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BEFORE THE ARIZONA CORPORATION COMMISSION

RECEIVED

COMMISSIONERS

- KRISTIN K. MAYES - CHAIRMAN
- GARY PIERCE
- PAUL NEWMAN
- SANDRA D. KENNEDY
- BOB STUMP

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ARIZONA CORPORATION 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 EXHIBITS**
 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 36 as directed in the hearing in this matter. Included in this exhibit are:

- Attachment A – Estimated Bill Impact of including REST costs (including distributed generation) and DSM program costs in base rates;
- Attachment B – Estimated Bill Impact of including REST costs (excluding distributed generation) and DSM program costs in base rates;
- Attachment C – Comparison of the estimated revenue requirement for (i) UNS Electric's Renewable Investment proposal including the impact of the Federal Investment Tax Credit versus (ii) the traditional rate case treatment for plant without the Federal Investment Tax Credit; and
- Attachment D – Estimated Megawatts and Megawatt-Hours that would be produced by a \$5 million investment in different renewable technologies.

Arizona Corporation Commission

DOCKETED

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DOCKETED BY

1 RESPECTFULLY SUBMITTED this 1st day of March 2010.

2 UNS Electric, Inc.

3
4 By 

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18 Original and thirteen copies of the foregoing
19 filed this 1st day of March 2010, with:

20 Docket Control
21 Arizona Corporation Commission
22 1200 West Washington Street
23 Phoenix, Arizona 85007

24 Copy of the foregoing hand-delivered/mailed
25 this 1st day of March 2010, to:

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ATTACHMENT

"A"

UNS ELECTRIC INC.
ESTIMATED BILL IMPACTS
IMPACTS OF VARYING REST LEVELS AND RECOVERY OF 100% DSM WITHIN BASE RATES

Residential Bill Impacts

Average Monthly Usage (kWh)	Small 444	Median 681	Average 874	Large 1,058
BASED ON PRESENT REST CAP STRUCTURE AND DSM RECOVERY METHOD				
Proposed Rates With Present REST & DSM Surcharge Structure	\$55.88	\$83.67	\$106.25	\$127.78
Proposed Rates with 50% REST & 100% DSM in Base Rates	\$55.63	\$83.27	\$105.74	\$127.16
Proposed Rates with 75% REST & 100% DSM in Base Rates	\$55.49	\$83.06	\$105.47	\$126.84
Proposed Rates with 100% REST & 100% DSM in Base Rates	\$55.35	\$82.86	\$105.20	\$126.51
% Change - Present to 50% in Base Rates	-0.4%	-0.5%	-0.5%	-0.5%
% Change - Present to 75% in Base Rates	-0.7%	-0.7%	-0.7%	-0.7%
% Change - Present to 100% in Base Rates	-0.9%	-1.0%	-1.0%	-1.0%

RECOVERY WITHIN BASE RATES CALCULATED AS A PER KWH CHARGE - NO CAPS

Proposed Rates With Present REST & DSM Surcharge Structure	\$55.88	\$83.67	\$106.25	\$127.78
Proposed Rates with 50% REST & 100% DSM in Base Rates	\$53.79	\$80.46	\$102.13	\$122.79
Proposed Rates with 75% REST & 100% DSM in Base Rates	\$54.32	\$81.27	\$103.17	\$124.05
Proposed Rates with 100% REST & 100% DSM in Base Rates	\$54.85	\$82.08	\$104.21	\$125.31
% Change - Present to 50% in Base Rates	-3.7%	-3.8%	-3.9%	-3.9%
% Change - Present to 75% in Base Rates	-2.8%	-2.9%	-2.9%	-2.9%
% Change - Present to 100% in Base Rates	-1.8%	-1.9%	-1.9%	-1.9%

CARES Bill Impacts

Average Monthly Usage (kWh)	Small 411	Median 621	Average 772	Large 899
BASED ON PRESENT REST CAP STRUCTURE AND DSM RECOVERY METHOD				
Proposed Rates With Present REST & DSM Surcharge Structure	\$32.50	\$55.47	\$69.07	\$80.51
Proposed Rates with 50% REST & 100% DSM in Base Rates	\$32.30	\$55.13	\$68.64	\$80.01
Proposed Rates with 75% REST & 100% DSM in Base Rates	\$32.19	\$54.95	\$68.43	\$79.76
Proposed Rates with 100% REST & 100% DSM in Base Rates	\$32.09	\$54.78	\$68.21	\$79.51
% Change - Present to 50% in Base Rates	-0.6%	-0.6%	-0.6%	-0.6%
% Change - Present to 75% in Base Rates	-0.9%	-0.9%	-0.9%	-0.9%
% Change - Present to 100% in Base Rates	-1.3%	-1.2%	-1.2%	-1.2%

RECOVERY WITHIN BASE RATES CALCULATED AS A PER KWH CHARGE - NO CAPS

Proposed Rates With Present REST & DSM Surcharge Structure	\$32.50	\$55.47	\$69.07	\$80.51
Proposed Rates with 50% REST & 100% DSM in Base Rates	\$30.94	\$46.94	\$58.46	\$68.14
Proposed Rates with 75% REST & 100% DSM in Base Rates	\$31.33	\$47.54	\$59.20	\$69.00
Proposed Rates with 100% REST & 100% DSM in Base Rates	\$31.72	\$48.13	\$59.94	\$69.86
% Change - Present to 50% in Base Rates	-4.8%	-15.4%	-15.4%	-15.4%
% Change - Present to 75% in Base Rates	-3.6%	-14.3%	-14.3%	-14.3%
% Change - Present to 100% in Base Rates	-2.4%	-13.2%	-13.2%	-13.2%

Note: All rates in exhibit reflect total recovery in base rates of \$7.8M of REST budget (which includes \$6.6M of Distributed Generation cost and \$1.2M of Non-DG cost) and \$1.4M of DSM cost.

**UNS ELECTRIC INC.
ESTIMATED BILL IMPACTS**

IMPACTS OF VARYING REST LEVELS AND RECOVERY OF 100% DSM WITHIN BASE RATES

Small Commercial Bill Impacts

Average Monthly Usage (kWh)	Small 500	Median 600	Average 1,001	Large 5,000
BASED ON PRESENT REST CAP STRUCTURE AND DSM RECOVERY METHOD				
Proposed Rates With Present REST & DSM Surcharge Structure	\$72.10	\$84.82	\$135.82	\$644.51
Proposed Rates with 50% REST & 100% DSM in Base Rates	\$71.31	\$83.88	\$134.26	\$636.67
Proposed Rates with 75% REST & 100% DSM in Base Rates	\$70.93	\$83.41	\$133.48	\$632.80
Proposed Rates with 100% REST & 100% DSM in Base Rates	\$70.54	\$82.95	\$132.71	\$628.93
% Change - Present to 50% in Base Rates	-1.1%	-1.1%	-1.1%	-1.2%
% Change - Present to 75% in Base Rates	-1.6%	-1.7%	-1.7%	-1.8%
% Change - Present to 100% in Base Rates	-2.2%	-2.2%	-2.3%	-2.4%

REST AND DSM RECOVERY WITHIN BASE RATES CALCULATED AS A PER KWH CHARGE - NO CAPS

Proposed Rates With Present REST & DSM Surcharge Structure	\$72.10	\$84.82	\$135.82	\$644.51
Proposed Rates with 50% REST & 100% DSM in Base Rates	\$69.71	\$81.96	\$131.05	\$620.67
Proposed Rates with 75% REST & 100% DSM in Base Rates	\$70.31	\$82.67	\$132.24	\$626.63
Proposed Rates with 100% REST & 100% DSM in Base Rates	\$70.90	\$83.39	\$133.44	\$632.59
% Change - Present to 50% in Base Rates	-3.3%	-3.4%	-3.5%	-3.7%
% Change - Present to 75% in Base Rates	-2.5%	-2.5%	-2.6%	-2.8%
% Change - Present to 100% in Base Rates	-1.7%	-1.7%	-1.8%	-1.8%

Large General Service Bill Impacts

	Small 5,000	Median 10,000	Average 25,000	Large 300,000
Average Monthly Sales (kWh)				
Average Monthly Demand (kW)	12.5	24.9	62.3	747.2

BASED ON PRESENT REST CAP STRUCTURE AND DSM RECOVERY METHOD

Proposed Rates With Present REST & DSM Surcharge Structure	\$585.69	\$1,155.38	\$2,826.10	\$32,197.21
Proposed Rates with 50% REST & 100% DSM in Base Rates	\$577.86	\$1,139.71	\$2,806.10	\$32,727.21
Proposed Rates with 75% REST & 100% DSM in Base Rates	\$573.98	\$1,131.97	\$2,796.33	\$32,994.91
Proposed Rates with 100% REST & 100% DSM in Base Rates	\$570.11	\$1,124.22	\$2,786.55	\$33,262.61
% Change - Present to 50% in Base Rates	-1.3%	-1.4%	-0.7%	1.6%
% Change - Present to 75% in Base Rates	-2.0%	-2.0%	-1.1%	2.5%
% Change - Present to 100% in Base Rates	-2.7%	-2.7%	-1.4%	3.3%

REST AND DSM RECOVERY WITHIN BASE RATES CALCULATED AS A PER KWH CHARGE - NO CAPS

Proposed Rates With Present REST & DSM Surcharge Structure	\$585.69	\$1,155.38	\$2,826.10	\$32,197.21
Proposed Rates with 50% REST & 100% DSM in Base Rates	\$561.85	\$1,107.70	\$2,745.25	\$32,767.01
Proposed Rates with 75% REST & 100% DSM in Base Rates	\$567.81	\$1,119.62	\$2,775.05	\$33,124.61
Proposed Rates with 100% REST & 100% DSM in Base Rates	\$573.77	\$1,131.54	\$2,804.85	\$33,482.21
% Change - Present to 50% in Base Rates	-4.1%	-4.1%	-2.9%	1.8%
% Change - Present to 75% in Base Rates	-3.1%	-3.1%	-1.8%	2.9%
% Change - Present to 100% in Base Rates	-2.0%	-2.1%	-0.8%	4.0%

Large General Service Bill Impacts (TOU)

	Small 5,000	Median 10,000	Average 25,000	Large 300,000
Average Monthly Sales (kWh)				
Average Monthly Demand (kW)	12.5	24.9	62.3	747.2
Average Monthly Peak Demand (kW)	11.8	23.7	59.2	709.8

BASED ON PRESENT REST CAP STRUCTURE AND DSM RECOVERY METHOD

Proposed Rates With Present REST & DSM Surcharge Structure	\$582.28	\$1,143.65	\$2,789.43	\$31,703.25
Proposed Rates with 50% REST & 100% DSM in Base Rates	\$574.44	\$1,127.98	\$2,769.43	\$32,233.25
Proposed Rates with 75% REST & 100% DSM in Base Rates	\$570.57	\$1,120.24	\$2,759.65	\$32,500.95
Proposed Rates with 100% REST & 100% DSM in Base Rates	\$566.70	\$1,112.49	\$2,749.88	\$32,768.65
% Change - Present to 50% in Base Rates	-1.3%	-1.4%	-0.7%	1.7%
% Change - Present to 75% in Base Rates	-2.0%	-2.0%	-1.1%	2.5%
% Change - Present to 100% in Base Rates	-2.7%	-2.7%	-1.4%	3.4%

REST AND DSM RECOVERY WITHIN BASE RATES CALCULATED AS A PER KWH CHARGE - NO CAPS

Proposed Rates With Present REST & DSM Surcharge Structure	\$582.28	\$1,143.65	\$2,789.43	\$31,703.25
Proposed Rates with 50% REST & 100% DSM in Base Rates	\$558.44	\$1,095.97	\$2,708.58	\$32,273.05
Proposed Rates with 75% REST & 100% DSM in Base Rates	\$564.40	\$1,107.89	\$2,738.38	\$32,630.65
Proposed Rates with 100% REST & 100% DSM in Base Rates	\$570.36	\$1,119.81	\$2,768.18	\$32,988.25
% Change - Present to 50% in Base Rates	-4.1%	-4.2%	-2.9%	1.8%
% Change - Present to 75% in Base Rates	-3.1%	-3.1%	-1.8%	2.9%
% Change - Present to 100% in Base Rates	-2.0%	-2.1%	-0.8%	4.1%

Note: All rates in exhibit reflect total recovery in base rates of \$7.8M of REST budget (which includes \$6.6M of Distributed Generation cost and \$1.2M of Non-DG cost) and \$1.4M of DSM cost.

UNS ELECTRIC INC.
ESTIMATED BILL IMPACTS
IMPACTS OF VARYING REST LEVELS AND RECOVERY OF 100% DSM WITHIN BASE RATES

Large Power Service Bill Impacts (<69kV)

	Assumes Load Factor =			
	Small	Median	Average	65% Large
Average Montly Sales (kWh)	300,000	520,000	1,000,000	3,000,000
Average Monthly Demand (kW)	632.2	1,095.9	2,107.5	6,322.4
ID ON PRESENT REST CAP STRUCTURE AND DSM RECOVERY METHOD				
Proposed Rates With Present REST & DSM Surcharge Structure	\$36,716.86	\$62,360.08	\$117,087.53	\$345,118.59
Proposed Rates with 50% REST & 100% DSM in Base Rates	\$36,023.86	\$61,663.72	\$116,994.53	\$347,539.59
Proposed Rates with 75% REST & 100% DSM in Base Rates	\$35,689.51	\$61,336.60	\$116,988.53	\$348,871.59
Proposed Rates with 100% REST & 100% DSM in Base Rates	\$35,355.16	\$61,009.48	\$116,982.53	\$350,203.59
% Change - Present to 50% in Base Rates	-1.9%	-1.1%	-0.1%	0.7%
% Change - Present to 75% in Base Rates	-2.8%	-1.6%	-0.1%	1.1%
% Change - Present to 100% in Base Rates	-3.7%	-2.2%	-0.1%	1.5%

RECOVERY WITHIN BASE RATES CALCULATED AS A PER KWH CHARGE - NO CAPS

Proposed Rates With Present REST & DSM Surcharge Structure	\$36,716.86	\$62,360.08	\$117,087.53	\$345,118.59
Proposed Rates with 50% REST & 100% DSM in Base Rates	\$35,267.26	\$60,857.12	\$116,689.53	\$349,324.59
Proposed Rates with 75% REST & 100% DSM in Base Rates	\$35,624.86	\$61,476.96	\$117,881.53	\$352,900.59
Proposed Rates with 100% REST & 100% DSM in Base Rates	\$35,982.46	\$62,096.80	\$119,073.53	\$356,476.59
% Change - Present to 50% in Base Rates	-3.9%	-2.4%	-0.3%	1.2%
% Change - Present to 75% in Base Rates	-3.0%	-1.4%	0.7%	2.3%
% Change - Present to 100% in Base Rates	-2.0%	-0.4%	1.7%	3.3%

Large Power Service Bill Impacts (>69kV)

	Assumes Load Factor =			
	Small	Median	Average	70% Large
Average Montly Sales (kWh)	300,000	520,000	1,000,000	3,000,000
Average Monthly Demand (kW)	587.1	1,017.6	1,956.9	5,870.8
ID ON PRESENT REST CAP STRUCTURE AND DSM RECOVERY METHOD				
Proposed Rates With Present REST & DSM Surcharge Structure	\$32,100.18	\$54,332.17	\$101,616.94	\$298,636.81
Proposed Rates with 50% REST & 100% DSM in Base Rates	\$31,407.18	\$53,635.81	\$101,523.94	\$301,057.81
Proposed Rates with 75% REST & 100% DSM in Base Rates	\$31,072.83	\$53,308.69	\$101,517.94	\$302,389.81
Proposed Rates with 100% REST & 100% DSM in Base Rates	\$30,738.48	\$52,981.57	\$101,511.94	\$303,721.81
% Change - Present to 50% in Base Rates	-2.2%	-1.3%	-0.1%	0.8%
% Change - Present to 75% in Base Rates	-3.2%	-1.9%	-0.1%	1.3%
% Change - Present to 100% in Base Rates	-4.2%	-2.5%	-0.1%	1.7%

RECOVERY WITHIN BASE RATES CALCULATED AS A PER KWH CHARGE - NO CAPS

Proposed Rates With Present REST & DSM Surcharge Structure	\$32,100.18	\$54,332.17	\$101,616.94	\$298,636.81
Proposed Rates with 50% REST & 100% DSM in Base Rates	\$30,650.58	\$52,829.21	\$101,218.94	\$302,842.81
Proposed Rates with 75% REST & 100% DSM in Base Rates	\$31,008.18	\$53,449.05	\$102,410.94	\$306,418.81
Proposed Rates with 100% REST & 100% DSM in Base Rates	\$31,365.78	\$54,068.89	\$103,602.94	\$309,994.81
% Change - Present to 50% in Base Rates	-4.5%	-2.8%	-0.4%	1.4%
% Change - Present to 75% in Base Rates	-3.4%	-1.6%	0.8%	2.6%
% Change - Present to 100% in Base Rates	-2.3%	-0.5%	2.0%	3.8%

Note: All rates in exhibit reflect total recovery in base rates of \$7.8M of REST budget (which includes \$6.6M of Distributed Generation cost and \$1.2M of Non-DG cost) and \$1.4M of DSM cost.

ATTACHMENT

"B"

UNS ELECTRIC INC.
ESTIMATED BILL IMPACTS
IMPACTS WITH DG RECOVERY WITHIN REST SURCHARGE AND
REMAINDER OF REST RECOVERY WITHIN BASE RATES

Residential Bill Impacts

Average Monthly Usage (kWh)	Small 444	Median 681	Average 874	Large 1,058
BASED ON PRESENT REST CAP STRUCTURE AND DSM RECOVERY METHOD				
Proposed Rates With Present REST & DSM Surcharge Structure	\$55.88	\$83.08	\$105.49	\$126.86
Proposed Rates with 50% Non-DG REST & 100% DSM in Base Rates	\$55.82	\$83.57	\$106.12	\$127.62
Proposed Rates with 75% Non-DG REST & 100% DSM in Base Rates	\$56.08	\$83.98	\$106.65	\$128.26
Proposed Rates with 100% Non-DG REST & 100% DSM in Base Rates	\$55.82	\$83.57	\$106.12	\$127.62
% Change - Present to 50% in Base Rates	-0.1%	0.6%	0.6%	0.6%
% Change - Present to 75% in Base Rates	0.4%	1.1%	1.1%	1.1%
% Change - Present to 100% in Base Rates	-0.1%	0.6%	0.6%	0.6%
REST AND DSM RECOVERY WITHIN BASE RATES CALCULATED AS A PER KWH CHARGE - NO CAPS				
Proposed Rates With Present REST & DSM Surcharge Structure	\$55.88	\$83.08	\$105.49	\$126.86
Proposed Rates with 50% Non-DG REST & 100% DSM in Base Rates	\$52.90	\$79.09	\$100.37	\$120.66
Proposed Rates with 75% Non-DG REST & 100% DSM in Base Rates	\$52.98	\$79.22	\$100.54	\$120.86
Proposed Rates with 100% Non-DG REST & 100% DSM in Base Rates	\$54.85	\$82.08	\$104.21	\$125.31
% Change - Present to 50% in Base Rates	-5.3%	-4.8%	-4.9%	-4.9%
% Change - Present to 75% in Base Rates	-5.2%	-4.6%	-4.7%	-4.7%
% Change - Present to 100% in Base Rates	-1.8%	-1.2%	-1.2%	-1.2%

CARES Bill Impacts

Average Monthly Usage (kWh)	Small 411	Median 621	Average 772	Large 899
BASED ON PRESENT REST CAP STRUCTURE AND DSM RECOVERY METHOD				
Proposed Rates With Present REST & DSM Surcharge Structure	\$32.50	\$55.47	\$69.07	\$80.51
Proposed Rates with 50% Non-DG REST & 100% DSM in Base Rates	\$32.43	\$55.37	\$68.94	\$80.35
Proposed Rates with 75% Non-DG REST & 100% DSM in Base Rates	\$32.63	\$55.70	\$69.36	\$80.85
Proposed Rates with 100% Non-DG REST & 100% DSM in Base Rates	\$32.44	\$55.37	\$68.94	\$80.36
% Change - Present to 50% in Base Rates	-0.2%	-0.2%	-0.2%	-0.2%
% Change - Present to 75% in Base Rates	0.4%	0.4%	0.4%	0.4%
% Change - Present to 100% in Base Rates	-0.2%	-0.2%	-0.2%	-0.2%
REST AND DSM RECOVERY WITHIN BASE RATES CALCULATED AS A PER KWH CHARGE - NO CAPS				
Proposed Rates With Present REST & DSM Surcharge Structure	\$32.50	\$55.47	\$69.07	\$80.51
Proposed Rates with 50% Non-DG REST & 100% DSM in Base Rates	\$30.27	\$45.95	\$57.22	\$66.70
Proposed Rates with 75% Non-DG REST & 100% DSM in Base Rates	\$30.34	\$46.04	\$57.34	\$66.83
Proposed Rates with 100% Non-DG REST & 100% DSM in Base Rates	\$30.40	\$46.14	\$57.46	\$66.97
% Change - Present to 50% in Base Rates	-6.8%	-17.2%	-17.1%	-17.2%
% Change - Present to 75% in Base Rates	-6.6%	-17.0%	-17.0%	-17.0%
% Change - Present to 100% in Base Rates	-6.5%	-16.8%	-16.8%	-16.8%

Note: All rates in exhibit reflect total recovery of \$7.8M of REST and \$1.4M of DSM cost. In this example, all rates reflect \$1.2M of Non-DG cost and \$1.4M of DSM cost in base rates and \$6.6M of DG cost in a REST surcharge.

UNS ELECTRIC INC.
ESTIMATED BILL IMPACTS
IMPACTS WITH DG RECOVERY WITHIN REST SURCHARGE AND
REMAINDER OF REST RECOVERY WITHIN BASE RATES

Small Commercial Bill Impacts

	Average Monthly Usage (kWh)	Small 500	Median 600	Average 1,001	Large 5,000
BASED ON PRESENT REST CAP STRUCTURE AND DSM RECOVERY METHOD					
Proposed Rates With Present REST & DSM Surcharge Structure		\$72.10	\$84.82	\$135.82	\$644.51
Proposed Rates with 50% Non-DG REST & 100% DSM in Base Rates		\$71.92	\$84.60	\$135.47	\$642.75
Proposed Rates with 75% Non-DG REST & 100% DSM in Base Rates		\$72.19	\$84.64	\$135.53	\$643.03
Proposed Rates with 100% Non-DG REST & 100% DSM in Base Rates		\$71.85	\$84.52	\$135.33	\$642.04
% Change - Present to 50% in Base Rates		-0.2%	-0.3%	-0.3%	-0.3%
% Change - Present to 75% in Base Rates		0.1%	-0.2%	-0.2%	-0.2%
% Change - Present to 100% in Base Rates		-0.3%	-0.4%	-0.4%	-0.4%

REST AND DSM RECOVERY WITHIN BASE RATES CALCULATED AS A PER KWH CHARGE - NO CAPS

Proposed Rates With Present REST & DSM Surcharge Structure	\$72.10	\$84.82	\$135.82	\$644.51
Proposed Rates with 50% Non-DG REST & 100% DSM in Base Rates	\$68.71	\$80.75	\$129.04	\$610.62
Proposed Rates with 75% Non-DG REST & 100% DSM in Base Rates	\$68.80	\$80.86	\$129.23	\$611.56
Proposed Rates with 100% Non-DG REST & 100% DSM in Base Rates	\$70.90	\$83.39	\$133.44	\$632.59
% Change - Present to 50% in Base Rates	-4.7%	-4.8%	-5.0%	-5.3%
% Change - Present to 75% in Base Rates	-4.6%	-4.7%	-4.9%	-5.1%
% Change - Present to 100% in Base Rates	-1.7%	-1.7%	-1.8%	-1.8%

Large General Service Bill Impacts

	Small 5,000	Median 10,000	Average 25,000	Large 300,000
Average Monthly Sales (kWh)			Assumes Load Factor = 55%	
Average Monthly Demand (kW)	12.5	24.9	62.3	747.2

BASED ON PRESENT REST CAP STRUCTURE AND DSM RECOVERY METHOD

Proposed Rates With Present REST & DSM Surcharge Structure	\$585.69	\$1,155.38	\$2,826.10	\$32,197.21
Proposed Rates with 50% Non-DG REST & 100% DSM in Base Rates	\$583.93	\$1,151.86	\$2,825.19	\$32,278.62
Proposed Rates with 75% Non-DG REST & 100% DSM in Base Rates	\$586.59	\$1,157.19	\$2,831.97	\$32,329.23
Proposed Rates with 100% Non-DG REST & 100% DSM in Base Rates	\$583.22	\$1,150.45	\$2,819.15	\$32,360.14
% Change - Present to 50% in Base Rates	-0.3%	-0.3%	0.0%	0.3%
% Change - Present to 75% in Base Rates	0.2%	0.2%	0.2%	0.4%
% Change - Present to 100% in Base Rates	-0.4%	-0.4%	-0.2%	0.5%

REST AND DSM RECOVERY WITHIN BASE RATES CALCULATED AS A PER KWH CHARGE - NO CAPS

Proposed Rates With Present REST & DSM Surcharge Structure	\$585.69	\$1,155.38	\$2,826.10	\$32,197.21
Proposed Rates with 50% Non-DG REST & 100% DSM in Base Rates	\$551.81	\$1,087.61	\$2,695.03	\$32,164.31
Proposed Rates with 75% Non-DG REST & 100% DSM in Base Rates	\$552.75	\$1,089.49	\$2,699.73	\$32,220.71
Proposed Rates with 100% Non-DG REST & 100% DSM in Base Rates	\$573.77	\$1,131.54	\$2,804.85	\$33,482.21
% Change - Present to 50% in Base Rates	-5.8%	-5.9%	-4.6%	-0.1%
% Change - Present to 75% in Base Rates	-5.6%	-5.7%	-4.5%	0.1%
% Change - Present to 100% in Base Rates	-2.0%	-2.1%	-0.8%	4.0%

Large General Service Bill Impacts (TOU)

	Small 5,000	Median 10,000	Average 25,000	Large 300,000
Average Monthly Sales (kWh)				
Average Monthly Demand (kW)	12.5	24.9	62.3	747.2
Average Monthly Peak Demand (kW)	11.8	23.7	59.2	709.8

BASED ON PRESENT REST CAP STRUCTURE AND DSM RECOVERY METHOD

Proposed Rates With Present REST & DSM Surcharge Structure	\$582.28	\$1,143.65	\$2,789.43	\$31,703.25
Proposed Rates with 50% Non-DG REST & 100% DSM in Base Rates	\$580.51	\$1,140.13	\$2,788.51	\$31,784.65
Proposed Rates with 75% Non-DG REST & 100% DSM in Base Rates	\$583.18	\$1,145.46	\$2,795.30	\$31,835.27
Proposed Rates with 100% Non-DG REST & 100% DSM in Base Rates	\$575.57	\$1,130.25	\$2,761.30	\$31,612.07
% Change - Present to 50% in Base Rates	-0.3%	-0.3%	0.0%	0.3%
% Change - Present to 75% in Base Rates	0.2%	0.2%	0.2%	0.4%
% Change - Present to 100% in Base Rates	-1.2%	-1.2%	-1.0%	-0.3%

REST AND DSM RECOVERY WITHIN BASE RATES CALCULATED AS A PER KWH CHARGE - NO CAPS

Proposed Rates With Present REST & DSM Surcharge Structure	\$582.28	\$1,143.65	\$2,789.43	\$31,703.25
Proposed Rates with 50% Non-DG REST & 100% DSM in Base Rates	\$548.39	\$1,075.88	\$2,658.35	\$31,670.35
Proposed Rates with 75% Non-DG REST & 100% DSM in Base Rates	\$549.33	\$1,077.76	\$2,663.05	\$31,726.75
Proposed Rates with 100% Non-DG REST & 100% DSM in Base Rates	\$570.36	\$1,119.81	\$2,768.18	\$32,988.25
% Change - Present to 50% in Base Rates	-5.8%	-5.9%	-4.7%	-0.1%
% Change - Present to 75% in Base Rates	-5.7%	-5.8%	-4.5%	0.1%
% Change - Present to 100% in Base Rates	-2.0%	-2.1%	-0.8%	4.1%

Note: All rates in exhibit reflect total recovery of \$7.8M of REST and \$1.4M of DSM cost. In this example, all rates reflect \$1.2M of Non-DG cost and \$1.4M of DSM cost in base rates and \$6.6M of DG cost in a REST surcharge.

UNS ELECTRIC INC.
ESTIMATED BILL IMPACTS
IMPACTS WITH DG RECOVERY WITHIN REST SURCHARGE AND
REMAINDER OF REST RECOVERY WITHIN BASE RATES

Large Power Service Bill Impacts (<69kV)

	Assumes Load Factor = 65%			
	Small 300,000	Median 520,000	Average 1,000,000	Large 3,000,000
Average Monthly Sales (kWh)				
Average Monthly Demand (kW)	632.2	1,095.9	2,107.5	6,322.4
BASED ON PRESENT REST CAP STRUCTURE AND DSM RECOVERY METHOD				
Proposed Rates With Present REST & DSM Surcharge Structure	\$36,716.86	\$62,360.08	\$117,087.53	\$345,118.59
Proposed Rates with 50% Non-DG REST & 100% DSM in Base Rates	\$36,560.75	\$62,266.36	\$117,056.85	\$345,350.55
Proposed Rates with 75% Non-DG REST & 100% DSM in Base Rates	\$36,703.70	\$62,373.83	\$117,213.68	\$345,713.03
Proposed Rates with 100% Non-DG REST & 100% DSM in Base Rates	\$36,485.21	\$62,104.34	\$116,994.50	\$345,703.49
% Change - Present to 50% in Base Rates	-0.4%	-0.2%	0.0%	0.1%
% Change - Present to 75% in Base Rates	0.0%	0.0%	0.1%	0.2%
% Change - Present to 100% in Base Rates	-0.6%	-0.4%	-0.1%	0.2%
REST RECOVERY WITHIN BASE RATES CALCULATED AS A PER KWH CHARGE - NO CAPS				
Proposed Rates With Present REST & DSM Surcharge Structure	\$36,716.86	\$62,360.08	\$117,087.53	\$345,118.59
Proposed Rates with 50% Non-DG REST & 100% DSM in Base Rates	\$34,664.56	\$59,812.44	\$114,680.53	\$343,297.59
Proposed Rates with 75% Non-DG REST & 100% DSM in Base Rates	\$34,720.96	\$59,910.20	\$114,868.53	\$343,861.59
Proposed Rates with 100% Non-DG REST & 100% DSM in Base Rates	\$35,982.46	\$62,096.80	\$119,073.53	\$356,476.59
% Change - Present to 50% in Base Rates	-5.6%	-4.1%	-2.1%	-0.5%
% Change - Present to 75% in Base Rates	-5.4%	-3.9%	-1.9%	-0.4%
% Change - Present to 100% in Base Rates	-2.0%	-0.4%	1.7%	3.3%

Large Power Service Bill Impacts (>69kV)

	Assumes Load Factor = 70%			
	Small 300,000	Median 520,000	Average 1,000,000	Large 3,000,000
Average Monthly Sales (kWh)				
Average Monthly Demand (kW)	587.1	1,017.6	1,956.9	5,870.8
BASED ON PRESENT REST CAP STRUCTURE AND DSM RECOVERY METHOD				
Proposed Rates With Present REST & DSM Surcharge Structure	\$32,100.18	\$54,332.17	\$101,616.94	\$298,636.81
Proposed Rates with 50% Non-DG REST & 100% DSM in Base Rates	\$31,944.07	\$54,238.45	\$101,586.26	\$298,868.77
Proposed Rates with 75% Non-DG REST & 100% DSM in Base Rates	\$32,087.03	\$54,345.92	\$101,743.08	\$299,231.25
Proposed Rates with 100% Non-DG REST & 100% DSM in Base Rates	\$31,868.54	\$54,076.43	\$101,523.90	\$299,221.71
% Change - Present to 50% in Base Rates	-0.5%	-0.2%	0.0%	0.1%
% Change - Present to 75% in Base Rates	0.0%	0.0%	0.1%	0.2%
% Change - Present to 100% in Base Rates	-0.7%	-0.5%	-0.1%	0.2%
REST RECOVERY WITHIN BASE RATES CALCULATED AS A PER KWH CHARGE - NO CAPS				
Proposed Rates With Present REST & DSM Surcharge Structure	\$32,100.18	\$54,332.17	\$101,616.94	\$298,636.81
Proposed Rates with 50% Non-DG REST & 100% DSM in Base Rates	\$30,047.88	\$51,784.53	\$99,209.94	\$296,815.81
Proposed Rates with 75% Non-DG REST & 100% DSM in Base Rates	\$30,104.28	\$51,882.29	\$99,397.94	\$297,379.81
Proposed Rates with 100% Non-DG REST & 100% DSM in Base Rates	\$31,365.78	\$54,068.89	\$103,602.94	\$309,994.81
% Change - Present to 50% in Base Rates	-6.4%	-4.7%	-2.4%	-0.6%
% Change - Present to 75% in Base Rates	-6.2%	-4.5%	-2.2%	-0.4%
% Change - Present to 100% in Base Rates	-2.3%	-0.5%	2.0%	3.8%

Note: All rates in exhibit reflect total recovery of \$7.8M of REST and \$1.4M of DSM cost. In this example, all rates reflect \$1.2M of Non-DG cost and \$1.4M of DSM cost in base rates and \$6.6M of DG cost in a REST surcharge.

ATTACHMENT

"C"

\$5 Million Dollar Renewable Investment with and without the Benefit of the Federal Investment Tax Credit

Total \$	NPV \$	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7
Estimated Revenue Requirement (Traditional Rate Case Treatment without the Federal Investment Tax Credit)								
Rate Base		\$ 4,702,412	\$ 4,215,293	\$ 3,525,718	\$ 3,051,589	\$ 2,706,726	\$ 2,361,863	\$ 2,113,475
Return at Currently Authorized Weighted Average Cost of Capital		\$ 536,167	\$ 480,626	\$ 402,001	\$ 347,941	\$ 308,620	\$ 269,299	\$ 240,978
Depreciation		\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
O & M		\$ 5,000	\$ 5,150	\$ 5,305	\$ 5,464	\$ 5,628	\$ 5,796	\$ 5,970
Estimated Property Taxes		\$ 15,930	\$ 15,469	\$ 14,975	\$ 14,447	\$ 13,882	\$ 13,281	\$ 12,640
Revenue Requirement ¹	\$ 9,286,337	\$ 5,159,314	\$ 735,776	\$ 657,305	\$ 603,405	\$ 564,247	\$ 525,095	\$ 496,948
<i>(assume lag in investment by 3 years)</i>								
		\$0.000440	\$0.000410	\$0.000366	\$0.000336	\$0.000314	\$0.000292	\$0.000277

Total \$	NPV \$	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7
Estimated Revenue Requirement (Using the REST Adjustor with the Federal Investment Tax Credit)								
Rate Base		\$ 3,202,412	\$ 2,865,293	\$ 2,475,718	\$ 2,301,589	\$ 2,256,726	\$ 2,211,863	\$ 2,113,475
Return at Currently Authorized Weighted Average Cost of Capital		\$ 365,138	\$ 326,699	\$ 282,280	\$ 262,426	\$ 257,311	\$ 252,196	\$ 240,978
Depreciation		\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
O & M		\$ 5,000	\$ 5,150	\$ 5,305	\$ 5,464	\$ 5,628	\$ 5,796	\$ 5,970
Estimated Property Taxes		\$ 15,930	\$ 15,469	\$ 14,975	\$ 14,447	\$ 13,882	\$ 13,281	\$ 12,640
Revenue Requirement ¹	\$ 8,687,734	\$ 4,665,395	\$ 581,849	\$ 537,585	\$ 517,890	\$ 512,938	\$ 507,992	\$ 496,948
2009 kWh UNSE								

¹ Revenue requirement includes income tax and financing costs.

\$5 Million Dollar Renewable Investment with and without the Benefit of the Federal Investment Tax Credit

Yr 8	Yr 9	Yr 10	Yr 11	Yr 12	Yr 13	Yr 14	Yr 15	Yr 16	Yr 17	Yr 18	Yr 19	Yr 20
\$ 1,962,513	\$ 1,811,550	\$ 1,660,588	\$ 1,509,625	\$ 1,358,663	\$ 1,207,700	\$ 1,056,738	\$ 905,775	\$ 754,813	\$ 603,850	\$ 452,888	\$ 301,925	\$ 150,963
\$ 223,765	\$ 206,552	\$ 189,340	\$ 172,127	\$ 154,914	\$ 137,701	\$ 120,489	\$ 103,276	\$ 86,063	\$ 68,851	\$ 51,638	\$ 34,425	\$ 17,213
\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
\$ 6,149	\$ 6,334	\$ 6,524	\$ 6,720	\$ 6,921	\$ 7,129	\$ 7,343	\$ 7,563	\$ 7,790	\$ 8,024	\$ 8,264	\$ 8,512	\$ 8,768
\$ 11,960	\$ 11,237	\$ 10,471	\$ 9,660	\$ 8,801	\$ 7,893	\$ 6,935	\$ 5,924	\$ 4,857	\$ 3,734	\$ 2,552	\$ -	\$ -
\$ 479,914	\$ 462,886	\$ 445,863	\$ 428,846	\$ 411,835	\$ 394,830	\$ 377,831	\$ 360,839	\$ 343,853	\$ 326,874	\$ 309,902	\$ 292,938	\$ 275,980
\$0.000267	\$0.000258	\$0.000248	\$0.000239	\$0.000229	\$0.000220	\$0.000210	\$0.000201	\$0.000191	\$0.000182	\$0.000172	\$0.000163	\$0.000154
\$ 1,962,513	\$ 1,811,550	\$ 1,660,588	\$ 1,509,625	\$ 1,358,663	\$ 1,207,700	\$ 1,056,738	\$ 905,775	\$ 754,813	\$ 603,850	\$ 452,888	\$ 301,925	\$ 150,963
\$ 223,765	\$ 206,552	\$ 189,340	\$ 172,127	\$ 154,914	\$ 137,701	\$ 120,489	\$ 103,276	\$ 86,063	\$ 68,851	\$ 51,638	\$ 34,425	\$ 17,213
\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
\$ 6,149	\$ 6,334	\$ 6,524	\$ 6,720	\$ 6,921	\$ 7,129	\$ 7,343	\$ 7,563	\$ 7,790	\$ 8,024	\$ 8,264	\$ 8,512	\$ 8,768
\$ 11,960	\$ 11,237	\$ 10,471	\$ 9,660	\$ 8,801	\$ 7,893	\$ 6,935	\$ 5,924	\$ 4,857	\$ 3,734	\$ 2,552	\$ -	\$ -
\$ 479,914	\$ 462,886	\$ 445,863	\$ 428,846	\$ 411,835	\$ 394,830	\$ 377,831	\$ 360,839	\$ 343,853	\$ 326,874	\$ 309,902	\$ 292,938	\$ 275,980
\$0.000267	\$0.000258	\$0.000248	\$0.000239	\$0.000229	\$0.000220	\$0.000210	\$0.000201	\$0.000191	\$0.000182	\$0.000172	\$0.000163	\$0.000154

ATTACHMENT

"D"

Estimated Megawatt (“MW”) and
Annual Megawatt Hours (“MWh”)

Resulting from a \$5 Million Investment in Renewables

Technology	\$/kW	Capacity Factor	MW for \$5M	MWh for \$5M
Fixed PV	\$2,850	24.6%	1.75	3,774
Single Axis PV	\$3,200	28.1%	1.56	3,851
CPV	\$3,750	27.9%	1.33	3,259
CSP*	\$4,900	35.1%	1.02	3,138
Stirling	\$3,000	24.1%	1.67	3,515
Wind*	\$2,000	38.0%	2.50	8,322

* Indicates the technology is not feasible for building at this scale.