

ORIGINAL



0000104039

P.O. Box 711
Tucson, AZ 85702



RECEIVED

2009 OCT 19 P 4: 03

AZ CORPORATION COMMISSION
DOCKET CONTROL

October 19, 2009

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

Re: UNS Electric, Inc.'s Revised Line Extension Tariff
Decision No. 71285, Docket No. E-04204A-06-0783

Pursuant to Decision No. 71285, UNS Electric, Inc. ("UNS Electric") is required to file tariff pages for the revised Rules and Regulations, including a revised Line Extension tariff consistent with the terms of Decision No. 71285 within 15 days from the effective date of the Decision. UNS Electric hereby files a revised Section 6 and Section 9 of its Rules and Regulations which are consistent with the terms of the Decision No. 71285.

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

Respectfully Submitted,

Jessica Bryne
Regulatory Services

cc: Steve Olea, ACC
Compliance, ACC

Arizona Corporation Commission
DOCKETED

OCT 19 2009

DOCKETED BY



TABLE OF CONTENTS

| <u>SECTION</u> | <u>TITLE</u> | <u>PAGE</u> |
|----------------|---|-------------|
| 1 | APPLICABILITY OF RULES AND REGULATIONS AND DESCRIPTION OF SERVICE | 2 |
| 2 | DEFINITIONS | 3 |
| 3 | ESTABLISHMENT OF SERVICE | 8 |
| 4 | MINIMUM CUSTOMER INFORMATION REQUIREMENTS | 15 |
| 5 | MASTER METERING | 17 |
| 6 | SERVICE LINES AND ESTABLISHMENTS | 18 |
| 7 | PROVISION OF SERVICE | 22 |
| 8 | CHARACTER OF SERVICE – VOLTAGE, FREQUENCY AND PHASE | 27 |
| 9 | LINE EXTENSIONS | 29 |
| 10 | METER READING | 38 |
| 11 | BILLING AND COLLECTIONS | 41 |
| 12 | TERMINATION OF SERVICE | 48 |
| 13 | ADMINISTRATIVE AND HEARING REQUIREMENTS | 53 |
| 14 | STATEMENT OF ADDITIONAL CHARGES | 56 |
| 15 | CURTAILMENT PROCEDURES | 57 |

SECTION 6
SERVICE LINES AND ESTABLISHMENTS

A. Priority and Timing of Service Establishments

1. After the Applicant has complied with the Company's application requirements and has been accepted for service by the Company, and obtained all required permits and/or inspections indicating that the Customer's facilities comply with local construction, safety and governmental standards or regulations, the Company will schedule that Customer for service establishment.
2. All charges are due and payable before the Company will schedule the Customer for service establishment.
3. Service establishments will be scheduled for completion within five (5) business days of the date the Customer has been accepted for service, except in those instances when the Customer requests service establishment beyond the five (5) *business day limitation*.
4. When the Company has made arrangements to meet with a Customer for service establishment purposes and the Company or the Customer cannot make the appointment during the prearranged time, the Company will reschedule the service establishment to the satisfaction of both parties.
5. The Company will schedule service establishment appointments within a maximum range of four (4) hours during normal business hours, unless another timeframe is mutually acceptable to both the Company and the Customer.
6. Service establishments will be made only by the Company.
7. For the purposes of the rule, service establishments are where the Customer's facilities are ready and acceptable to the Company and *the Company needs only to install or read a meter or turn the service on*.
8. A fee for service establishment, reestablishment, or reconnection of service may be charged at a rate on file with and approved by the ACC. Whenever the Applicant requests after-hours handling of his request, the Company will charge an additional fee on file with and approved by the ACC, unless a special call-out is required. If a special call-out is required the charge will be for a minimum of two (2) hours at the Company's then-prevailing after-hours rate for the service work on the Customer's premises. Special handling of calls and the related charges will be made only on request of the Applicant.

SECTION 6
SERVICE LINES AND ESTABLISHMENTS
(continued)

B. Service Lines

1. Customer provided facilities

- a. Each Applicant for services will be responsible for all inside wiring including the service entrance and meter socket. For three-phase service, the Customer will provide, at the Customer's expense, all facilities including conductors and conduit, beyond the Company-designated point of delivery.
- b. Meters and service switches in conjunction with the meter will be installed in a location where the meters will be readily and safely accessible for reading, testing and inspection, where these activities will cause the least interference and inconvenience to the Customer. Location of metering facilities will be determined by the Company and may or may not be at the same location as the point of delivery. However, the meter locations will not be on the front exterior wall of the home, or in the carport or garage unless mutually agreed to between the Customer or homebuilder and the Company. Without cost to the Company, the Customer must provide, at a suitable and easily accessible location, sufficient and proper space for the installation of meters.
- c. Where the meter or service line location on the Customer's premises is changed at the request of the Customer or due to alterations on the Customer's premises, the Customer must provide and have installed, at the Customer's expense, all wiring and equipment necessary for relocating the meter and service line connection. The Company will charge the Customer for moving the meter and/or service lines.
- d. Customer will provide access to a main switch or breaker for disconnecting load to enable safe installation and removal of Company meters.

2. Overhead Service Connection – Secondary Service

- a. The estimated costs of extending Secondary Service shall be paid by the Customer prior to the Company extending service.
- b. Whenever any of the clearances required by the applicable laws, ordinances, rules or regulations of public authorities or standards of the Company from the service drops to the ground or any object become impaired by reason of any changes made by the owner or tenant of the premises, the Customer will, at his own expense, provide a new and approved support, in a location approved by the Company, for the termination of the Company's service drop wires and will also provide all service entrance corridors and equipment necessitated by the change of location.

SECTION 6
SERVICE LINES AND ESTABLISHMENTS
(continued)

- c. For each overhead service connection, the Customer will furnish at his own expense a set of service entrance conductors that will extend from the point of service delivery at the point of termination of the Company's service drop on the Customer's support to the Customer's main disconnect switch. These service entrance conductors will be of a type and be in an enclosure that meets with the approval of the Company and any inspection authorities having jurisdiction.
3. Underground Service Connections – Secondary Service
- a. In areas where the Company maintains an underground distribution system, individual services will be underground and be paid for by the Customer.
- b. A Customer requesting an underground service line in an area served by overhead facilities will pay the estimated costs of extending the underground Secondary prior to the Company extending service.
- c. For single-phase service, the Company will install a service lateral from its distribution line to the Customer's Company-approved termination facilities under the following conditions (unless otherwise agreed to by the Company and the Applicant):
- (i) The Customer, at his expense, will provide the necessary trenching, conduit, conduit installation, backfill, landscape restoration and paving or the Customer can pay the Company to do so. The Customer will also furnish, install, own and maintain termination facilities on or within the building to be served.
 - (ii) The Company will furnish, install, own and maintain the underground single-phase cables to Customer's Company-approved termination facilities.
 - (iii) The Company will determine the minimum size and type of conduit and conductor for the single-phase service. Where separately installed conduit or duct is required for single-phase service, the Customer will furnish and install the conduit system, including suitable pull ropes as specified by the Company. The ownership of this conduit or duct will be conveyed to the Company, and the Company will then maintain the conduit or duct. By mutual agreement and upon payment by the Customer of the estimated installed cost, the Company may furnish, own, install and maintain this conduit or duct. The maximum length of any lateral conductor will be determined by the Company in accordance with accepted engineering practice in determining voltage drop, voltage flicker, and other relevant considerations.
- d. For three-phase service, the Customer will provide, at the Customer's expense, all facilities, including conductors and conduit, beyond the Company-designated point of delivery.

SECTION 6
SERVICE LINES AND ESTABLISHMENTS
(continued)

C. Easements and Rights-of-Way

1. At no cost to the Company, each Customer will grant adequate easements and rights-of-way that are satisfactory to ensure proper service connection and any additional easements and rights-of-way as may be necessary for electric system reliability. Failure on the part of the Customer to grant adequate easement and right-of-way will be grounds for the Company to refuse service.
2. When the Company discovers that a Customer or the Customer's Agent is performing work, has constructed facilities or has allowed vegetation to grow adjacent to or within an easement or right-of-way and this work, construction, vegetation or facility poses a hazard or is in violation of federal, state or local laws, ordinances, statutes, Rules or Regulations, or significantly interferes with the Company's access to equipment, the Company will notify the Customer or the Customer's Agent and will take whatever actions are necessary to eliminate the hazard, obstruction or violation at the Customer's expense.

D. Number of Services to be Installed

The Company will not install more than one service, either overhead or underground, for any one building or group of buildings on a single premises, except as separate services may be installed for separate buildings or group of buildings where necessary for the operating convenience of the Company, where provided for in the tariff schedules, or where required by law or local ordinance.

E. Multiple Service Points

Any person, firm, corporation, agency or other organization or governmental body receiving service from the Company at more than one location or for more than one separately operated business will be considered as a separate Customer at each location and for each business. If several buildings are occupied and used by a Customer in the operation of a single business, the Company, upon proper application, will furnish service for the entire group of buildings through one service connection at one point of delivery, provided these buildings are all at one location on the same lot or tract, or on adjoining lots or tracts that form a contiguous plot that is not separated by any public streets. This plot or location will be wholly owned or controlled and occupied by the Customer in the operation of this single business. Dwelling units will be served, metered and billed separately, except at the Company's option.

F. Temporary Service

For service that is temporary in nature or for operations of a speculative character or questionable permanency the Customer will be charged the Company's estimated cost of installing the service.

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.

SECTION 9
LINE EXTENSIONS
(continued)

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.

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 materials, labor, and other costs as necessary; and
 - 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.

SECTION 9
LINE EXTENSIONS
(continued)

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;

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
- 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.

SECTION 9
LINE EXTENSIONS
(continued)

1. Overhead Extensions

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

a. Rates for Overhead Extensions

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. Extensions to Large Light and Power Customers

The Company will install, own and maintain, on an individual project basis, the distribution facilities necessary to provide permanent service to a large light and power Customer. 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. Underground Construction

a. Installation of single phase underground electric lines to furnish permanent electric service to a duly recorded Residential Subdivision Development, in which facilities for electric service have not been constructed, for which applications are made by a developer, will be installed underground provided the following conditions are met:

- (i) A line extension agreement has been signed by developer(s) and the Company;
- (ii) The total of the Company's estimated cost of construction has been received by the Company;
- (iii) The Customer will provide the trenching, bedding, backfill (including any imported backfill required), compaction, repaving and any earthwork for pull boxes and transformer pad sites required in accordance with the specifications and schedules of the Company;

SECTION 9
LINE EXTENSIONS
(continued)

- (iv) Right-of-way and easements satisfactory to the Company will be furnished by the developer at no cost to the Company and in reasonable time to meet service requirements. No underground electric facilities will be installed by the Company until the final grades have been established and furnished to the Company. In addition the easements, alleys and/or streets must be graded to within six (6) inches of final grade by the developer before the Company will commence construction. This clearance and grading must be maintained by the developer. If, subsequent to construction, the clearance or grade is changed in such a way as to require relocation of underground facilities or results in damage to those facilities, the cost of the relocation and/or resulting repairs will be borne by the developer;
 - (v) If armored cable or special cable covering is required, the Customer or developer will make a non-refundable contribution equal to the additional cost of such cable or covering;
 - (vi) Underground service lines to Customers will be installed, owned, operated, and maintained by the Company. The Customer will be required to provide, at the Customer's expense, all necessary conduit, trenching, backfilling, compaction, and concrete work, if required, in accordance with Company specifications and other local codes; and
 - (vii) Underground service lines not installed in accordance with Company specifications will be repaired and/or replaced by the Company at the Customer's expense.
- b. Three-Phase underground construction: Where three-phase underground service is requested by a Customer, the Company will install required facilities provided:
- (i) A line extension agreement has been signed by each party;
 - (ii) The total of the Company's estimated cost of construction has been received by the Company;
 - (iii) Conditions specified in subsections 9.D.2.a.(iii) through (v) are met;
 - (iv) The Customer will provide and install transformer and/or switchgear pads and conduit in accordance with Company specifications.
- c. The Customer will retain ownership of all non-residential single phase service lines and three phase service lines and will maintain these lines at no cost to the Company. Any work performed by the Company on Customer-owned facilities will be at actual cost. Non-residential properties include, but are not limited to master-metered apartment buildings and duplexes.

SECTION 9
LINE EXTENSIONS
(continued)

3. Other Customers

- a. Irrigation Customers - Customers requiring construction of electric facilities for service to irrigation pumping will pay, in the form of a contribution, the total estimated construction cost, which may include a portion of the shared backbone cost from designated irrigation substations.
- b. Temporary Customers - Where a temporary meter or construction is required to provide service to a Customer, then the Customer, in advance of installation or construction, will make a contribution equal to the cost of installing and removing the facilities required to furnish service, less the salvage value of those facilities. When the use of service is discontinued or agreement for service is terminated, the Company may dismantle its facilities and the materials and equipment provided by the Company will be salvaged and remain its property.

Each applicant for temporary service shall be required to deposit with the Company a sum of money equal to the estimated amount of the Company's bill for such service, or to otherwise secure in a manner satisfactory to the Company, the payment of any bill which may accrue by reason of such service so furnished or supplied. Contributions for temporary service are not refundable.

- c. Speculative Customers - Service to mining and milling installations and similar speculative businesses, where special conditions prevail as to service requirements and/or construction cost for line extension, will be furnished under special contract.

4. Other Conditions

- a. Three Phase Service - Where a Customer requests three phase service and it is necessary to convert all or a portion of an existing overhead or underground distribution system from single phase to three phase in order to furnish this service, the entire cost of the conversion will be paid by the Customer.
- b. Request for Additional Facilities - Where the Customer requests facilities which are in addition to, or in substitution for existing facilities, the extra cost thereof will be paid by the Customer.
- c. Primary Service and Metering - The Company will provide primary service to a point of delivery and that point of delivery will be determined by the Company. The Customer will provide the entire distribution system (including transformers) from the point of delivery to the load. The system will be treated as primary service for the purposes of billing. The Company reserves the right to accept or require modification to the Customer's distribution system prior to its connection, and the Company will determine the voltage available for primary service. Instrument transformers, metering riser poles and associated equipment to be installed and maintained by the Company will be at the Customer's expense.

SECTION 9
LINE EXTENSIONS
(continued)

- d. Rights-of-Way - All necessary easements or rights-of-way required by the Company for any portion of the extension which is either on premises owned, leased or otherwise controlled by the Customer, developer, or others will be furnished in the Company's name by the Customer without cost to or condemnation by the Company and in reasonable time to meet proposed service requirements. All easements or rights-of-way obtained on behalf of the Company will contain only those terms and conditions that are acceptable to the Company.
- e. Change of Grade - If subsequent to construction of electric distribution and/or transmission lines and services, the final grade established by the Customer or developer is changed in such a way as to require relocation of the Company facilities or results in damage to those same facilities, the cost of relocation and/or resulting repairs will be borne by the Customer or developer.
- f. Relocation - When the Company is requested to relocate its facilities for the benefit and/or convenience of a Customer, the Customer will pay the Company for the total cost of the work to be performed prior to the start of construction.
- g. Connecting or Disconnecting Customer's Service - Only duly authorized employees of the Company are allowed to connect the Customer's service to, or disconnect the same from, the Company's electric lines.
- h. Maintenance of Customer's Equipment - The Customer will, at the Customer's own risk and expense, furnish, install and keep in good and safe condition all electrical wires, lines, machinery and apparatus which may be required for receiving electric energy from the Company, and for applying and utilizing that energy, including all necessary protective appliances and suitable building therefore, and the Company will not be responsible for any loss or damage occasioned or caused by the negligence, want of proper care, or wrongful act of the Customer or any of the Customer's agents, employees or licensees on the part of the Customer in installing, maintaining, using, operating or interfering with any such wires, lines, machinery or apparatus.
- i. Entering Customers Premises - The Company will, at all times, have the right of ingress to and egress from the Customer's premises at all reasonable hours for any purpose reasonably connected with the furnishing of electric energy and the exercise of any and all rights secured to it by law or these Rules and Regulations.
- j. Removal of Company Property - As provided for in these Rules and Regulations, the Company will have the right to remove any and all of its property installed on the Customer's premises at the termination of service.

SECTION 9
LINE EXTENSIONS
(continued)

- k. Resale of Energy - Unless specifically agreed upon, the Customer must not resell any of the electric energy received by the Customer from the Company to any other person, or for any other purpose or on other premises than specified in the Customer's application for service.

- l. Supply of Electric - The Company will exercise reasonable diligence and care to furnish and deliver a continuous and sufficient supply of electric energy to the Customer, and to avoid any shortage or interruption of delivery of same. The Company will not be liable for interruption or shortage or insufficiency of supply, or any loss or damage occasioned thereby, if same is caused by inevitable accident, act of God, fire, strikes, riots, war, or any other cause not within its control. The Company, whenever it must find it necessary for the purpose of making repairs or improvements to its system, will have the right to suspend, temporarily, the delivery of electric energy, but in all such cases as reasonable notice thereof as circumstances will permit will be given to the Customers. The making of these repairs or improvements will proceed as rapidly as may be practicable, and, if practicable, at those times that will cause the least inconvenience to the Customers. In case of shortage of supply, the Company will have the right to give preference in the matter of furnishing electric service to the United States and the State of Arizona, and cities, cities and counties, counties and towns, their inhabitants for lighting and for public purposes and to other public utilities and those engaged in public or quasi-public service if necessary.

- m. Change of Customer's Requirements - In the event that the Customer must make any material change either in the amount or character of the appliances or apparatus installed upon the Customers premises to be supplied with electric energy by the Company, the Customer must immediately give the Company written notice to this effect.

- n. Power Factor - In the case of apparatus and devices having low power factor, now in service, which may hereafter be replaced, and all similar equipment hereafter installed or replaced, served under general commercial schedules, the Company may require the Customer to provide, at the Customer's own expense, power factor corrective equipment to increase the power factor of any such devices to not less than ninety percent (90%).

- o. Collections - Nothing in these Rules and Regulations will be construed as limiting or in any way affecting the right of the Company to collect from the Customer any other additional sum of money which may become due and payable.

**SECTION 9
LINE EXTENSIONS
(continued)**

E. Construction / Facilities Related Income Taxes

Any federal, state or local income taxes resulting from the receipt of a contribution in aid of construction in compliance with this rule is the responsibility of the Company and will be recorded as a deferred tax asset.

However, if the estimated cost of facilities for any line extension exceeds \$500,000, the Company shall require the Applicant to include in the contribution an amount (the "gross up amount") equal to the estimated federal, state or local income tax liability of the Company resulting from the contribution, computed as follows:

$$\text{Gross Up Amount} = \frac{\text{Estimated Construction Cost}}{(1 - \text{Combined Federal-State-Local Income Tax Rate})}$$

After the Company's tax returns are completed, and actual tax liability is known, to the extent that the computed gross up amount exceeds the actual tax liability resulting from the contribution, the Company shall refund to the Applicant an amount equal to such excess, or collect the additional amount from the Applicant. When a gross-up amount is to be obtained in connection with an extension agreement, the contract will state the tax rate used to compute the gross up amount, and will also disclose the gross-up amount separately from the estimated cost of facilities. In subsequent years, as tax depreciation deductions are taken by the Company on its tax returns for the constructed assets with tax bases that have been grossed-up, a refund will be made to the Applicant in an amount equal to the related tax benefit. In lieu of scheduling such refunds over the remaining tax life of the constructed assets, a reduced lump sum refund may be made at the end of five (5) years at the election of either the Company or the Applicant. This lump sum payment shall reflect the net present value of remaining tax depreciation deductions discounted at the Company's authorized rate of return.

F. Transition Period for Elimination of Free Footage

From the effective date of these Rules and Regulations, there is a six (6) month grace period for Customers, developers and subdividers to execute a line extension agreement or receive approval on a new service application from the Company in order to be eligible for the line extension policy in effect between August 11, 2003 and October 6, 2009. Those new applicants must make provisions for the Company to install and energize the extension and service facilities within eighteen (18) months from the date of their respective agreement and/or application. In addition, all existing approved line extension agreements and service applications will be grandfathered in under the policy in effect from August 11, 2003 to October 6, 2009. Grandfathered Customers must make provisions for the Company to install and energize the extension and service facilities within eighteen (18) months from the effective date of these Rules and Regulations or they will be subject to the new line extension policy.