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FOR THE ARIZONA CORPORATION COMMISSION

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2009 JUN 26 A 9:54

AZ CORP. COMMISSION
DOCKET CONTROL

Arizona Corporation Commission

DOCKETED

JUN 26 2009

DOCKETED BY [Signature]

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.

DOCKET NO. E-04204A-09-0206

AMENDED RATE CASE
PROCEDURAL ORDER
(Form of Notice)

BY THE COMMISSION:

On April 30, 2009, UNS Electric, Inc. ("UNS" or "Company") filed with the Arizona Corporation Commission ("Commission") an application for a rate increases for electric service in the above-captioned docket.

By Procedural Order dated June 17, 2009, this matter was set for hearing and various procedural guidelines were established, including the form of public notice.

On June 25, 2009, UNS filed a Proposed Revised Public Notice and Request for Additional Time for Mailing. The Company coordinated with the Commission's Utilities Division ("Staff") to review and revise the form of public notice set forth in the June 17, 2009 Procedural Order. Additionally, to allow time for printing the form of notice, UNS requests that it be mailed as a bill insert no later than the first billing cycle in August 2009 (instead of July).

Because of the inter-relationship between base rates and the timing of the reset of Company's fuel adjustor clause, the effect on individual bills of the requested increase is complex. The proposed revised form of notice, which has been reviewed by Staff is an accurate and clear notice of the proposed rate increase and should be adopted. To give the Company time to include the notice as a bill insert, the time to commence mailing needs to be extended. The short extension of time will not prejudice any person or entity receiving the notice.

1 IT IS THEREFORE ORDERED that the Company shall provide public notice of the hearing
2 in this matter, in the following form and style with the heading in no less than 18-point bold type and
3 the body in no less than 10-point regular type:

4
5 **PUBLIC NOTICE OF HEARING ON THE**
6 **APPLICATION OF UNS ELECTRIC, INC.**
7 **FOR A RATE INCREASE FOR ELECTRIC SERVICE**
8 **(DOCKET NO. E-04204A-09-0206)**

9 **Summary**

10 On April 30, 2009, UNS Electric, Inc. ("UNSE" or "Company") filed with the Arizona Corporation Commission
11 ("Commission") an application for a rate increase for electric service in the above-captioned docket. UNSE,
12 which markets its service under the "UniSource Energy Services" brand, is requesting an increase in its current
13 base rates for electric service of approximately \$13,500,000, or 7.5 percent. In addition, UNSE is seeking
14 to increase the differential between peak and non-peak rates in its Time-of-Use Tariffs and is proposing to
15 change its low-income programs to ensure that CARES participants using less than 945 kilowatt-hours (kWh)
16 per month will not be affected by the proposed increase.

17 The impact of the proposed base rates would combine with the effects of an anticipated June 2010 increase in the
18 Purchased Power and Fuel Adjustment Charge (PPFAC), which is adjusted each year to reflect current energy
19 costs. If the Company's proposal were to be adopted by the Commission in its entirety, UNSE estimates that
20 monthly bills paid by typical residential customers using an average of 864 kWh per month would increase by
21 \$14.66, or 18 percent, to reflect higher base rates and an increased PPFAC. Those higher bills would be
22 approximately 7 percent lower than the average bills paid by typical UNSE residential customers before June
23 2009, when the PPFAC was decreased to reflect lower energy costs.

24 **This example is for illustrative purposes only, and the actual dollar and percentage changes for
individual customers would vary depending on the type of customer served, and the quantity consumed for
water service.**

25 If you have any questions concerning how the Company's rate proposal will affect your bill or have other
26 substantive questions about this application, you may contact the Company at 1 S. Church Ave., Suite
27 100, Tucson, Arizona, 85701, by phone at (520) 884-3742, or by email at
28 corpcomm@tep.com.

The Commission's Utilities Division Staff has not yet made a recommendation regarding the Company's rate
increase proposal, and the Commission will determine the appropriate rate relief to be granted based on the
evidence of record in this proceeding. The Commission is not bound by the proposals made by the Company,
Staff, or any intervenors. Therefore, the final rates approved in this docket may be lower or higher than the rates
described above.

How You Can View or Obtain a Copy of the Rate Proposal

Copies of the application and proposed rates are available from UNSE at 1 S. Church Ave., Suite 100, Tucson, Arizona;
at Mohave County Library Branches at 3269 N. Burbank in Kingman, Arizona, and at 1770 N. McCulloch Blvd. in
Lake Havasu City, Arizona; at the Nogales-Santa Cruz Public Library, 518 N. Grand Ave.; and at the Commission's
Docket Control Center at 1200 West Washington, Phoenix, Arizona, and in its Tucson offices, 400 West Congress,
Room 218, Tucson, Arizona for public inspection during regular business hours and on the Internet via the
Commission's website (www.azcc.gov) using the e-Docket function.

Arizona Corporation Commission Public Hearing Information

The Commission will hold a hearing on this matter beginning February 4, 2010, at 10:00 a.m., at the Commission's offices, Hearing Room #1, 1200 West Washington Street, Phoenix, Arizona. Public comments will be taken on the first day of the hearing. Written public comments may also be submitted by mailing a letter referencing Docket No. E-04204A-09-0206 to Arizona Corporation Commission, Consumer Services Section, 1200 West Washington, Phoenix, AZ 85007, or by email. For a form to use and instructions on how to e-mail comments to the Commission, go to http://www.azcc.gov/divisions/utilities/forms/public_comment.pdf. If you require assistance, you may contact the Consumer Services Section at 1-800222-7000.

About Intervention

The law provides for an open public hearing at which, under appropriate circumstances, interested parties may intervene. Any person or entity entitled by law to intervene and having a direct and substantial interest in the matter will be permitted to intervene. If you wish to intervene, you must file an original and 13 copies of a written motion to intervene with the Commission no later than September 30, 2009, and send a copy of the motion to UNS or its counsel and to all parties of record. Your motion to intervene must contain the following:

1. Your name, address, and telephone number, and the name, address, and telephone number of any party upon whom service of documents is to be made, if not yourself;
2. A short statement of your interest in the proceeding (e.g., a customer of UNS, a shareholder of UNS, etc.); and
3. A statement certifying that you have mailed a copy of the motion to intervene to UNS or its counsel and to all parties of record in the case.

The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except that all motions to intervene must be filed on or before September 30, 2009. If representation by counsel is required by Rule 31 of the Rules of the Arizona Supreme Court, intervention will be conditioned upon the intervenor obtaining counsel to represent the intervenor. For information about requesting intervention, visit the Commission's website at <http://www.azcc.gov/divisions/utilities/forms/interven.pdf>. The granting of intervention, among other things, entitles a party to present sworn evidence at hearing and to cross-examine other witnesses. However, failure to intervene will not preclude any interested person or entity from appearing at the hearing and providing public comment on the application or from filing written comments in the record of the case.

ADA/Equal Access Information

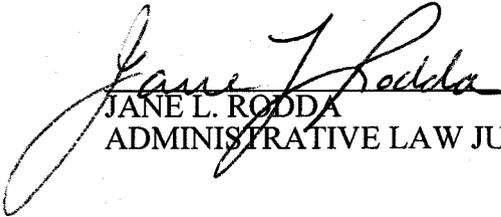
The Commission does not discriminate on the basis of disability in admission to its public meetings. Persons with a disability may request a reasonable accommodation such as a sign language interpreter, as well as request this document in an alternative format, by contacting the ADA Coordinator, Guadalupe Ortiz, E-mail gortiz@azcc.gov, voice phone number 602/542-3931. Requests should be made as early as possible to allow time to arrange the accommodation.

IT IS FURTHER ORDERED that UNS shall **mail** to each of its customers a copy of the above notice as a bill insert **beginning no later than the first billing cycle in August 2009**, and shall cause a copy of such notice to be published at least once in a newspaper of general circulation in the Company's service territory, with **publication to be completed no later than August 31, 2009**.

IT IS FURTHER ORDERED that all other provisions of the June 17, 2009 Procedural Order shall remain in effect.

1 IT IS FURTHER ORDERED that the Administrative Law Judge may rescind, alter, amend,
2 or waive any portion of this Procedural Order either by subsequent Procedural Order or by ruling at
3 hearing.

4 DATED this 25th day of June, 2009.

5
6 
7 JANE L. RODDA
8 ADMINISTRATIVE LAW JUDGE

9 Copies of the foregoing mailed/delivered
10 This 25th day of June, 2009 to:

11 Michael W. Patten
12 ROSKHA, DEWULF & PATTEN PLC
13 One Arizona Center
14 400 E. Van Buren, Suite 800
15 Phoenix, AZ 85004
16 Attorneys for UNS Electric, Inc.

17 Philip J. Dion
18 Michelle Livengood
19 UniSource Energy Services
20 One S. Church Ave
21 Tucson, AZ 85701

22 Janice Alward, Chief Counsel
23 Legal Division
24 ARIZONA CORPORATION COMMISSION
25 1200 West Washington Street
26 Phoenix, AZ 85007

27 Ernest G. Johnson, Director
28 Utilities Division
ARIZONA CORPORATION COMMISSION
1200 West Washington Street
Phoenix, AZ 85007

By: 
26 Julio Ibarra
27 Secretary to Jane L. Rodda
28