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UniSourceEnergy
SERVICES

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May 1, 2009

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

Re: **Demand-Side Management Surcharge ("DSMS") Rider R-2.**
Docket No. E-04204A-06-0783, Decision No. 70360

On March 24, 2009, UNS Electric, Inc ("UNS Electric") submitted its DSMS Rider R-2 for approval. In the cover letter of that filing, the requested DSMS rate of \$0.000768 was reported in error as \$0.00768 and the current rate was reported in error as \$0.00583 instead of \$0.000583. UNS Electric hereby submits its amended filing; however, please note that the only difference is the reported errors in the cover letter – there are no changes to the remainder of the filing. A clean and redlined DSMS Pricing Plan, as well as the necessary supporting documents are attached. Please see the March 24, 2009 filing for more information.

If you have any questions, please contact me at (520) 884-3680.

Respectfully Submitted,

Jessica Bryne
Jessica Bryne
Regulatory Services

cc: Ernest Johnson, ACC
Julie McNeely-Kirwan, ACC

Arizona Corporation Commission
DOCKETED

MAY - 1 2009

DOCKETED BY *[Signature]*



UNS Electric, Inc.
Rider R-2
Demand Side Management Surcharge (DSMS)

APPLICABILITY

The Demand Side Management Surcharge (DSMS) applies to all customers in all territory served by UNS Electric, Inc as mandated by the Arizona Corporation Commission, unless otherwise specified.

RATE

The DSMS shall be applied to all monthly net bills at the following rate:

All kWhs	\$0.000768 per kWh
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REQUIREMENTS

The UNS Electric, Inc. DSMS will be calculated and filed with the Arizona Corporation Commission (ACC) for approval on or before April 1st. The ACC will approve the surcharge to be billed to all applicable pricing plans for twelve (12) months beginning each June 1st.

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 of, or revenue from, gas sales or service sold and/or the volume of gas sales 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.

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

Tariff No.: Rider R-2 DSMS
Effective: June 1, 2009
Page No.: 1 of 1



UNS Electric, Inc.
Rider R-2
Demand Side Management Surcharge (DSMS)

APPLICABILITY

The Demand Side Management Surcharge (DSMS) applies to all customers in all territory served by UNS Electric, Inc as mandated by the Arizona Corporation Commission, unless otherwise specified.

RATE

The DSMS shall be applied to all monthly net bills at the following rate:

All kWhs

\$0.000768583 per kWh

REQUIREMENTS

The UNS Electric, Inc. DSMS will be calculated and filed with the Arizona Corporation Commission (ACC) for approval on or before April 1st. The ACC will approve the surcharge to be billed to all applicable pricing plans for twelve (12) months beginning each June 1st.

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 of, or revenue from, gas sales or service sold and/or the volume of gas sales generated or purchased for sale and/or sold hereunder.

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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.

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

Tariff No.: Rider R-2 DSMS-R-2
Effective: June 1, 2009
Page No.: 1 of 1

UNS ELECTRIC, INC.
COMPUTATION OF DSM SURCHARGE
EFFECTIVE JUNE 1, 2009 to MAY 31, 2010

C:\Documents and Settings\ua02271\Local Settings\Temporary Internet Files\OLK59\UNSE DSM Surcharge (5-01-2009) DRAFT.xls]Calc Sun

Rate Calculation

	<u>UNS Electric</u>		
(a) Current Expenditures (2008)	1A	\$ 452,311	Source: UNSE
(b) Actual Billed: December-08	1B	\$ (568,168)	Source: DSM Revenue (GL)
(c) Under (Over) Collected		(\$115,857)	(a) + (b)
(d) Program Expenditures (2009)	1C	\$ 1,536,527	
(e) Under (Over) Collected (above)		(\$115,857)	(c)
(f) Total Amount Owed:		<u>\$ 1,420,671</u>	(d) + (e)
(g) Forecasted Retail Sales (including unbilled therms) TME May 31, 201 2A		1,850,953,643	Source: Sales
(h) DSM ADJUSTOR CHARGE EFFECTIVE JUNE 1, 2009		<u>\$ 0.000768</u>	(f) / (g)
(i) Current rate through May 31, 2009		\$ 0.000583	
(j) Change in rate		\$ 0.000185	(h) - (i)

UNSE 2009 Budgets for Adjustor

Program	2009 Budget	2008 Expenditures
Education and Outreach	\$ 130,000	\$ 119,277
Residential Efficiency Programs		
Low-Income Weatherization	\$ 117,805	\$ 96,171
Energy Smart Homes	\$ 305,444	\$ 89,813
Efficient Home Cooling	\$ 223,438	\$ 15,772
Shade Tree Program	\$ 68,285	\$ 2,790
Energy Star lighting (CFL)	\$ 340,676	\$ 16,730
Residential Subtotal	\$ 1,055,647	\$ 221,275
Non-Residential Efficiency Programs		
Commercial Facilities Efficiency	\$ 337,247	\$ 3,375
Program Totals	\$ 1,522,894	\$ 343,926
Measurement, Evaluation & Research (1)	\$ -	\$ 115,667
CC&B Database Development	\$ -	\$ -
UNSE Baseline Study (25%)	\$ 13,633	\$ -

Total \$ 1,536,527 C \$ 459,593
June - December Expenditures Only \$ 452,311 A

2008 Adjustor Revenue \$ 568,168 B
 (June - Dec)

(1) Measurement, Evaluation and Research costs include Summit Blue assistance with program design, evaluation, and technical assistance; and costs to develop a database to track program participation and savings

UNS Electric Forecasted Sales June 2009 - May 2010
Sales (MWh)

Year	Residential	Commercial	Industrial	Mining	Other	Total Sales (MWh)
Jun-09	79,104	60,071	17,818	12,870	137	170,000
Jul-09	109,595	61,538	21,873	12,700	137	205,844
Aug-09	103,339	61,527	24,652	13,000	176	202,695
Sep-09	82,404	58,770	22,844	13,000	183	177,200
Oct-09	49,496	45,450	23,210	13,110	181	131,448
Nov-09	46,725	46,203	21,064	12,690	146	126,827
Dec-09	59,204	42,471	21,520	12,430	239	135,865
Jan-10	66,908	45,406	23,101	11,940	331	147,686
Feb-10	54,056	43,381	21,316	11,430	278	130,461
Mar-10	51,488	45,430	23,391	12,540	75	132,924
Apr-10	45,092	53,449	23,102	11,690	326	133,660
May-10	61,271	57,735	23,887	13,330	121	156,345
						1,850,954 A