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BEFORE THE ARIZONA CORPORATION COMMISSION

2008 DEC 29 P 3:48

Arizona Corporation Commission

**COMMISSIONERS**

MIKE GLEASON - CHAIRMAN  
WILLIAM A. MUNDELL  
JEFF HATCH-MILLER  
KRISTIN K. MAYES  
GARY PIERCE

ARIZONA CORPORATION COMMISSION  
DOCKET CONTROL

**DOCKETED**

DEC 29 2008

DOCKETED BY [Handwritten: nr]

IN THE MATTER OF THE FORMAL COMPLAINT OF MARSHALL MAGRUDER FILED WITH THE ARIZONA CORPORATION COMMISSION ON DECEMBER 5, 2008. ) DOCKET NO. E-04204A-08-0589 )  
)  
) **UNS ELECTRIC, INC.'S**  
) **RESPONSE TO MARSHALL**  
) **MAGRUDER'S COMPLAINT**  
)

UNS Electric, Inc. ("UNS Electric" or the "Company"), through undersigned counsel, hereby responds to Mr. Marshall Magruder's formal complaint filed with the Arizona Corporation Commission ("Commission") on December 5, 2008 ("Complaint").

**I. INTRODUCTION.**

The Complaint is merely a restatement of issues previously raised with and adjudicated by the Commission. The Complaint fails to state a valid claim against UNS Electric. Rather, the Complaint reflects another attempt by Mr. Magruder to impose his will, contrary to the findings of the Commission and the public interest.

**II. BACKGROUND.**

In Decision No. 70360 (May 27, 2008), the Commission ordered UNS Electric to (i) respond to concerns regarding Citizens Utilities Company's ("Citizens") pole and underground cable replacement projects; (ii) meet with Mr. Magruder and file a statement regarding student loans and scholarships; and (iii) file a statement regarding the Company's life support procedures. UNS Electric has complied with each and every one of these requirements in a timely manner,<sup>1</sup> and as detailed herein, has taken additional steps to provide further benefits to customers.

<sup>1</sup> UNS Electric's filings are attached hereto as Exhibits A (pole and cable replacement projects), B (student loans and scholarships) and C (life support procedures).

1 **III. REQUEST FOR HEARING.**

2 The Complaint requests a formal hearing on the three issues referenced above before the  
3 Commission or a Hearing Officer. A hearing is unnecessary, however, as these very same issues  
4 were already heard and adjudicated during the UNS Electric rate case, Docket No. E-04204A-06-  
5 0783 (the "UNS Electric rate case docket"). No other party in the UNS Electric rate case docket  
6 has alleged that UNS Electric has not complied with Decision No. 70360. In fact, it is  
7 indisputable that UNS Electric has complied with Decision No. 70360.

8 **IV. FILINGS.**

9 **A. Pole and Underground Cable Replacement Projects.**

10 Decision No. 70360 ordered UNS Electric to respond to concerns regarding Citizens' pole  
11 and underground cable replacement projects within 60 days of the date of the Decision. UNS  
12 Electric filed its response, attached hereto as Exhibit A, on July 28, 2008. The Commission Staff  
13 filed a letter with Docket Control stating that UNS Electric had complied with this requirement on  
14 August 26, 2008.

15 Citizens had the discretion to determine which, if any, pole and cable replacements were  
16 needed based on existing circumstances. Citizens researched and engineered the necessary pole  
17 and cable replacements, and completed the majority of the work. As stated in UNS Electric's  
18 filing (attached hereto as Exhibit A), Mt. Hopkins was the only underground cable replacement  
19 project not completed by Citizens. UNS Electric addressed this matter in 2003, however, with a  
20 capital expenditure of \$104,377, and continued to improve reliability in the Mt. Hopkins line with  
21 additional capital expenditures totaling \$350,099 through February 2006.

22 In addition to the pole and cable projects completed by Citizens, UNS Electric made  
23 substantial capital investments in Santa Cruz County to (i) significantly improve system reliability  
24 (in an amount of approximately \$22.5 million); and (ii) provide new service (in an amount of  
25 approximately \$2.5 million), for a total expenditure of approximately \$25 million. UNS Electric  
26  
27

1 is currently providing safe and reliable service in Santa Cruz County, a point with which  
2 Commission Staff agrees.<sup>2</sup>

3 **B. Student Loans/Scholarships.**

4 Decision No. 70360 ordered UNS Electric to meet with Mr. Magruder within 30 days of  
5 the effective date of the Decision and file, within 90 days, a statement regarding suggested  
6 resolution of the concerns raised by Mr. Magruder with respect to student loans and scholarships.  
7 UNS Electric met with Mr. Magruder on June 20, 2008, and filed its statement, attached hereto  
8 as Exhibit B, on August 25, 2008.

9 Upon initial review of the original educational assistance program between the City of  
10 Nogales and Citizens, UNS Electric realized that neither the City nor Citizens were abiding by  
11 the terms and requirements of the program, and that the following program deficiencies existed:

- 12 1. Students were not required to attend Arizona schools, as specified in the
- 13 agreement between Citizens and Nogales;
- 14 2. Students were not required to return to Santa Cruz County to live and work, as
- 15 specified in the agreement between Citizens and Nogales;
- 16 3. Program funding had been inadequate; and
- 17 4. No student had been selected after 2003.

18 Even after meeting its obligations pursuant to Decision No. 70360, UNS Electric continued to  
19 meet with City of Nogales and Santa Cruz County school district officials to develop a beneficial  
20 and meaningful new scholarship program for Santa Cruz County graduating high school seniors.  
21 An agreement was ultimately reached, but the Nogales City Council chose not to approve the  
22 Agreement at its November 5, 2008 City Council meeting. However, UNS Electric, City of  
23 Nogales and school district officials are continuing to meet on the scholarship program and plan  
24 to submit a program for City Council approval in early 2009. Once the scholarship program has  
25 been fully developed and approved by the parties, UNS Electric will provide Commission Staff  
26 with a copy of the Agreement.

27 \_\_\_\_\_  
<sup>2</sup> UNS Electric rate case docket, Staff Exhibit S-55, at 6-7.

1           **C.    Life Support.**

2           Decision No. 70360 ordered UNS Electric to file, within 90 days of the effective date of  
3 the Decision a statement regarding the Company's procedures for notifying customers on life  
4 support equipment during an outage. UNS Electric filed its statement on August 25, 2008,  
5 attached hereto as Exhibit C, in compliance with Decision No. 70360.

6           UNS Electric met with representatives of the Santa Cruz County Sheriff's Department  
7 ("Sheriff's Department") to discuss outage notification for life support customers. The Sheriff's  
8 Department agreed to retain a list of life support customers' names; however, as of this date, the  
9 Sheriff's Department has not assumed the obligation to contact life support customers in the event  
10 of an outage.

11           The Company contacted all forty-eight (48) Santa Cruz County C.A.R.E.S.-M Program  
12 participants, by telephone and in writing, to inform them that with their written permission, UNS  
13 Electric would provide the Sheriff's Department with their names, addresses, telephone numbers  
14 and their current status as life support program enrollees. As of December 16, 2008, UNS Electric  
15 had received responses from twenty-four (24) customers, nine (9) of whom gave permission to  
16 have their information released to the Sheriff's Department. UNS Electric also attempted to  
17 contact by telephone a second time the twenty-four (24) customers who did not respond to the  
18 written request to release information; as of this date, UNS Electric has had no response from  
19 these customers.

20           **V.    CONCLUSION.**

21           UNS Electric has fully complied with the requirements of Decision No. 70360 regarding  
22 pole and cable replacement, scholarship and life support issues. In fact, UNS Electric has gone  
23 above and beyond the Decision's requirements by continuing to meet with City of Nogales and  
24 school district officials to finalize a new and meaningful scholarship program for students of  
25 Santa Cruz County, and by continuing to contact, by telephone and in writing, C.A.R.E.S.-M  
26 Program participants for permission to release their information to the Santa Cruz County  
27 Sheriff's Department. There is no reason, or need, for a hearing on these matters. In fact,

1 further pursuit of these previously litigated issues is an inefficient use of Company and ratepayer  
2 resources. Although Mr. Magruder may prefer his own solutions over those approved by  
3 Commission Staff and UNS Electric, that is not grounds to sustain a formal complaint against  
4 UNS Electric.

5 WHEREFORE, for all the foregoing reasons, UNS Electric respectfully requests that the  
6 Complaint be dismissed with prejudice.

7 RESPECTFULLY SUBMITTED this 29<sup>th</sup> day of December 2008.

8 UNS ELECTRIC, INC.

9 By *Michelle Livengood*  
10 Michelle Livengood  
11 UniSource Energy Services  
12 One South Church Avenue  
13 Tucson, Arizona 85702

14 and

15 Michael W. Patten  
16 ROSHKA DEWULF & PATTEN, PLC.  
17 One Arizona Center  
18 400 East Van Buren Street, Suite 800  
19 Phoenix, Arizona 85004

20 Attorneys for UNS Electric, Inc.

21 Original and thirteen copies of the foregoing  
22 filed this 29<sup>th</sup> day of December 2008, with:

23 Docket Control  
24 Arizona Corporation Commission  
25 1200 West Washington Street  
26 Phoenix, Arizona 85007

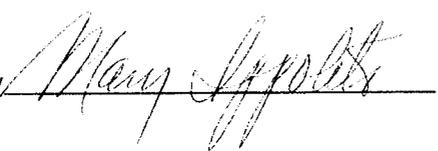
27 Copies of the foregoing  
mailed this 29<sup>th</sup> day of December 2008, to:

Marshall Magruder  
P. O. Box 1267  
Tubac, Arizona 85646

1 Lyn A. Farmer  
2 Chief Administrative Law Judge  
3 Hearing Division  
4 Arizona Corporation Commission  
5 1200 West Washington  
6 Phoenix, Arizona 85007

7 Janice M. Alward  
8 Chief Counsel, Legal Division  
9 Arizona Corporation Commission  
10 1200 West Washington  
11 Phoenix, Arizona 85007

12 Ernest G. Johnson, Esq.  
13 Director, Utilities Division  
14 Arizona Corporation Commission  
15 1200 West Washington Street  
16 Phoenix, Arizona 85007

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By 

# EXHIBIT

"A"

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BEFORE THE ARIZONA CORPORATION COMMISSION

2008 JUL 28 P 4: 46

COMMISSIONERS

MIKE GLEASON - CHAIRMAN  
WILLIAM A. MUNDELL  
JEFF HATCH-MILLER  
KRISTIN K. MAYES  
GARY PIERCE

AZ CORP COMMISSION  
DOCKET CONTROL

Arizona Corporation Commission  
**DOCKETED**

JUL 28 2008

DOCKETED BY

*mn*

IN THE MATTER OF THE APPLICATION OF )	DOCKET NO. E-04204A-06-0783
UNS ELECTRIC, INC. FOR THE )	
ESTABLISHMENT OF JUST AND )	
REASONABLE RATES AND CHARGES )	<b>UNS ELECTRIC, INC.'S</b>
DESIGNED TO REALIZE A REASONABLE )	<b>RESPONSE TO MR.</b>
RATE OF RETURN ON THE FAIR VALUE OF )	<b>MAGRUDER'S CONCERNS</b>
THE PROPERTIES OF UNS ELECTRIC, INC. )	
DEVOTED TO ITS OPERATIONS )	
THROUGHOUT THE STATE OF ARIZONA )	
AND REQUEST FOR APPROVAL OF )	
RELATED FINANCING. )	

UNS Electric, Inc. ("UNS Electric" or the "Company"), through undersigned counsel, hereby responds to Mr. Magruder's concerns regarding certain pole and underground cable replacement projects, in compliance with Decision No. 70360 (May 27, 2008). UNS Electric provides the following information:

**I. BACKGROUND.**

As part of its Settlement Agreement with the City of Nogales (dated June 1, 1999), Citizens Utilities Company ("Citizens"), agreed to develop a Plan of Action to address Santa Cruz County electric service issues (the "Plan"). The Plan was dated April 15, 1999, and was supplemented on May 7, 1999 and July 13, 1999. Decision No. 61793 (June 29, 1999) approved the Settlement Agreement.

UniSource Energy Corporation ("UniSource Energy") acquired Citizens' Arizona gas and electric assets in August of 2003, pursuant to the terms of the Asset Purchase Agreement between UniSource Energy and Citizens (dated October 29, 2002). When UNS Electric Inc. ("UNS Electric") began operating the former Citizens' system, UNS Electric reviewed

1 information provided by Citizens; only one underground cable replacement project identified in  
2 the Plan, Mt. Hopkins, had not been completed. After the acquisition, UNS Electric installed a  
3 work management applications computer system. From this tracking system, the Company has  
4 determined that it has replaced or installed, to date, 271 poles and 16,402 feet of underground  
5 cable.

6 It appears that Mr. Magruder does not believe that (i) Citizens fulfilled its obligations  
7 under the Plan; and/or (ii) UNS Electric, as the successor to Citizens, completed the 20 pole and  
8 12 underground cable replacement projects identified in the Plan.

9 **II. POLE REPLACEMENT PROJECTS.**

10 It is UNS Electric's understanding that Citizens estimated the number of poles located  
11 within each project area identified in the Plan, set a budget for the replacement work and then  
12 started working. As Citizens worked on the projects, it determined which specific poles in each  
13 area needed to be replaced. Citizens completed the project work in 2000.

14 Based upon Citizens' records, the 20 pole replacement projects identified in the Plan have  
15 been completed. UNS Electric has extracted specific pole replacement data from records  
16 provided by Citizens; that data is attached hereto as Exhibit 1. Additionally, UNS Electric has  
17 made substantial improvements to the Santa Cruz County electric system since it began  
18 operations, including the addition of 271 poles.

19 **III. UNDERGROUND CABLE REPLACEMENT PROJECTS.**

20 The 12 underground cable replacement projects identified in the Plan have been  
21 completed. UNS Electric has extracted specific underground cable replacement data from  
22 records provided by Citizens; that data is attached hereto as Exhibit 2. As referenced above, Mt.  
23 Hopkins, the only underground cable replacement project not completed by Citizens, was  
24 addressed by UNS Electric in 2003, with a capital expenditure of \$140,377. UNS Electric  
25 continued to improve reliability in the Mt. Hopkins line, with additional capital expenditures of  
26 \$350,099 through February 2006.

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Michael W. Patten  
ROSHKA DEWULF & PATTEN, PLC.  
One Arizona Center  
400 East Van Buren Street, Suite 800  
Phoenix, Arizona 85004

Attorneys for UNS Electric, Inc.

Original and thirteen copies of the foregoing  
filed this 28<sup>th</sup> day of May 2008, with:

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

Copy of the foregoing hand-delivered  
this 28<sup>th</sup> day of July, 2008, to:

Dwight Nodes, Esq.  
Administrative Law Judge  
Hearing Division  
Arizona Corporation Commission  
400 W. Congress  
Tucson, Arizona 85701

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

By: Debbie Amund

# Exhibit 1

Exhibit 1

Pole Replacement Projects

	Year Completed	# of Poles (Estimated # of Poles in Area)	Estimated # of Poles Needed to be Replaced
Nogales West Area	1999	75	36
Nogales West north area	1999	75	44
Reconductor Mariposa Industrial Park	1999	75	16
Downtown Southeast	1999	300	79
Downtown Northwest	1999	300	161
Downtown Southwest	1999	500	129
Downtown Northeast	1999	300	55
Beatus Estates	1999	150	
Valle Verde	1999	150	156
Chula Vista	2000	50	
Activate Circuit 6242 (w/ 6246)	2000	100	
Circuit 6241	1999	50	
Meadow Hills North	1999	75	11
Meadow Hills South	1999	75	
Transmission Line	1999	20	
Highway 82	1999	250	219
Old Tucson Road	1999	10	18
Rio Rico Highway Crossing	1999	0	
Rio Rico Industrial Park	1999	25	21
Flux Canyon Area	2000	500	200
<b>Totals</b>		<b>3080</b>	<b>1145</b>

# Exhibit 2

Exhibit 2

Underground Line Replacement Projects	Feet of Cable Needed	Estimated Cost	Year Completed	1999 Capital Expenditures	2000 Capital Expenditures	Total Citizens Underground \$
Mariposa Manor	7,877	\$ 61,416.00	1999			
Monte Carlo	12,040	\$ 48,160.00	1999		\$ 43,600.00	
Rio Rico U-3	28,160	\$ 327,560.00	1999			
Preston Trailer Park	3,633	\$ 29,064.00	2000		\$ 67,600.00	
Tubac Country Club	6,900	\$ 55,200.00	1999			
Tubac Valley Country Club	4,300	\$ 34,400.00	1999			
Palo Parado	13,530	\$ 54,120.00	1999			
Empty Saddle Estates	8,180	\$ 65,440.00	1999			
Mt. Hopkins	52,800	\$ 457,400.00	2003*		\$ 2,300.00	
Meadow Hills	15,840	\$ 126,720.00	1999			
Canyon Del Oro/Vista Del Cielo	4,500	\$ 36,000.00	1999			
Rio Rico Resort	1,828	\$ 14,624.00	1999			
<b>Totals</b>	<b>159,388</b>	<b>\$ 1,310,104.00</b>	<b>1999</b>	<b>\$ 1,666,920.00**</b>	<b>\$ 113,500.00</b>	<b>\$ 1,780,420.00</b>

\* UNS Electric completed this project.

\*\*One line-item entry as of October 1999, attributable to underground cable replacement.

# Exhibit 3

**See Attached CD**

EXHIBIT

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**COMMISSIONERS**

MIKE GLEASON - CHAIRMAN  
WILLIAM A. MUNDELL  
JEFF HATCH-MILLER  
KRISTIN K. MAYES  
GARY PIERCE

AZ CORP COMMISSION  
DOCKET CONTROL

Arizona Corporation Commission

**DOCKETED**

AUG 25 2008

DOCKETED BY *MM*

IN THE MATTER OF THE APPLICATION OF )	DOCKET NO. E-04204A-06-0783
UNS ELECTRIC, INC. FOR THE )	
ESTABLISHMENT OF JUST AND )	
REASONABLE RATES AND CHARGES )	<b>UNS ELECTRIC, INC.'S</b>
DESIGNED TO REALIZE A REASONABLE )	<b>COMPLIANCE FILING</b>
RATE OF RETURN ON THE FAIR VALUE OF )	<b>REGARDING CITIZENS</b>
THE PROPERTIES OF UNS ELECTRIC, INC. )	<b>UTILITIES' EDUCATIONAL</b>
DEVOTED TO ITS OPERATIONS )	<b>ASSISTANCE PROGRAM</b>
THROUGHOUT THE STATE OF ARIZONA )	<b>(DECISION NO. 70360)</b>
AND REQUEST FOR APPROVAL OF )	
RELATED FINANCING. )	

UNS Electric, Inc. ("UNS Electric" or the "Company"), through undersigned counsel and pursuant to Decision No. 70360 (May 27, 2008), hereby submits its compliance filing regarding an educational assistance program which was part of the Revised Settlement Agreement between the City of Nogales and Citizens Utilities Company ("Citizens"), dated June 1, 1999 ("1999 Settlement Agreement"). UNS Electric provides the following information:

In order to settle various claims related to Citizen's poor and unreliable provision of electric service in Santa Cruz County, the City of Nogales and Citizens entered into the 1999 Settlement Agreement. The 1999 Settlement Agreement was approved by Decision No. 61793 (June 29, 1999).

The educational assistance program is outlined in Section 9 of the 1999 Settlement Agreement and states that the City of Nogales and Citizens will work together to develop a program to assist worthy Santa Cruz County high school seniors to attend an Arizona college of their choice. Each year, the program was to select one Santa Cruz County senior for a four-year,

1 interest free loan to assist with tuition, books, and other miscellaneous college expenses. If,  
2 following graduation, the student returned to Santa Cruz County to live and work, the loan would  
3 be forgiven. Citizens was to contribute \$3,000 per year, per student, toward this program.  
4 Additional contributions were to be solicited from other benefactors by the City of Nogales to  
5 expand the program even further.

6 Upon review of the educational assistance program, UNS Electric realized that the  
7 following deficiencies existed:

- 8
- 9 1. Students were not required to attend Arizona schools;
  - 10 2. Students were not required to return to Santa Cruz County to live and work;
  - 11 3. Program funding had been inadequate; and
  - 12 4. No student had been selected after 2003.

13 UNS Electric representatives met with officials from the City of Nogales on June 19,  
14 2008, and again with City officials, the Santa Cruz Valley Assistant School Superintendent,  
15 community members and Commission Staff on June 20, 2008 to discuss the educational  
16 assistance program. UNS Electric representatives returned to Nogales to meet with City of  
17 Nogales officials and the Superintendent and Assistant Superintendent of the Nogales and Rio  
18 Rico High School Districts, respectively, on August 21, 2008, and to present proposals and  
19 concepts for a new College Assistance Program to be funded by UNS Electric. UNS Electric  
20 requested input on its proposals from the City and school officials to ensure that the program to  
21 be implemented is one that is meaningful and beneficial to the City, the high schools, and most  
22 importantly, the students. UNS Electric is currently awaiting program feedback from the City of  
23 Nogales, and Nogales and Rio Rico High Schools.

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RESPECTFULLY SUBMITTED this 25<sup>th</sup> day of August 2008.

UNS ELECTRIC, INC.

By *Michelle Livengood*  
Michelle Livengood  
UniSource Energy Services  
One South Church Avenue  
Tucson, Arizona 85702

and

Michael W. Patten  
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Attorneys for UNS Electric, Inc.

Original and thirteen copies of the foregoing  
filed this 25<sup>th</sup> day of August 2008, with:

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

Copies of the foregoing  
mailed this 25<sup>th</sup> day of August 2008, to:

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

By *Mary Spolito*

# EXHIBIT

"C"

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2008 AUG 25 P 3:42

COMMISSIONERS

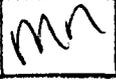
MIKE GLEASON - CHAIRMAN  
WILLIAM A. MUNDELL  
JEFF HATCH-MILLER  
KRISTIN K. MAYES  
GARY PIERCE

AZ CORP COMMISSION  
DOCKET CONTROL

Arizona Corporation Commission

DOCKETED

AUG 25 2008

DOCKETED BY 

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

UNS ELECTRIC, INC.'S  
COMPLIANCE FILING  
REGARDING PROCEDURES FOR  
OUTAGE NOTIFICATION FOR  
LIFE SUPPORT CUSTOMERS  
(DECISION NO. 70360)

UNS Electric, Inc. ("UNS Electric" or the "Company"), through undersigned counsel and pursuant to Decision No. 70360 (May 27, 2008), hereby submits its compliance filing regarding the Company's procedures for notifying customers on life support equipment during an outage. UNS Electric provides the following information:

Decision No. 70360 directed the Company to file within 90 days of the effective date of the Decision a statement regarding its procedures for notifying customers on life support during an outage and suggested changes, if any.

UNS Electric currently identifies "life support" customers through a Customer Assistance Residential Energy Support Low-Income Medical Life Support Program ("C.A.R.E.S.-M") available in all service territories served by the Company. The C.A.R.E.S.-M discount is available to all qualified low-income customers who require the use of life support equipment in their homes. In order to be eligible for the C.A.R.E.S.-M Program, an electric service customer submits to UNS Electric a Residential Discount Program Application. This Application is

1 provided to customers in brochure form; a copy of the brochure is attached hereto as Exhibit A.  
2 The amount of the discount is calculated based on monthly usage, with larger percentage discounts  
3 available to customers who use less energy:

4	<b>Electric Discounts</b>	<b>Discount</b>
5	<b>Monthly Energy Use</b>	
6	0 - 600 kWh	30%
7	601 - 1,200 kWh	20%
8	1,201 - 2,000 kWh	10%
9	over 2,000 kWh	\$8

9 UNS Electric currently does not notify life support customers of outages. Instead, UNS Electric  
10 uses its best efforts to reconnect life support customers first in the event of an outage.

11 UNS Electric and the Santa Cruz County Sheriff's Department ("Sheriff's Department")  
12 have discussed notification to life support customers. The Sheriff's Department has indicated that  
13 it would like to be aware of customers with sensitive electric load requirements to use as a cross-  
14 reference for safety purposes. The Sheriff's Department has agreed to retain a list of life support  
15 customers' names. However, as of this date, the Sheriff's Department has not assumed the  
16 obligation to contact life support customers.

17 UNS Electric is now in the process of contacting, via telephone, all of the currently  
18 enrolled Santa Cruz County C.A.R.E.S.-M Program participants to inform them that, with their  
19 written permission, UNS Electric will be providing the Sheriff's Department their names,  
20 addresses, telephone numbers and their current status as a life support program enrollee. The  
21 telephone contact will be followed by a written request to release information regarding the  
22 customer's status as a C.A.R.E.S.-M Program participant; this written request is attached hereto as  
23 Exhibit B. UNS Electric will not release information to any agency without the prior written  
24 consent of the customer. UNS Electric will also be adding appropriate text to its website,  
25 identifying this addition to the C.A.R.E.S.-M Program. Any new C.A.R.E.S.-M Program  
26 participants will be asked for written authorization to release their information to public safety  
27 agencies at the time they apply for the program.

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RESPECTFULLY SUBMITTED this 25<sup>th</sup> day of August 2008.

UNS ELECTRIC, INC.

By Michelle Livengood  
Michelle Livengood  
UniSource Energy Services  
One South Church Avenue  
Tucson, Arizona 85702

and

Michael W. Patten  
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400 East Van Buren Street, Suite 800  
Phoenix, Arizona 85004

Attorneys for UNS Electric, Inc.

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mailed this 25<sup>th</sup> day of August 2008, to:

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

By Mary Appolito

# **Exhibit A**

## Residential Discount Program Application

To be eligible for the CARES Program, you must verify the following:

- I am a UES residential electric customer.
- The UES bill is in my name.
- My household gross income is at or below 150% of the federal poverty level. By checking one of the boxes below, I am indicating the monthly income eligibility limit that applies to my household and me.

Choose One	Number of People in Household	Income At or Under
<input type="checkbox"/>	1	\$ 1,301
<input type="checkbox"/>	2	\$ 1,751
<input type="checkbox"/>	3	\$ 2,201
<input type="checkbox"/>	4	\$ 2,651
<input type="checkbox"/>	5	\$ 3,101
<input type="checkbox"/>	6	\$ 3,551
<input type="checkbox"/>	7	\$ 4,001
<input type="checkbox"/>	8	\$ 4,451
<input type="checkbox"/>	9	\$ 4,901
<input type="checkbox"/>	10	\$ 5,351
<input type="checkbox"/>	More than 10	\$5,351 plus \$ 450*

\*for each additional person

- Choose One
- My household is eligible for the CARES Discount.
  - My household is eligible for the CARES/Medical Life-Support Discount. I will provide the physician's verification upon request.

I obtained my application at the following location:

Local Office (write in name) \_\_\_\_\_  
Other (write in name) \_\_\_\_\_

Please print the following information. Tear off the reply card and return to: UniSource Energy Services, ATTN: CARES, 2901 W Siemore Blvd, Suite 110, Flagstaff, Arizona 86001-9965. Incomplete information will delay your application.

Name \_\_\_\_\_  
*As it appears on your bill*

Service Address (not P.O. Box) \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Home Telephone ( \_\_\_\_\_ ) \_\_\_\_\_  
Date of Birth \_\_\_\_\_

Social Security No. \_\_\_\_\_  
UES Account No. \_\_\_\_\_  
*As it appears on your bill*

Permission is hereby granted to UniSource Energy Services to contact any sources necessary to establish the accuracy of information given by me or other information that pertains to the verification of my eligibility to receive services under the CARES/Medical Life-Support Discount. I further understand that the disclosure of my Social Security Number is voluntary and not mandatory, and will only be used for the purpose stated herein.

I understand that if I become ineligible for this discount, I must notify UES immediately. I further understand that if I move a new application is required and that the discount will not be applied at the new address until the new application has been received and approved.

The signature below certifies under penalties of perjury that all information relative to eligibility is correct. Any person obtaining a discount based on false information may be prosecuted and required to repay discount amount.

Signature as Head of Household \_\_\_\_\_

Today's Date \_\_\_\_\_

For Office Use Only

Date Received \_\_\_\_\_ Effective Date \_\_\_\_\_  
Completed By \_\_\_\_\_

¿Desea obtener la información en español?  
La información sobre el Programa de Descuento Residencial "CARES" también es publicada en español. Para recibir dicha información por favor llame al departamento de servicios al cliente al 1-877-837-4968. Nuestro personal bilingüe le atenderá.

# We Care

about those on a limited income.

UniSourceEnergy  
SERVICES

Telephone: 1-877-UES-4YOU  
(1-877-837-4968)  
Customer Care Center Hours:  
7:00 a.m. - 7:00 p.m., Mon. - Fri.  
For further information visit [uesaz.com](http://uesaz.com).

UNSE-CARES-RY 0508

UniSourceEnergy  
SERVICES

**CARES Discount**  
 If you're having trouble making ends meet, UniSource Energy Services (UES) would like to help. Our Customer Assistance Residential Energy Support (CARES) program offers discounts designed to help low-income customers pay their electric bills.

To be eligible for this discount, you must:

- Be a UES residential electric customer.
- Have the UES account in your name.
- Have a combined household income at or below 150% of the federal poverty level. See *Income Guidelines chart*.

**Monthly Energy Use Discount**

**CARES/Medical Life-Support Discount**  
 A Medical Life-Support Discount is available to households that meet the financial eligibility guidelines for the CARES Program and where certain medical situations exist.

**Monthly Energy Use Discount**

To be eligible for the CARES/Medical Life Support Program, a customer must meet the following requirements:

- Require the use of medical equipment that is considered essential for sustaining life and is operated at the residence;
- Submit to UES, a signed statement from attending physician on his/her office letterhead or page/sheet of official prescription pad, verifying that the customer is medically life-support dependent and the type of essential medical equipment that is in use at the residence.
- The patient will be required to reconfirm with his/her physician every two years.

The following equipment is representative of that which may be qualified as being essential under the program: ventilator, oxygen concentrator, peritoneal dialysisycler, hemo dialysis equipment, feeding pump, infusion pump, suction machine, small volume nebulizer or an oximeter.

Think about it...  
 You could be eligible for a discount on your electric bill.  
 To qualify for either program, your household's combined gross monthly income must be equal to or less than:

**Income Guidelines\***

Number of People in Household	Income At or Below
1	
2	
3	
4	
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\*For each additional person  
 \*2008 Federal Poverty Income Guidelines,  
 effective July 1, 2008 through June 30, 2009.

If you are eligible and sign up for either program, UES automatically will calculate the appropriate discount on your monthly bill.

You can obtain more information on this and other payment options by visiting [uesaz.com](http://uesaz.com) or calling our Customer Care Center at 1-877-UES-4YOU (1-877-837-4968).

**BUSINESS REPLY MAIL**  
 FIRST-CLASS MAIL PERMIT NO. 112 FLAGSTAFF, AZ

POSTAGE WILL BE PAID BY ADDRESSEE  
 UNISOURCE ENERGY SERVICES  
 ATTN: UNS-ELECTRIC CARES  
 2901 W SHAMRELL BLVD SUITE 110  
 FLAGSTAFF AZ 86001-9965

NO POSTAGE  
 NECESSARY  
 IF MAILED  
 IN THE  
 UNITED STATES

**Exhibit B**

Exhibit B



P.O. Box 711, SC122  
Tucson, Arizona 85702-0711  
(877) UES - 4YOU (837-4968)

**RE: Life Support Equipment**

Dear (customer),

UNS Electric, Inc. ("UNS Electric") records indicate you or someone at your residence is currently utilizing life support equipment. The Santa Cruz County Sheriff's Department requested that UNS Electric identify its customers with sensitive electrical load requirements to use as a cross-reference for safety purposes.

With your permission, UNS Electric will provide Santa Cruz County Sheriff's Office with your name, address and telephone number, and a general statement that you are a life support customer; no additional information, personal, account, or otherwise, will be provided. As the customer of record, UNS Electric will release your information only upon your written consent. **If you agree, please sign and return this letter in the enclosed envelope. If you do not consent, no response is necessary.**

If you have any questions, please feel free to contact Lindy Sheehy, Manger of Customer Service at (520)745-3343.

Sincerely,

UNS Electric, Inc.  
Customer Service

- 
- Yes, please share my information with the Santa Cruz County Sheriff's Department.

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Signature