricing plan, the T-1 pricing plan, the T-2 pricing plan, or special gas supply agreements approved by the ACC, as applicable.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the gas or gas service sold and/or the volume of gas or gas service purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this pricing plan.

1. APPLICABILITY

This pricing plan is available to any qualifying Customer for transportation of natural gas by the Company from existing interconnects between the Company and upstream pipelines (herein called Receipt Point) to the Delivery Point(s) on the Company's system throughout its certificated Arizona Gas Service Area under the following conditions:

1.1 The Company has available capacity to render the requested service without contraction of any additional facilities, except as provided by Section 7 hereof.

1.2 The Customer has demonstrated to the Company's satisfaction the assurance of natural gas supplies and third-party transportation agreements with quantities, and for a term compatible with the service being requested from the Company.

1.3 The customer and the company have executed a Transportation Agreement, and the Customer is to be the End-User.

1.4 The Customer's gas to be transported is greater than 120,000 therms per year.

2. SERVICES AVAILABLE

2.1 Transportation: Service is firm and uninterrupted except for the following:

(a) Curtailment will be in accordance with the Company's curtailment priority procedures;

(b) When the Company determines it has insufficient capacity on its system or from its upstream pipeline;

(c) The Customer's gas supply to the Company is insufficient to meet its requirement.

2.2 Back-Up Service: For Customers that desire the Company to maintain upstream pipeline capacity and gas supplies when their contracted transportation gas supplies are unavailable for delivery to the Company's system. The customer may specify all, a portion, or none of its transportation contracted requirements to be under this service.

PRICING PLAN T-1 (continued)

3. RATES

3.1 A discount from the following rates may be offered at the sole discretion of the Company if such discount is in the best interest of the Company and its ratepayers. The maximum amount that the Customer shall pay the Company monthly will be the sum of the following charges:

Basic Customer Charge per Month: $85.00

Volume Charge: An amount equal to the applicable unit transportation rate for each therm of Customer-secured gas metered and delivered to the Customer. The unit rates shall be as set forth in the currently effective Pricing Plan Summary. The volume charge will consist of the following:

(a) An amount equal to the applicable unit sales margin for each therm as set forth in the Customer's otherwise applicable sales pricing plan. This volume charge will cover the Company's cost of service charge as specified in the currently effective gas sales pricing plan but not including the gas costs specified therein. In no event will the minimum charge be less than that set forth in Item 4.1 below.

(b) An amount to reflect lost and unaccounted for gas as determined by the differential between the gas costs on a sales basis and gas costs on a purchase basis determined in the development of the currently effective Purchased Gas Adjustment, Rate Rider No. RR-1. The Company, at its sole option, may allow lost and unaccounted for gas to be paid in kind.

(c) Any charges from upstream transporters which have not been included in the rates as described in Item 3.1 above which have been incurred by the Company and are deemed by the Company to be applicable to the transportation service rendered for the Customer under these pricing plans. Further, any special surcharges or minimum bill provisions of rates or contracts existing as of the effective date of this pricing plan shall remain in full force and effect.

(d) Back-Up Service Reservation Rate: An amount equal to the market cost of reserving dekatherms ("DTH") of capacity on the upstream pipelines. This rate will be multiplied by the quantity of Back-Up Service requested by the Customer. This collected amount shall be credited to Account No. 191, Unrecovered Purchased Gas Costs account.

(e) Back-Up Service Commodity Charge: An amount equal to the unit sales rate of the Customer's otherwise applicable gas sales pricing plan.

PRICING PLAN T-1 (continued)

3.2 The charges specified for this pricing plan are subject to adjustment for the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the gas or gas service sold and/or the volume of gas or gas service purchased for sale and/or sold hereunder which are not otherwise included in the Company's margin rates.

4. MINIMUM CHARGE

4.1 The minimum charge will be the Basic Customer Charge plus $0.005 per therm plus the Back-Up Service Reservation Rate, if applicable.

5. ADMINISTRATIVE PROCEDURES

5.1 Processing Requests for Transportation Service - Requests for transportation hereunder shall be made by, and shall be deemed to be complete upon, the Customer providing the following information to the Company:

(a) Gas Quantities - The Maximum Daily Quantity applicable to the receipt point and the Maximum Daily Quantity applicable to each delivery point, and estimated total quantities to be received and transported monthly over the delivery period should be stated individually in therms for each receipt point.

(b) Delivery Point(s) - Point(s) of delivery by the Company to the Customer.

(c) Term of Service -
   i. Date service requested to commence; and
   ii. Date service requested to terminate.
   iii. Minimum term for transportation service shall be twelve (12) months.

(d) Performance - A statement from the Customer certifying that the Customer has or will have title to the gas to be delivered to the Company for transportation and has entered into or will enter into those arrangements necessary to assure all upstream transportation will be in place prior to the commencement of service under a Transportation Agreement. The Customer's Agent, if any, must be named.

PRICING PLAN T-1 (continued)

(e) Level of Back-Up Service - Customers not electing Back-up Service as set forth in Item 2.2 shall provide a statement to the Company certifying that: (1) the Customer has the capability to burn an alternative fuel, or (2) the Customer understands that the Company is not reserving capacity nor maintaining gas supply for the Customer's requirements in the event of interruption due to the Customer's or its Agent's failure to cause deliveries of gas supply to the Company's system to meet the Customer's requirements.

Upon receipt of all of the information specified above, the Company shall prepare and tender to the Customer for execution a Transportation Agreement. If the customer fails to execute the Transportation Agreement within thirty (30) days of the date tendered, the Customer's request shall be deemed null and void.

6. OPERATING PROCEDURES

6.1 Scheduling of Gas Receipts and Deliveries - The Customer shall be responsible for contacting the Company to arrange the scheduling of receipts and deliveries hereunder, provided, however, that the Customer may designate one (1) other party to serve as his agent for such purpose. The Customer or Customer's agent shall maintain communications with the Company dispatcher at all times to ensure the coordination of receipts and deliveries of natural gas both across the Company's Distribution System and the upstream pipeline system, In any event, the Customer or Customer's Agent shall notify the Company dispatcher at least once each day not later than 8:00 AM Mountain Standard Time as to the following:

(a) The quantities of natural gas actually delivered during the previous day at each receipt point under the Customer's Transportation Agreement with the Company with such volumes confirmed by the upstream pipeline system to the Company dispatcher.

(b) The total quantities of gas taken by the Customer during the previous day at each delivery point under the Transportation Agreement.

(c) The quantities of natural gas which the Customer expects to consume at each delivery point for the next scheduled gas flow day in accordance with the upstream pipelines nominating and scheduling provisions.

PRICING PLAN T-1 (continued)

6.2 The Company may require additional information or enforce other operating procedures as deemed necessary in the Company's sole judgment, in order to coordinate gas volumes and the movement of gas through the upstream pipeline system to the Company's Arizona Gas Service Area. These additional operating procedures may be enforced upon verbal notice to each Customer or the customer's agent with twenty-four (24) hour notice of implementation.

6.3 Balancing - Balancing of thermally equivalent volumes of gas received and delivered shall be achieved as nearly as feasible on a daily basis, taking into account the Customer's right, subject to prior Company approval, to vary receipts and deliveries across the Company Distribution System. The Customer will not vary receipts and deliveries from those amounts nominated and confirmed to the Company without the Company's prior approval. Deliveries shall be those volumes which have passed the delivery point as determined by the Company's meter. Customers shall be allowed a maximum daily delivery imbalance of plus or minus twenty-five percent (25%) of the daily nomination or 1,370 therms, whichever is greater, (herein called daily operating window) without penalty, subject to the right of the Company upon notice to reduce such allowable daily operating window if required in its sole judgment to maintain consistency of its procedures with those of its upstream pipelines. Such notice shall be the lesser of twenty-four (24) hours or that time period imposed by the upstream pipelines. If in the Company's' sole good faith judgment, operating conditions permit, the Company will increase the daily operating window with such increase operable on a day-to-day basis. Any delivery imbalance (plus or minus) carried forward shall be considered first through the meter during the next daily or monthly period, as applicable. Subject to the determination of the Company, monthly imbalances may be carried forward only to the extent allowable by the upstream pipelines. Any balances not permitted to be carried forward will be cashed-out monthly in accordance with the applicable upstream pipeline's cash-out tariff provisions.

6.4 Adjustments - Periodically, volume adjustments may be made by the upstream pipelines or the Customer's agent. Therefore, actual daily volumes invoiced will be compared with daily nominated volumes. Should adjustments to the nominated volumes become necessary, such adjustments will be applied to the nomination for the month in which the volumes were delivered to the Customers for the purposes of determining the applicability of the provisions of this pricing plan.

6.5 Other Procedures - The Company reserves the right to impose, at any time, any reasonable operating conditions upon the transportation of the Customer's gas which the Company, in its sole good faith judgment, deems necessary to maintain the safe and efficient operation of its distribution system, or to make the operating terms and conditions of service hereunder compatible with those of its upstream pipelines.

PRICING PLAN T-1 (continued)

7. PAYMENT FOR EXCESS QUANTITIES

7.1 Daily excess quantities of gas shall be charged as follows:

(a) When receipt by the Company exceeds delivery to the Customer, to the extent daily delivered volumes are not within the daily operating window, the amount which exceeds the daily operating window shall be retained by the Company free and clear of any adverse claims relating thereto. The volumes within the daily operating window shall be carried forward to the next day for delivery to the Customer.

(b) When delivery to the Customer exceeds receipt by the Company, and the Customer has contracted for sufficient Back-Up Service, the volumes delivered by the Company to the Customer exceeding the daily operating window shall be billed at the rate of the otherwise applicable gas sales pricing plan. The volumes within the daily operating window shall be carried forward to the next day for replacement by the Customer.

(c) When delivery to the Customer exceeds receipt by the Company, and the Customer has not contracted for sufficient Back-Up Service, or Customer has been notified to interrupt and continues to take gas, such excess volumes will be billed at the rate of the otherwise applicable gas sales pricing plan for which Customer would otherwise qualify, plus a penalty of the higher of $10.00 per DTH or any penalties and additional costs imposed by the upstream pipelines and the Company's gas suppliers.

7.2 Notwithstanding the provisions outlined in Section 7.1 above, should the Customer cease to utilize transportation service under this pricing plan, the Company may allow, in its sole good faith judgment, any remaining imbalance to be cleared as follows:

(a) When receipt by the Company exceeds delivery to the Customer, the Company shall credit the Customer for the excess quantity at a price equal to the lowest delivered system supply price paid by the Company during the prior month for gas delivered to the Company within its Arizona Gas Service Area.

(b) When delivery to the Customer exceeds receipt by the Company, the Customer shall pay the Company for the excess quantity at the otherwise applicable gas sales pricing plan rate.

PRICING PLAN T-1 (continued)

7.3 Under no circumstances shall Section 7.1 above be considered as giving the Customer any right to take excess quantity gas, other than as provided by Section 6.3 hereof, no shall Section 7.1 or payment thereunder be considered as a substitute for any other remedy available to the Company against the offending Customer for failure to respect its obligation to stay within its authorized quantities.

8. FACILITY ADDITIONS

8.1 Any facilities which must be installed by the Company to serve the Customer will be constructed in accordance with the Rules and Regulations as approved from time to time by the Arizona Corporation Commission. Telemetering facilities, if required by the Company to perform transportation service for the Customer, will be installed at Customer expense. Further, any existing special surcharges or minimum bill provisions designed to recover the cost of facilities for any Customer shall remain in effect and may serve to increase maximum allowable transportation rate levels pursuant to this pricing plan.

9. THIRD PARTY CHARGES

9.1 The Customer shall reimburse the Company for any charges rendered or billed to the Company by its upstream pipelines and by any other upstream transporter and gas gatherers, either before or after termination of the Transportation Agreement, which the Company, in its sole good faith judgment, determines have been incurred because of the transportation of Customer's gas hereunder and should, therefore, appropriately be borne by the Customer. Such charges, whether levied in dollars or gas, may include, but shall not be limited to, standby charges or reservation fees, prepayments, applicable taxes, applicable fuel reimbursement, shrinkage, lost and unaccounted for volumes, Gas Research Institute surcharges, penalty charges and filing fees.

The Customer will reimburse the Company for all such charges incurred by the Company as rendered, irrespective of the actual quantities of natural gas delivered to the Customer.

10. CONDITIONS FOR CONVERTING TO T-1 SERVICE

Any qualified Customer converting from gas sales service to service under this pricing plan is subject to the following conditions and requirements:

10.1 Conversion to T-1 service will occur as of the beginning of the first calendar month following the end of five (5) days after receipt of the customer service change request.

PRICING PLAN T-1 (continued)

10.2 Customer is subject to bill charge or credit based on the Customer's pro rata share of the balance in the Company's Gas Cost Adjustment Bank, calculated as follows:

(a) Starting from the later of the month of initiation of gas sales service by the Customer, or the date of initiation of the current Gas Cost Adjustment bank, through the last month of sales service, the Customer's actual therm usage will be multiplied, on a month-by-month basis, by the difference between the Company's actual commodity cost per therm and the Gas Cost component of the Base Pricing Plan Sales Service Rate adjusted for any Gas Cost Adjustment and Gas Cost Surcharge that may be in effect from time to time;

(b) The sum of these monthly calculated values equals the Customer's charge or credit due for conversion to service under this pricing plan;

(c) Customer charge or credit will be paid in twelve (12) equal monthly payments, including interest equal to the carrying charge rate applicable to the Gas Cost Adjustment bank at the time of conversion to service under this pricing plan.

10.3 If a Customer converts back to a pricing plan for gas sales service while the Gas Cost Surcharge existing at the time of the switch to T-1 service is still in effect, such Surcharge will not be applicable to the Customer's billed usage for the period it remains in effect. However, any future Gas Cost Surcharge that may be put into effect will be applicable to the Customer's billed usage.

11. TAX CLAUSE

11.1 To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the gas or gas service sold and/or the volume of gas or gas service purchased for sale and/or sold hereunder.

12. RULES AND REGULATIONS

12.1 The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this pricing plan.

PRICING PLAN T-1 (continued)

13. CONDITIONS

13.1 Transportation of Customer owned natural gas hereunder shall be limited to natural gas of equal or higher quality than natural gas currently available from the Company's supplier(s). All gas delivered by the Company to the Customer shall be deemed to be the same quality as that gas received by the Company for transportation.

13.2 With respect to the Company's capacity to deliver gas at any particular time, the curtailment priority of any Customer served under this pricing plan shall be the same as the curtailment priority established for other Customers served pursuant to the Company's pricing plan which would otherwise be available to such Customer.

UniSourceEnergy SERVICES

UNS Gas, Inc.
Rider RR-1
Purchased Gas Adjustment (PGA)

APPLICABILITY

To all Company pricing plans, unless otherwise specified.

CHANGE IN RATE

Sales pricing plans include a specified level of embedded gas costs in their Basic Cost of Service Rate that result in a system average base cost of gas of $0.40 per therm. In accordance with Decision Nos. 61225 and 62994, issued by the Arizona Corporation Commission ("ACC"), a monthly adjustment to the base cost of gas will be made through a change in the Purchased Gas Adjustment ("PGA") rate, based on the rolling twelve (12) month average of actual purchased gas costs and sales. The ACC has banded the PGA rate change so that the new PGA rate calculated for the month cannot be more than $0.10 per therm different than the PGA rate in effect during any of the preceding twelve (12) months, unless authorized by the ACC. The ACC has authorized a rate of $0.15 per therm for a period of twelve consecutive months, beginning with the first calendar month after ACC approval in Decision No. 66028. At the end of the twelve consecutive months, the PGA rate shall revert to the previous $0.10 per therm over twelve (12) months limitation. Additional requirements are stated below.

BANK BALANCE

The Company shall maintain an account to assure that it will neither over nor under collect, except to the extent authorized, as a result of adjustment in rates determined under the operation of this pricing plan. Entries shall be made monthly to reflect the amounts paid to suppliers for gas as recorded in the Federal Energy Regulatory Commission series of accounts numbered 800 through 806, less the Base Cost of such gas (adjusted volumes multiplied by the Base Price) and revenues produced by the operation of this pricing plan and any other refunds or payments authorized by the ACC. Interest will be applied to over and under collected bank balances based on the non-financial three (3) month commercial paper rate for each month, contained in the Federal Reserve Statistical Release, G-13, or its successor publication.

MONTHLY INFORMATION FILINGS

Each month, the Company shall make a cost of gas information filing that shall include gas volumes and costs by supply source, supplier refunds, credits, billing adjustments, and lost and unaccounted for gas. Each filing shall include monthly sales revenues, volumes, and number of customers by class. The filing should also include historical summaries of actual twelve (12) month purchase gas volumes, costs and sales activity to support the computation of the monthly PGA rate, in the format required by Decision Nos. 61225 and 62994.

RIDER RR-1 (continued)

ADDITIONAL REQUIREMENTS

A special PGA review is required if the PGA bank balance reaches an over or under collection in the amount of $4,450,000. The Company must file an application for an adjustment within forty-five (45) days of completing the monthly informational filing that illustrates the threshold has been exceeded or contact the ACC to discuss why a PGA rate adjustment is not necessary at this time. If the Company elects to file for an adjustment, it will submit a request to the ACC in the form of a surcharge (increase) or surcredit (decrease) to the PGA rate. The ACC, upon review, may authorize the balance to be amortized through the surcharge/surcredit as part of the PGA for a specified period. Lost and unaccounted for gas recovery is limited to the lesser of the actual costs incurred or up to five percent (5.00%) of total annual throughput.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the gas or gas service sold and/or the volume of gas or gas service purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this pricing plan.