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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

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2010 FEB -9 P 3:43
AZ CORP COMMISSION
DOCKET CONTROL

IN THE MATTER OF THE APPLICATION OF) DOCKET NO. E-04204A-09-0206
UNS ELECTRIC, INC. FOR THE)
ESTABLISHMENT OF JUST AND)
REASONABLE RATES AND CHARGES) **NOTICE OF FILING**
DESIGNED TO REALIZE A REASONABLE) **LATE-FILED EXHIBIT**
RATE OF RETURN ON THE FAIR VALUE OF)
THE PROPERTIES OF UNS ELECTRIC, INC.)
DEVOTED TO ITS OPERATIONS)
THROUGHOUT THE STATE OF ARIZONA.)

UNS Electric, Inc., (the "Company") through undersigned counsel, hereby files the attached late-filed exhibit incorporating changes to the Company's proposed rules and regulation that were set forth in its Rejoinder filing. These pages replace the corresponding pages in the revised Exhibit TAM-5 to Mr. McKenna's testimony.

RESPECTFULLY SUBMITTED this 9th day of February 2010.

UNS Electric, Inc.

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

and

Arizona Corporation Commission
DOCKETED
FEB 9 2010

Philip J. Dion
UniSource Energy Services
One South Church Avenue
Tucson, Arizona 85702

DOCKETED BY

Attorneys for UNS Electric, Inc.

1 Original and thirteen copies of the foregoing
2 filed this 9th day of February 2010, with:

3 Docket Control
4 Arizona Corporation Commission
5 1200 West Washington Street
6 Phoenix, Arizona 85007

7 Copy of the foregoing hand-delivered/mailed
8 this 9th day of February 2010, to:

9 Daniel Pozefsky
10 Residential Utilities Consumer Office
11 1110 West Washington, Suite 200
12 Phoenix, Arizona 85007

13 Timothy M. Hogan
14 Arizona Center for Law in the Public Interest
15 202 East McDowell Road, Suite 153
16 Phoenix, Arizona 85004

17 Lyn A. Farmer, Esq.
18 Chief Administrative Law Judge
19 Hearing Division
20 Arizona Corporation Commission
21 1200 West Washington
22 Phoenix, Arizona 85007

23 Maureen A. Scott, Esq.
24 Wesley Van Cleve, Esq.
25 Legal Division
26 Arizona Corporation Commission
27 1200 West Washington Street
Phoenix, Arizona 85007

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

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23 By Mary Spolito
24
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26
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**CLEAN
VERSION**

SECTION 9
LINE EXTENSIONS
(continued)

B. Minimum Written Agreement Requirements

1. Each line extension agreement must, at a minimum, include the following information:
 - a. Name and address of applicant(s);
 - b. Proposed service address(es) or location(s);
 - c. Description of requested service;
 - d. Description and sketch of the requested line extension;
 - e. A cost estimate to include itemized material costs, labor, and other itemized costs as necessary;
 - f. The Company's estimated start date and completion date for construction of the line extension.
2. Each Applicant will be provided with a copy of the written line extension agreement.

C. Line Extension Costs

1. Calculations of estimated line extension costs will include the following:
 - a. Material cost;
 - b. Direct labor cost; and
 - c. Overhead cost.
 - (i) Overhead costs are represented by all the costs which are proper capital charges in connection with construction, other than direct material and labor costs including but not limited to:
 - Indirect labor
 - Engineering
 - Transportation
 - Taxes (e.g. FICA, State & Federal Unemployment which are properly allocated to construction)
 - Insurance
 - Stores expense

SECTION 9
LINE EXTENSIONS
(continued)

General office expenses allocated to costs of construction
Power operated equipment
Employee Pension and Benefits
Vacations and Holidays
Miscellaneous expenses properly chargeable to construction

D. Conditions Governing Extensions of Electric Distribution Lines and Services

Line extension measurements will be along the route of construction required. This measurement will include primary, secondary and service lines.

1. Prior to the installation of facilities, the Customer will be required to pay the estimated cost of the construction of the distribution facilities. Upon completion of construction the Company will compare actual cost to the estimated cost and any difference will be either billed or refunded to the Customer.
2. Overhead Extensions

Except as otherwise provided herein, overhead extensions will be made as follows:

- a. The Company will install, own, and maintain the distribution facilities necessary to provide permanent service to the Customer. Prior to the installation of facilities, the Customer will be required to pay the estimated cost of the construction of the distribution facilities.
- b. The Company will extend its overhead distribution facilities to any Customer, or group of Customers, whom the Company considers permanent. Extensions for Irrigation customers, however, will be governed under Subsection 9.D.5.a. of these Rules and Regulations.

REDLINED

VERSION

SECTION 9
LINE EXTENSIONS

Introduction

A request for electric service often requires the construction of new distribution lines of varying distances. The distances and cost vary widely depending upon Customer's location and load size. With such a wide variation in extension requirements, it is necessary to establish conditions under which the Company will extend its electric facilities.

All extensions are subject to the availability of adequate capacity, voltage and Company facilities at the beginning point of an extension, as determined by the Company.

A. General Requirements

1. Upon request by an Applicant for a line extension, the Company will prepare without charge, a preliminary electric design and a rough estimate of the cost of installation to be paid by said Applicant.
2. Any Applicant for a line extension requesting the Company to prepare detailed plans, specifications, or cost estimates will be required to deposit with the Company an amount equal to the estimated cost of preparation. The Company will, upon request, make available within ninety (90) days after receipt of the deposit referred to above, those plans, specifications, or cost estimates of the proposed line extension. Where the applicant authorizes the Company to proceed with construction of the extension, the deposit will be credited to the cost of construction, the deposit will be non-refundable. If the extension is to include over sizing of facilities to be done at the Customer's expense, appropriate details will be set forth in the plans, specifications and cost estimates. Subdividers providing the Company with approved plans will be provided with plans, specifications, or cost estimates within ninety (90) days after receipt of the deposit referred to above.
3. The Company will provide the Applicant with the estimated costs of extending service prior to the Applicant's acceptance of the Company's line extension agreement. The estimated costs provided to the Applicant will be itemized.
4. All line extension agreements requiring payment by the Applicant will be in writing and signed by each party.
5. All charges are due and payable at the time the line extension agreement is executed.
6. The provisions of this rule apply only to those Applicants who, in the Company's judgment, will be permanent Customers. Extension of facilities will not begin until the satisfactory completion of required site improvements, as determined by the Company, and an approved service entrance to accept electric service has been installed.

SECTION 9
LINE EXTENSIONS
(continued)

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1. Calculations of estimated line extension costs will include the following:
 - a. Material cost;
 - b. Direct labor cost; and
 - c. Overhead cost;:
 - (i) Overhead costs are represented by all the costs which are proper capital charges in connection with construction, other than direct material and labor costs including but not limited to:
 - Indirect labor
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