

<b>ORIGINAL</b>		<b>THIS AMENDMENT:</b>	
_____ Passed	_____ Passed as amended by _____		
_____ Failed	_____ Not Offered		



**MAYES PROPOSED AMENDMENT # 1**

DATE PREPARED: October 31, 2007

COMPANY: UNS Gas, Inc.

AGENDA ITEM NO. U-2

DOCKET NO. G-04204A-06-0463 et al.

OPEN MEETING DATE: November 8, 2007

G-04204A-06-0013

G-04204A-05-0831

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DELETE from line 18 beginning with, "However, the RUCO...", through line 23.

INSERT: "We believe that the amount of legal expenses granted to UNS in this case should be set at a just and reasonable level that is reflective of the amount of legal expenses UNS is likely to annually incur. El Paso FERC cases have not been annually occurring events; therefore, we believe that the allowance for legal expenses should be adjusted to a normal, ongoing level. We believe that a total allowance of \$1 million, normalized over three years, for legal expenses is appropriate in this case. This would provide the Company with \$333,400 annual allowance. We therefore believe it is reasonable, based on the record, to allow legal expenses of \$333,400 to UNS in this case."

Make all conforming changes, including changes to revenue requirement and rates.

Arizona Corporation Commission  
**DOCKETED**  
OCT 31 2007

DOCKETED BY	<i>nr</i>
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**RECEIVED**  
 2007 OCT 31 P 4:46  
 AZ CORP COMMISSION  
 DOCKET CONTROL