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AZ CORP COMMISSION  
DOCKET CONTROL

IN THE MATTER OF THE APPLICATION OF )  
UNS ELECTRIC, INC. FOR THE )  
ESTABLISHMENT OF JUST AND )  
REASONABLE RATES AND CHARGES )  
DESIGNED TO REALIZE A REASONABLE )  
RATE OF RETURN ON THE FAIR VALUE OF )  
THE PROPERTIES OF UNS ELECTRIC, INC. )  
DEVOTED TO ITS OPERATIONS )  
THROUGHOUT THE STATE OF ARIZONA )  
AND REQUEST FOR APPROVAL OF )  
RELATED FINANCING. )

DOCKET NO. E-04204A-06-0783

Arizona Corporation Commission

DOCKETED

JUN 26 2008

DOCKETED BY *MM*

NOTICE OF FILING REVISED BILL ESTIMATION TARIFF

IN COMPLIANCE WITH DECISION NO. 70360

UNS Electric, Inc. ("UNS Electric" or the "Company"), through undersigned counsel, hereby files its revised Bill Estimation Methodologies Tariff, in accordance with Commission Staff's recommendations, in compliance with Decision No. 70360 (May 27, 2008).

RESPECTFULLY SUBMITTED this 26<sup>th</sup> day of June, 2008.

UNS Electric, Inc.

By Michelle Livengood  
Michelle Livengood  
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Attorneys for UNS Electric, Inc.

Original and thirteen copies of the foregoing  
filed this 26<sup>th</sup> day of June, 2008, with:

Docket Control  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

Copy of the foregoing hand-delivered  
this 26<sup>th</sup> day of June, 2008, to:

Compliance Section, Utilities Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

By Mary Appolito



**UNS Electric, Inc.  
Bill Estimation Methodologies**

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UNS Electric, Inc. ("UNS Electric") regularly encounters situations in which UNS Electric cannot obtain a complete and valid meter read. This could result from, among other reasons, the customer has not provided UNS Electric access to the meter or has diverted energy, the meter is broken, or weather conditions have made it impossible to read the meter. No matter the cause of the need to estimate the read, the following methods are used depending on the circumstances.

**Energy or Time-of-Use ("TOU") estimate with at least one year of history, same customer at same premise.**

UNS Electric would generate a bill based on customer usage from the previous year using the "PREVIOUS YEAR" formula as follows:

(IF LAST YEAR'S USAGE WAS ESTIMATED, USE "PREVIOUS MONTH" METHOD DESCRIBED BELOW.)

LAST YEAR'S USAGE FOR SAME MONTH / NUMBER OF DAYS IN BILLING PERIOD = PER DAY USAGE (FOR TIME OF USE THIS WOULD BE APPLIED TO EACH PERIOD)

PER DAY USAGE X NUMBER OF DAYS IN THIS MONTH'S CYCLE = ESTIMATED USAGE (FOR TIME OF USE THIS WOULD BE APPLIED TO EACH PERIOD)

**Energy or TOU estimate with at least one year of history, new customer at premise.**

UNS Electric would generate a bill using the "TREND" formula, based on customer's usage trend as described below:

UNS Electric's Customer Information System ("CIS") would generate a bill based on trend. Customers are assigned to a Trend area which differentiate consumption based on different geographic areas. Secondly, the customer is assigned to a Trend class which is used to differentiate consumption trends based on the type of service and type of property. An example of this would be residential, commercial, and industrial usage. Thirdly all consumption is identified using unit of measure code and a time of use code.

Within UNS Electric's CIS, a trend record is created from each billed service. This record becomes part of a trend table. During estimation, consumption from three prior bill cycles is compared to the consumption from the same cycle in the previous month to determine a trend. This trend, plus a tolerance, is used to create a usage amount for bill estimation.

This customer's usage in previous period / AVERAGE CUSTOMER'S USAGE IN PREVIOUS PERIOD X Avg customer's usage in current period = estimated consumption for register read.

**Energy or TOU estimate with less than one year of history, same customer at premise.**

UNS Electric would generate a bill based on customer usage from the previous month using the "PREVIOUS MONTH" formula as follows:

(IF LAST MONTH'S USAGE WAS ESTIMATED, USE "TREND" METHOD DESCRIBED ABOVE.)

LAST MONTHS USAGE / NUMBER OF DAYS IN BILLING PERIOD = PER DAY USAGE (FOR TIME OF USE THIS WOULD BE APPLIED TO EACH PERIOD)

PER DAY USAGE X NUMBER OF DAYS IN THIS MONTH'S CYCLE = ESTIMATED USAGE (FOR TIME OF USE THIS WOULD BE APPLIED TO EACH PERIOD)

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Filed By: Raymond S. Heyman  
Title: Senior Vice President, General Counsel  
District: Entire Electric Service Area

Tariff No.: Bill Estimation - 1  
Effective: June 1, 2008  
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**UNS Electric, Inc.  
Bill Estimation Methodologies**

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**Energy or TOU estimate with less than one year of history, new customer at premise.**

UNS Electric would generate a bill based on customer's usage trend as described below:

Trend method would be used. (See above.)

**Energy or TOU estimate with no history.**

UNS Electric would not generate a bill until a good meter read was acquired then use known consumption to estimate previous bills.

For accounts that have a demand billing component UNS Electric collects interval data. This interval data is used to manually estimate demands using the following methodologies:

**Demand estimate with at least one year of history, same customer at same premise.**

UNS Electric would generate a bill based on customer usage from the previous year using the following formula:

LAST YEAR'S DEMAND FOR SAME MONTH = ESTIMATED DEMAND

**Demand estimate with at least one year of history, new customer at same premise.**

UNS Electric would generate a bill based on customer usage from the previous month using the following formula:

LAST MONTHS DEMAND = ESTIMATED DEMAND

**Demand estimate with less than one year of history, same customer at same premise.**

UNS Electric would generate a bill based on customer usage from the previous month using the following formula:

LAST MONTHS DEMAND = ESTIMATED DEMAND

**Demand estimate with less than one year of history, new customer at same premise.**

UNS Electric would generate a bill based on customer usage from the previous month using the following formula:

LAST MONTHS DEMAND = ESTIMATED DEMAND

**Demand estimate with no history.**

UNS Electric would not generate a bill until a good demand read was acquired then use known demand to estimate previous bills.

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Filed By: Raymond S. Heyman  
Title: Senior Vice President, General Counsel  
District: Entire Electric Service Area

Tariff No.: Bill Estimation - 1  
Effective: June 1, 2008  
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