

ORIGINAL



0000078497

THIS AMENDMENT:
 _____ Passed _____ Passed as amended by _____
 _____ Failed _____ Not Offered _____ Withdrawn

60CP

PIERCE PROPOSED AMENDMENT #1

DATE PREPARED: November 5, 2007

COMPANY: UNS Gas, Inc.

DOCKET NOS: G-04204A-06-0463, G-04204A-06-0013 and G-04204A-06-0831

OPEN MEETING DATES: November 5, 2007

AGENDA ITEM: U-2

Page 9, line 16 through Page 10, line 2

STRIKE entire text

Page 9, line 16

INSERT the following:

“We agree with the Company that it would be unfair in this case to deduct advances related to test-year CWIP that is not yet in rate base. One could argue that the Company would be made whole by accruing AFUDC on the entire \$7 million in plant not yet in rate base. However, in this case, the Company’s AFUDC accruals have ceased because the \$7 million in plant is almost entirely in service today. Thus, under these facts, we agree that the Company’s advances should not be deducted from rate base.”

Conforming changes.

Arizona Corporation Commission
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