ORIGINAL

0000108576

BEFORE THE ARIZONA CORPORATION COMMISSION

RECEIVED

2010 MAR 23 P 4: 44

AZ CORP COMMISSION
DOCKET CONTROL

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

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 **STAFF'S NOTICE OF ERRATA**

On March 12, 2010, Staff filed its Final Schedules. On March 17, 2010 Staff filed an Errata to its Final Schedules to include the schedules of David Parcell that were inadvertently omitted from the March 12, 2010 filing. Mr. Parcell's final schedules were the same as those filed with his Surrebuttal Testimony.

Staff files this Errata because it has since come to Staff's attention that Schedules C-8 through C-13 and the H Schedules were inadvertently omitted from Staff's previous March 12 and March 17, 2010 filings. However, in order to avoid confusion, Staff is filing a complete set of its Final Schedules including all previously filed schedules as well as Schedules C-8 through C-13 and the H Schedules.

RESPECTFULLY SUBMITTED this 23rd day of March, 2010.

Ayesha Vohra

Maureen A. Scott, Senior Staff Counsel
Ayesha Vohra, Attorney
Attorney, Legal Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007
(602) 542-3402

Arizona Corporation Commission
DOCKETED
MAR 23 2010
DOCKETED BY

Original and thirteen (13) copies
of the foregoing filed this
23rd day of March, 2010 with:

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

Copies of the foregoing mailed this
23rd day of March, 2010 to:

Michael W. Patten
Roshka, DeWulf & Patten, PLC
One Arizona Center
400 East Van Buren, Suite 800
Phoenix, Arizona 85004

Philip J. Dion
Michelle Livengood
UniSource Energy Services
One South Church Avenue
Tucson, Arizona 85701

Daniel W. Pozefsky, Chief Counsel
Residential Utility Consumer Office
1110 West Washington, Suite 220
Phoenix, Arizona 85007

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

Roseann Osorio

UNS Electric, Inc.
Docket No. E-04204A-09-0206
Computation of Increase in Gross Revenue Requirements
Test Year Ended December 31, 2008

THF 2 (ATTACHMENT 2)

Schedule THF A-1
Page 1

Line No.	Description	(a) Company Original Cost	(b) Staff Original Cost	(c) Company RCND	(d) Staff RCND	(e) Company Fair Value	(f) Staff Fair Value	Line No.
1	Adjusted Rate Base	$175,818,913	$168,574,818	$354,485,222	$347,241,128	$265,152,067	$257,907,973	1
2	Adjusted Operating Income	$10,003,347	$10,714,545	$10,003,347	$10,714,545	$10,003,347	$10,714,545	2
3	Current Rate of Return (2/1)	5.69%	6.36%	2.82%	3.09%	3.77%	4.15%	3
4	Required Operating Income	$18,253,668	$14,160,285	$18,253,668	$14,160,285	$18,253,668	$14,160,285	4
	Plus Fair Value (Line 6)		$15,500,282		$15,500,282		$15,500,282	
5	Weighted Average Cost of Capital	9.04%	8.40%	9.04%	4.08%	9.04%	6.01%	5
6	Fair Value Adjustment*	1.34%	$1,339,997	-3.89%	$1,339,997	-2.16%	$1,339,997	6
7	Required Rate of Return	10.38%		5.15%		6.88%		7
8	Operating Income Deficiency	$8,250,321	$4,785,737	$8,250,321	$4,785,737	$8,250,321	$4,785,737	8
9	Gross Revenue Conversion Factor	1.6363	1.6363	1.6363	1.6363	1.6363	1.6363	9
10	Increase in Gross Revenue Requirement	$13,500,000	$7,830,901	$13,500,000	$7,830,901	$13,500,000	$7,830,901	10

Supporting Schedules
Columns (a), (c), and (e) Company Schedule A-1
Line 1, columes b, d, & f From Staff Schedule THF B-1
Line 2, columes b, d, & f From Staff Schedule THF C-1

* Staff fair value adjustment is equal to Staff witness Parcel Fair Value return midpoint (0% -3%, or 1.5%) x difference between fair value and original cost rate base

UNS Electric, Inc.
Docket No. E-04204A-09-0206
Original Cost and Adjusted RCND Rate Base
Test Year Ended December 31, 2008

Line No.	Description	(a) Company Adjusted Original Cost Rate Base	(b) OCRB Staff Adjustments	(c) OCRB as Adjusted by Staff	(d) Company RCND	(e)* RCND Staff Adjustments	(f) RCND as Adjusted by Staff	(g)** Company Fair Value Rate Base	(h)** Staff Fair Value Rate Base	Line No.
1	Gross Utility Plant in Service	$454,177,170	$7,263,614	$446,913,556	$844,301,155	$7,263,614	$837,037,541	$649,239,162	$641,975,548	1
									$0	
2	Less: Accumulated Depreciation	193,348,359	0	$193,348,359	$367,590,759	$0	$367,590,759	$280,469,559	$280,469,559	2
3	Net Utility Plant in Service	260,828,810	7,263,614	$253,565,196	$476,710,396	$7,263,614	$469,446,782	$368,769,603	$361,505,989	3
4	Citizens Acquisition Discount	(93,273,341)	0	($93,273,341)	($130,469,005)	$0	($130,469,005)	($111,871,173)	($111,871,173)	4
5	Less: Accum. Amort. - Citizens Acq. Discou	(20,876,317)	0	($20,876,317)	($27,773,948)	$0	($27,773,948)	($24,325,132)	($24,325,132)	5
6	Net Citizens Acquisition Discount	(72,397,024)	0	($72,397,024)	($102,695,057)	$0	($102,695,057)	($87,546,041)	($87,546,041)	6
7	Total Net Utility Plant	188,431,786	7,263,614	$181,168,172	$374,015,339	$7,263,614	$366,751,725	$281,223,563	$273,959,949	7
									$0	
8	Customer Advances for Construction	(12,605,744)	0	($12,605,744)	($17,555,056)	$0	($17,555,056)	($15,080,400)	($15,080,400)	8
9	Customer Deposits	(4,064,671)	0	($4,064,671)	($4,064,671)	$0	($4,064,671)	($4,064,671)	($4,064,671)	9
10	Accumulated Deferred Income Taxes	(2,028,227)	0	($2,028,227)	($3,996,158)	$0	($3,996,158)	($3,012,192)	($3,012,192)	10
11	Total Deductions	(18,698,641)	0	($18,698,641)	($25,615,885)	$0	($25,615,885)	($22,157,263)	($22,157,263)	11
12	Allowance for Working Capital	6,085,768	19,519	$6,105,287	$6,085,768	$19,519	$6,105,287	$6,085,768	$12,191,055	12
13	Regulatory Assets	0	0	$0	0	0	0	0	0	13
14	Regulatory Liabilities	0	0	0	0	0	0	0	0	14
									0	
15	Total Rate Base	$175,818,913	$7,283,133	$168,574,818	$354,485,222	$7,283,133	$347,241,128	$265,152,067	$257,907,973	15

Supporting Schedules
Column A and D from Company filing
Column B and E from THF B-2
*For Column (e) test year OCRB and RCND adjustments have the same value for Post test year PIS and Working Capital so no separate THF B-2 equivalent Schedule is required for RCND
**Fair Value rate base, columns (g) and (h) are derived as an average of OCRB and RCND

UNS Electric, Inc.
Docket No. E-04204A-09-0206
Pro Forma Adjustments to Original Cost Rate Base
Test Year Ended December 31, 2008

Line No.	Description	(a) Company Actual End of TY	(b) Staff Adjustments (a)	(c) Staff Adjusted at End of TY	Line No.
1	Gross Utility Plant in Service	$454,177,170	$7,263,614	$446,913,556	1
2	Less: Accumulated Depreciation	193,348,359	0	193,348,359	2
3	Net Utility Plant in Service	260,828,811	7,263,614	253,565,197	3
4	Citizens Acquisition Discount	(93,273,341)	0	(93,273,341)	4
5	Less: Accum. Amort. - Citizens Acq. Discount	(20,876,317)	0	(20,876,317)	5
6	Net Citizens Acquisition Discount	(72,397,024)	0	(72,397,024)	6
7	Total Net Utility Plant	188,431,787	7,263,614	181,168,173	7
8	Customer Advances for Construction	(12,605,744)	0	(12,605,744)	8
9	Customer Deposits	(4,064,671)	0	(4,064,671)	9
10	Accumulated Deferred Income Taxes	(2,028,227)	0	(2,028,227)	10
11	Total Deductions	(18,698,642)	0	(18,698,642)	11
12	Allowance for Working Capital	6,085,768	19,519	6,105,287	12
13	Regulatory Assets	0	0	0	13
14	Regulatory Liabilities	0	0	0	14
15	Total Original Cost Rate Base	$175,818,913	$7,283,133	$168,574,819	15

Supporting Schedules	Recap Schedules
(a) B-2,Pg. 2	B-1

UNS Electric, Inc.
Docket No. E-04204A-09-0206
Pro Forma Adjustments to Original Cost Rate Base
Test Year Ended December 31, 2008

Line No.	Description	Post-Test Year Non-Revenue Plant in Service	Working Capital	Total Page Adjustments	Line No.
1	Gross Utility Plant in Service	$7,263,614		$7,263,614	1
2	Less: Accumulated Depreciation				2
3	Net Utility Plant in Service	7,263,614		7,263,614	3
4	Citizens Acquisition Discount				4
5	Less: Accum. Amort. - Citizens Acq. Discount				5
6	Net Citizens Acquisition Discount				6
7	Total Net Utility Plant	7,263,614		7,263,614	7
8	Customer Advances for Construction				8
9	Customer Deposits				9
10	Accumulated Deferred Income Taxes				10
11	Total Deductions				11
12	Allowance for Working Capital		$19,519	19,519	12
13	Regulatory Assets				13
14	Regulatory Liabilities				14
15	Total Original Cost Rate Base	$7,263,614	$19,519	$7,283,133	15

Supporting Schedules
B3, B4

UNS Electric, Inc.
Docket No. E-04204A-09-0206
Lead/Lag Study
Test Year Ended December 31, 2008

Description	FERC	Pro Forma Test Year Amount	Adjustment	Adjusted Amount	Ref (1)	Revenue Lag Days	Expense Lag Days	Lag Days (Col. E - Col. F)	Lead/Lag Factor (Col. H/365)	Capital Required (Col. G X Col.B)
(A)		(B)	(C)	(D)		(E)	(F)	(G)	(F)	(G)
Operating Expenses:										
Non-Cash Expenses -										
Bad Debts Expense	904	$ 764,063	$ (105,487)	869,550	THF C-12					$ -
Depreciation	403/404	17,810,236	313,599	17,496,637	THF C-13					-
Amortization	406	(3,575,014)	-	(3,575,014)						-
Deferred Income Taxes	410/411	3,384,947	-	3,384,947						-
Other Operating Expenses -										
Salaries and Wages	MULTI	4,828,118	-	4,828,118		35.59	23.33	12.26	0.0336	162,225
Incentive Pay	MULTI	109,736	102,142	7,594	THF C-4	35.59	267.00	(231.41)	(0.6340)	(4,815)
Purchased Power	555	95,598,854	-	95,598,854		35.59	33.79	1.80	0.0049	468,434
Transmission Other	565	8,082,997	-	8,082,997		35.59	40.67	(5.08)	(0.0139)	(112,354)
Meter Reading	902	839,177	-	839,177		35.59	33.67	1.92	0.0053	4,448
Customer Records & Collection Expenses	903	1,389,213	-	1,389,213		35.59	34.94	0.65	0.0018	2,501
Office Supplies & Expenses	921	505,643	-	505,643		35.59	50.89	(15.30)	(0.0419)	(21,186)
Injuries and Damages	925	309,105	-	309,105		35.59	70.52	(34.93)	(0.0957)	(29,581)
Pension and Benefits	926	1,166,579	-	1,166,579		35.59	51.37	(15.78)	(0.0432)	(50,396)
Support Services (TEP)	MULTI	6,217,822	-	6,217,822		35.59	44.77	(9.18)	(0.0252)	(156,689)
Property Taxes	408	3,307,989	128,927	3,307,989	THF C-13	35.59	213.00	(177.41)	(0.4861)	(1,608,013)
Payroll Taxes	408	445,648	10,110	435,538	THF C-5	35.59	19.87	15.72	0.0431	18,772
Current Income Taxes	409	(1,263,680)	(116,230)	(1,147,450)		35.59	41.42	(5.83)	(0.0160)	18,359
Interest on Customer Deposits	431	14,499	-	14,499		35.59	182.50	(146.91)	(0.4025)	(5,836)
Other Operations and Maintenance	MULTI	10,986,786	75,798	10,910,988	THF C-9	35.59	41.21	(5.62)	(0.0154)	(168,029)
Total Operating Expenses		$ 150,922,718		$ 150,642,786						
Other Cash Working Capital Elements:										
Interest on Long-Term Debt	CALC	7,050,000	-	7,050,000		35.59	78.97	(43.38)	(0.1188)	(837,540)
Revenue Taxes and Assessments	CALC	12,430,745	-	12,430,745		35.59	49.43	(13.84)	(0.0379)	(471,125)
Total Cash Working Capital-calculated										$ (2,790,827)
Company Cash Working Capital										(2,810,346)
Change in working capital per staff										(19,519)

$4,763	EEI	THF--C7
$99,476	CALL CENTER	THF--C6
$132,159	INCENTIVE	THF--C3
$50,692	LEGAL EXPENSES	THF--C8
$66,667	RATE CASE EXP	THF--C10
$0	C.A.R.E.S.	THF--C11
$353,756		

UNS Electric, Inc.
Docket No. E-04204A-09-0206
Post Test Year Non-Revenue Plant in Service
Test Year Ended December 31, 2008

Line No.	Description	Amount	Reference
1	Company post TY Non-Revenue Plant in Service	$7,263,614	Schedule B-3, Pg 1, line 1, Column C
2	Staff Adjustment to Post TY Non-Revenue Plant in Service	(7,263,614)	Staff Testimony
3	Adjustment	7,263,614	

UNS Electric, Inc.
Docket No. E-04204A-09-0206
Adjusted Test Year Income Statement
Test Year Ended December 31, 2008

Line No.	Description	Company Unadjusted (a)		Company Pro Forma Adjustments (b)	Company	Staff Adjustments	Staff Adjusted	Line No.
	Operating Revenues							
1	Electric Retail Revenues	$181,638,915		($22,358,469)	$159,280,446	$0	$159,280,446	1
2	Sales for Resale	10,168,115		(10,168,115)	0	0	0	2
3	Other Operating Revenue	3,103,658		(1,458,039)	1,645,619	0	1,645,619	3
4	Total Operating Revenues	194,910,688		(33,984,623)	160,926,065	0	160,926,065	4
	Operating Expenses							
5	Fuel, Purchased Power & Transmission	143,362,723		(32,059,158)	111,303,565	0	111,303,565	5
6	Other Operations and Maintenance Expense	21,569,849	(1)	(2,144,234)	19,425,615	(436,319)	18,989,296	6
7	Depreciation and Amortization	14,429,415		(194,193)	14,235,222	0	14,235,222	7
8	Taxes Other than Income Taxes	3,680,634		156,415	3,837,049	(442,526)	3,394,523	8
9	Income Taxes	2,081,685		39,582	2,121,267	167,647	2,288,914	9
10	Total Operating Expenses	185,124,306		(34,201,588)	150,922,718	(711,198)	150,211,520	10
11	Operating Income	9,786,382		$216,965	$10,003,347	$711,198	$10,714,545	11
	Other Income and Deductions							
12	Allowance for Equity Funds	322,168						
13	Other - Net	76,881						
14	Total Other Income and Dec	399,049						
15	Income Before Interest Expense	10,185,431						
	Interest Expense							
16	Interest on Long-Term Debt	7,050,000						
17	Other Interest Expense	57,412	(1)					
18	Allowance for Borrowed Funds	(181,815)						
19	Total Interest Expense	6,421,845						
20	Net Income Available for Common Stock	$3,763,586						

(1) Includes reclasification of $160,200 for Customer Deposit Interest Expense From Other Interest Expense to Other O&M Expense.

UNS Electric, Inc.
Docket No. E-04204A-09-0206
Income Statement Pro Forma Adjustments
Test Year Ended December 31, 2008

Line No.	Description	Incentive Compensation Adj PEP	Incentive Compensatio n Adj SERP	Payroll Tax Expense, PEP incentive	Call Center Expense Adj	Industry Association Dues	Legal Expense	Total Page Adjustments
	Operating Revenues							
1	Electric Retail Revenues	$0	$0	$0	$0	$0	$0	$0
2	Sales for Resale	0	0	0	0	0	0	0
3	Other Operating Revenue	0	0	0	0	0	0	0
4	Total Operating Revenu	0	0	0	0	0	0	0
	Operating Expenses							
5	Fuel, Purchased Power & Transmission	0	0	0	0	0	0	0
6	Other Operations and Maintenance Expe	132,159	102,142	10,110	99,476	4,763	50,692	399,342
7	Depreciation and Amortization	0	0	0	0	0	0	0
8	Taxes Other than Income Taxes	0	0	0	0	0	0	0
9	Income Taxes	0	0	0	0	0	0	0
10	Total Operating Expens	132,159	102,142	10,110	99,476	4,763	50,692	399,342
11	Operating Income	($132,159)	($102,142)	($10,110)	($99,476)	($4,763)	($50,692)	($399,342)

Docket No. E-04204A-09-0206
Income Statement Pro Forma Adjustments
Test Year Ended December 31, 2008

Line No.	Description	Fuel Expense Adjustment	Rate Case Expense	C.A.R.E.S. Expense	B ad Debt Expense	Depreciation and Property Tax for Post TY Non-Rev Plant in Service	Income Tax	Total Page Adjustments	Total Adjustment
	Operating Revenues								
1	Electric Retail Revenues	$0	$0	$0	$0	$0	$0	$0	$0
2	Sales for Resale	0	0	0	0	0	0	0	0
3	Other Operating Revenue	0	0	0	0	0	0	0	0
4	Total Operating Revenue	0	0	0	0	0	0	0	0
	Operating Expenses								
5	Fuel, Purchased Power & Transmission	0	0	0	0	0	0	0	0
6	Other Operations and Maintenance Expen	75,798	66,667	0	(105,487)	0	0	36,978	436,319
7	Depreciation and Amortization	0	0	0	0	313,599	0	313,599	313,599
8	Taxes Other than Income Taxes	0	0	0	0	128,927	0	128,927	128,927
9	Income Taxes	0	0	0	0	0	(167,647)	(167,647)	(167,647)
10	Total Operating Expense	75,798	66,667	0	(105,487)	442,526	(167,647)	311,857	711,198
11	Operating Income	($75,798)	($66,667)	$0	$105,487	($442,526)	$167,647	($311,857)	($711,198)

Supporting Schedules
Schedules THF C-3 through THF C-13

UNS Electric, Inc.
Docket No. E-04204A-09-0206
Incentive Compensation PEP
Test Year Ended December 31, 2008

Line No.	Description	Company Amount (A)	Disallowance Percentage (B)	Staff Adj Amount (C)
1	Incentive Compensation TY end Dec '08	$264,317	50%	$132,159

Source:

A: FERC form No. 1 p. 450.1
B: From Decision 70360
C: Column A x Column B

UNS Electric, Inc.
Docket No. E-04204A-09-0206
Incentive Compensation Adj SERP
Test Year Ended December 31, 2008

Line No.	Description	Amount	Reference
1	SERP Amount	$102,142	From FERC Form No. 1 p 450.1
2	SERP Adjustment (100%)	$102,142	Decision 70360

UNS Electric, Inc.
Docket No. E-04204A-09-0206
Payroll Tax Expense, PEP Incentive
Test Year Ended December 31, 2008

Line No.	Description	Amount	Reference
1	PEP Incentive Disallowance	$132,158	Schedule THF C-3
2	Payroll Tax Expense PEP	$10,110	7.65%
3	Adjustment	$10,110	Line 1 X Line 2

UNS Electric, Inc.
Docket No. E-04204A-09-0206
Call Center Expense Adjustment
Test Year Ended December 31, 2008

Line No.	Description	Amount	Reference
1	Annual Allocation Last Case	$598,951	Docket No. E-04204A-06-0783 RUCO RLM-14 Line 23
2	Total Call Center Allocation Test Year	$880,533	TEP Invoices
4	Adjustment	$281,582	Line 2 - Line 3

UNS Electric, Inc.
Docket No. E-04204A-09-0206
Industry Association Dues
Test Year Ended December 31, 2008

Line No.	Description	Amount	Referenc
1	Dues	$81,699	A
2	Percentage Disallowance	49.93%	B
3	Disallowance	$40,792	C
4	Adjustment	$40,792	

Source:

A: FERC Form 1 p. 335
B: Disallowance Percentage Decision 70360
C: Line 1 x Line 2

UNS Electric, Inc.
Docket No. E-04204A-09-0206
Legal Expenses
Test Year Ended December 31, 2008

Line No.	Year	Total Amount	Excluded	Allowable Amount	Staff Adj	Reference
1	2005	127,621.78	0.00	127,621.78	127,621.78	
2	2006	106,263.16	0.00	106,263.16	106,263.16	
3	2007	452,227.78	271,321.65	180,906.13	0.00	A
		686,112.72	271,321.65	414,791.07	233,884.94	
		Prior 3 year Avg.		138263.69	$87,552.00	B
	TY 2008	170,623.45	141,793.56	28,829.89	$28,830.00	
			Proforma	109,433.80	$58,722.00	C

A: Staff Removed as non-normal
B: 3 year Average Allowable Amount 2005, 2006, 2008 TY
C: Company 3 Year Average less Staff 3 Year Average

UNS Electric, Inc.
Docket No. E-04204A-09-0206
Fuel Expense Adjustment
Test Year Ended December 31, 2008

Line No.	Description	A Gasoline	B Diesel	C Total Cost	Reference
1	Gallons	22,392	49,474		STF 1.59
2	Price/Gallon (TY)	$3.32	$3.82		STF 1.59
3	Calculations	$74,341	$188,991		STF 1.59
4	Company Totals			$263,332	A3 + B3
5	Adjusted Prices	$2.52	$2.65		AAA Year to Date Average
6	Adjusted Cost	$56,428	$131,106		Line 2 x Line 4
7	Total Fuel Cost			$187,534	A5 + B6
8	Staff Adjustment			$75,798	C4 - C7

UNS Electric, Inc.
Docket No. E-04204A-09-0206
Rate Case Expense
Test Year Ended December 31, 2008

(A)	! Test Year Activity to be removed from Test year	$58,333
(B)	Rate Case Expense allowed per ACC Decision No. 70360	$300,000
	Yearly Amortization (Starting June 2008)	$100,000
	Montly Amortization (Starting June 2008)	$8,333
	Amortization June 2008 - June 2010 (25 months)	$208,333
	Remaining Balance @ June 30, 2010	$91,667
	Amortization for Test Year Balance @ June 30, 2010 over 3 years	$30,556
(C)	Estimated Rate Case Expense for Current Case*	$166,667
	TOTAL Company Proforma Adjustment	$138,890
	Staff Adjustment Remove $200,000 from (C)	$200,000
	Reduce (C) by 1/3	$66,667
(D)	Decision No. 70360, pgs 23-24	

1) Assuming new rates will go into effect 14 months after the rate case is filed in May 2009 (in effect as of July 1, 2010)
*UNS Electric is requesting rate case of $500,000 aportized over three years

UNS Electric, Inc.
Docket No. E-04204A-09-0206
C.A.R.E.S
Test Year Ended December 31, 2008

Line No.	Description	Amount	Reference
1	Company C.A.R.E.S. Adjustment	($61,797)	Company Workpapers
2	Remove Company Adjustment	$61,797	T. Fish Direct Testimony
3	Adjustment	$61,797	

UNS Electric, Inc.
Docket No. E-04204A-09-0206
Bad Debt Expense
Test Year Ended December 31, 2008

Line No.	Description	Amount	Reference
1	Test Year Adjusted Revenue	$184,304,880	Schedule THF C-1
2	3 Year Average % Exp/Revenue	0.004718	Pro Forma Work Papers
3	Test Year Average Bad Debt	$869,550	Line 1 x Line 2
4	Test Year Actual Bad Debt	$1,200,504	Proforma Work Papers
5	Adjustment Required	$330,954	Line 4 - lind 3
6	Company Proforma Adjustment	$436,441	Company Schedule C-2
7	Staff Adjustement	$105,487	Line 6 - Line 5

UNS Electric, Inc.
Docket No. E-04204A-09-0206
Depreciation and Property Tax for Post TY Plant in Service
Test Year Ended December 31, 2008

Line No.	Description	Amount	Reference
1	Depreciation & Property Tax Amount	$442,526	Company Schedule C2 P. 3 Line 11
2	Depreciation & Propery Tax Amount	$442,526	Remove Post TY PIS Amount
3	Adjustment Amount	$442,526	

UNS Electric, Inc.
Summary of Revenues by Customer Classifications-Stewart Surrebuttal Testimony
Adjusted Present Rates And Proposed Rates
Test Year Ended December 31, 2008

Line No.	Class of Service	Test Year Present Net Revenue	Adjusted Present Net Revenue	Proposed Net Revenue	Staff Proposed Net Increase	Proposed Percent Increase to Test Year Revenues (a)	Proposed Percent Increase to Adjusted Test Year Revenues (a)	Line No.
1	Residential Service	$85,575,371	$74,148,720	$78,110,603	$3,961,883	4.63%	5.34%	1
2	Residential Cares	6,547,952	6,355,558	6,012,141	($343,417)	-5.24%	-5.40%	2
3	Small General Service	11,642,400	10,569,832	11,134,594	$564,763	4.85%	5.34%	3
4	Large General Service	55,358,044	48,286,092	50,866,094	$2,580,002	4.66%	5.34%	4
5	Large Power Service	19,626,605	16,938,518	17,843,569	$905,051	4.61%	5.34%	5
6	Interruptible Service	2,271,247	2,481,084	2,613,653	$132,568	5.84%	5.34%	6
7	Lighting DD	617,297	562,438	592,491	$30,052	4.87%	5.34%	7
8	Subtotal	181,638,915	159,342,242	167,173,145	7,830,901	4.31%	4.91%	8
9	Other Operating Revenue	$1,645,619	$1,645,619	1,645,619	$0	0.00%	0.00%	9
10	Total	$183,284,534	$160,987,861	$168,818,763	$7,830,901	4.27%	4.86%	10

Supporting Schedules	Recap Schedules	Recap Schedules
(a) H-2 (P2)	A-1	A-1

UNS Electric, Inc.
Comparisons of Revenues by Rate Schedules-Stewart Surrebuttal Testimony
Present And Proposed Rates
Test Year Ended December 31, 2008

Line No.	Class of Service	Rate Schedule Present	Proposed	Actual kWh Sales	Actual Average Number of Customers	Actual Average kWh per Customer	Test Year End Sales Adjustments	Adjusted kWh Sales	Adjusted Average Number of Customers	Adjusted Average Sales per Customer	Line No.
1	Residential Service	RES-01	RES-01	757,895,043	71,505	10,599	(17,627,814)	740,267,229	70,602	10,485	1
2	Residential Cares	CARES	CARES	63,995,155	6,869	9,317	5,725,945	69,721,100	7,522	9,269	2
3	Small General Service	SGS-10	SGS-10	92,855,781	7,711	12,042	570,617	93,426,398	7,778	12,012	3
4	Large General Service	LGS	LGS	498,893,145	2,069	241,167	(19,755,862)	479,137,283	2,000	239,569	4
5	Large General Service TOU	LGS-TOU	LGS-TOU	3,045,144	11	287,730	(45,296)	2,999,848	10	299,985	5
6	Large Power Service <69KV	LPS	LPS	60,317,878	9	6,520,852	3,946,904	64,264,781	11	5,842,253	6
7	Large Power Service >69KV	LPS	LPS	158,685,112	8	19,835,639	0	158,685,112	8	19,835,639	7
8	Interruptible Power Service	IPS	IPS	24,484,630	25	989,278	7,021,780	31,506,409	34	926,659	8
9	Lighting	LTG	LTG	3,145,228	1,781	1,766	0	3,145,228	1,781	1,766	9
10	Total Electric Retail Service			1,663,317,115	89,986	18,484	(20,163,726)	1,643,153,389	89,746	18,309	10

UNS Electric, Inc.
Comparisons of Revenues by Rate Schedules-Stewart Surrebuttal Testimony
Present And Proposed Rates
Test Year Ended December 31, 2008

Line No.	Class of Service	Company Adjusted Net Revenue	Proposed TY Delivery Charge Revenue	Proposed Increase Delivery $	Proposed Increase Delivery %	Proposed TY Base Power Supply Revenue	Proposed TY Total Revenue Requirement	Line No.
1	Residential Service	$74,148,720	$18,648,666	$4,031,017	21.62%	$55,380,872	$78,060,554	1
1	Residential Cares	$6,355,558	$1,066,561	-209,431	-19.64%	4,996,214	$5,853,345	1
2	Small General Service	$10,569,832	3,776,052	568,502	15.06%	6,787,334	11,131,888	2
3	Large General Service	$47,992,353	17,307,444	2,486,001	14.36%	30,820,985	50,614,429	3
4	Large General Service TOU	$293,739	101,622	14,574	14.34%	192,968	309,165	4
5	Large Power Service <69KV	$5,736,652	2,507,990	265,751	10.60%	3,283,095	6,056,836	5
6	Large Power Service >69KV	$11,201,866	3,229,525	529,762	16.40%	8,106,746	11,866,033	6
7	Interruptible Power Service	$2,481,084	827,912	118,751	14.34%	1,676,992	2,623,655	7
8	Lighting	$562,438	511,110	25,983	5.08%	58,344	595,437	8
9	Total Electric Service	$159,342,242	$47,976,882	$7,830,909	16.32%	$111,303,550	$167,111,342	9

(1) Adjustments include Customer Annualization, Weather Normalization, Cares Discount and PPFAC Adjustment)

	Present Rate	Proposed Rate	Increase $	Increase %
Residential Service				
Customer Charge	$7.50	$8.00	$0.50	6.67%
Energy Charge 1st 400 kWhs	$0.011255	$0.016368	$0.005113	45.43%
Energy Charge, all additional kWhs	$0.021269	$0.026382	$0.005113	24.04%
Base Power Supply Charge, all kWhs	$0.077993	$0.076148	-$0.001845	-2.37%
PPFAC	$0.014746	$0.000000	-$0.014746	-100.00%
Residential Service CARES				
Customer Charge	$7.50	$3.50	-$4.00	-53.33%
Energy Charge 1st 400 kWhs	$0.011255	$0.011255	$0.000000	0.00%
Energy Charge, all additional kWhs	$0.021269	$0.021269	$0.000000	0.00%
Base Power Supply Charge, all kWhs	$0.077993	$0.074319	-$0.003674	-4.71%
PPFAC	$0.014746	$0.000000	-$0.014746	-100.00%
Residential Time of Use Rates, all kWhs				
(These rates would include all Delivery charges above and replace The Base Power Supply charge)				
Summer on-peak	$0.092183	$0.160474	$0.068291	74.08%
Summer Shoulder	$0.081803	$0.076148	-$0.005655	-6.91%
Summer off-peak	$0.077183	$0.055494	-$0.021689	-28.10%
Winter on-peak	$0.080873	$0.160474	$0.079601	98.43%
Winter off-peak	$0.065873	$0.043230	-$0.022643	-34.37%
Small General Service				
Customer Charge	$12.00	$12.50	$0.50	4.17%
Energy Charge 1st 400 kWhs	$0.022449	$0.028244	$0.005795	25.82%
Energy Charge, all additional kWhs	$0.032463	$0.038258	$0.005795	17.85%
Base Power Supply Charge, all kWhs	$0.075738	$0.073946	-$0.001792	-2.37%
PPFAC	$0.014746	$0.000000	-$0.014746	-100.00%
Small General Service Time of Use Rates, all kWhs				
(These rates would include all Delivery charges above and replace The Base Power Supply charge)				
Summer on-peak	$0.090348	$0.138056	$0.047708	52.80%
Summer Shoulder	$0.079658	$0.073946	-$0.005712	-7.17%
Summer off-peak	$0.075348	$0.048056	-$0.027292	-36.22%
Winter on-peak	$0.079448	$0.138056	$0.058608	73.77%
Winter off-peak	$0.064448	$0.039836	-$0.024612	-38.19%

Large General Service				
Customer Charge	$15.50	$16.00	$0.50	3.23%
Demand Charge, per kW	$10.71	$13.35	$2.64	24.68%
Energy Charge (kWhs)	$0.003254	$0.003834	$0.000580	17.83%
Base Power Supply Charge, all kWhs	$0.067062	$0.065743	-$0.001319	-1.97%
PPFAC	$0.014746	$0.000000	-$0.014746	-100.00%
Large General Service TOU				
Customer Charge	$20.40	$20.90	$0.50	2.45%
Demand Charge, per kW	$10.71	$13.35	$2.64	24.68%
Energy Charge (kWhs)	$0.003254	$0.003834	$0.000580	17.83%
Base Power Supply Charge, all kWhs	$0.067062	$0.065475	-$0.001587	-2.37%
PPFAC	$0.014746	$0.000000	-$0.014746	-100.00%
Large General Service Time of Use Rates, all kWhs				
(These rates would include all Delivery charges above and replace The Base Power Supply charge)				
Summer on-peak	$0.082832	$0.122370	$0.039538	47.73%
Summer Shoulder	$0.071452	$0.065475	-$0.005977	-8.37%
Summer off-peak	$0.067832	$0.047370	-$0.020462	-30.17%
Winter on-peak	$0.071072	$0.122370	$0.051298	72.18%
Winter off-peak	$0.056072	$0.033652	-$0.022420	-39.98%
Large Power Service (<69KV)				
Customer Charge	$365.00	$372.00	$7.00	1.92%
Demand Charge, per kW	$17.90	$21.22	$3.33	18.59%
Energy Charge (kWhs)	$0.000000	($0.000000)	$0.000000	0.00%
Base Power Supply Charge, all kWhs	$0.053260	$0.052000	-$0.001260	-2.37%
PPFAC	$0.014746	$0.000000	-$0.014746	-100.00%
Large Power Service (>69KV)				
Customer Charge	$400.00	$407.00	$7.00	1.75%
Demand Charge, per kW	$11.61	$14.93	$3.32	0.00%
Energy Charge (kWhs)	$0.000000	($0.000000)	$0.000000	0.00%
Base Power Supply Charge, all kWhs	$0.053260	$0.052000	-$0.001260	-2.37%
PPFAC	$0.014746	$0.000000	-$0.014746	100.00%
Large Power Service Time of Use Rates, all kWhs				
(These rates would include all Delivery charges above and replace The Base Power Supply charge)				
Summer on-peak	$0.070170	$0.099960	$0.029790	42.45%
Summer Shoulder	$0.058180	$0.052000	-$0.006180	-10.62%
Summer off-peak	$0.055170	$0.039960	-$0.015210	-27.57%
Winter on-peak	$0.058170	$0.099960	$0.041790	71.84%
Winter off-peak	$0.043170	$0.027946	-$0.015224	-35.27%

Interruptible Power Service				
Customer Charge	$15.50	$16.00	$0.50	3.23%
Demand Charge, per kW	$3.40	$4.66	$1.26	37.17%
Energy Charge (kWhs)	$0.014800	$0.016134	$0.001334	9.01%
Base Power Supply Charge, all kWhs	$0.055491	$0.054178	-$0.001313	-2.37%
PPFAC	$0.014746	$0.000000	-$0.014746	-100.00%
Interruptible Power Service Time of Use Rates, all kWhs				
(These rates would include all Delivery charges above and replace The Base Power Supply charge)				
Summer on-peak	$0.071861	$0.102862	$0.031001	43.14%
Summer Shoulder	$0.059691	$0.054178	-$0.005513	-9.24%
Summer off-peak	$0.056861	$0.042862	-$0.013999	-24.62%
Winter on-peak	$0.059411	$0.102862	$0.043451	73.14%
Winter off-peak	$0.044411	$0.027730	-$0.016681	-37.56%
Lighting Dusk to Dawn				
New 30' Wood Pole (Class 6) - Overhead	$4.12	$4.36	$0.24	5.80%
New 30' Metal or Fiberglass - Overhead	$8.26	$8.74	$0.48	5.80%
Existing Wood Pole - Underground	$2.06	$2.18	$0.12	5.80%
New 30' Wood Pole (Class 6) - Underground	$6.20	$6.55	$0.36	5.80%
New 30' Metal or Fiberglass - Underground	$10.32	$10.92	$0.60	5.80%
Wattage, per Watt	$0.046577	$0.048807	$0.002230	4.79%
Lighting Base Power Supply Charge, per Watt	$0.007818	$0.007633	-$0.000185	-2.37%

Residential Service	Present	Proposed
Customer Charge	$7.50	$8.00
Energy Charge 1st 400 kWhs	$0.011255	$0.016368
Energy Charge, all additional kWhs	$0.021269	$0.026382
Base Power Supply Charge, all kWhs	$0.077993	$0.076148
PPFAC	$0.014746	$0.000000

Average Sales per Month	Total Bill Present Rate	Total Bill Proposed Rate	Proposed Increase $	Proposed Increase %
0	$7.50	$8.00	$0.50	6.67%
50	$12.70	$12.63	($0.07)	-0.56%
100	$17.90	$17.25	($0.41)	-2.29%
200	$28.30	$26.50	($1.80)	-6.35%
400	$49.10	$45.01	($4.09)	-8.33%
600	$71.90	$65.51	($6.39)	-8.88%
800	$94.70	$86.02	($8.68)	-9.17%
1,000	$117.50	$106.52	($10.98)	-9.34%
2,000	$231.51	$209.05	($22.46)	-9.70%
2,500	$288.51	$260.32	($28.19)	-9.77%
5,000	$573.53	$516.64	($56.89)	-9.92%
10,000	$1,143.57	$1,029.30	($114.28)	-9.99%

Residential Service CARES	Present	Proposed	Discounts:	
Customer Charge	$7.50	$3.50	0-300 kWh	30.0%
Energy Charge 1st 400 kWhs	$0.011255	$0.011255	301-600 kWh	20.0%
Energy Charge, all additional kWhs	$0.021269	$0.021269	601-1000 kWh	10.0%
Base Power Supply Charge, all kWhs	$0.077993	$0.074319	1001+ kWh	$8.00
PPFAC	$0.014746	$0.000000		

Average Sales per Month	Total Bill Present Rate	Total Bill Proposed Rate	Proposed Increase $	Proposed Increase %
0	$5.25	$2.45	($2.80)	-53.33%
50	$8.89	$5.45	($3.44)	-38.75%
100	$12.53	$8.44	($4.09)	-32.64%
200	$19.81	$14.43	($5.38)	-27.15%
400	$39.28	$30.18	($9.09)	-23.15%
600	$57.52	$45.48	($12.04)	-20.93%
800	$85.23	$68.37	($16.86)	-19.78%
1,000	$105.75	$85.57	($20.18)	-19.08%
2,000	$223.51	$182.67	($40.84)	-18.27%
2,500	$280.51	$230.47	($50.05)	-17.84%
5,000	$565.53	$469.44	($96.10)	-16.99%
10,000	$1,135.57	$947.38	($188.20)	-16.57%

Residential Service Time-of-Use Summer	Present	Proposed	Assume:	
Customer Charge	$7.50	$8.00	On Peak Usage:	16.6%
Energy Charge 1st 400 kWhs	$0.011255	$0.016368	Shoulder-Peak Usage:	15.4%
Energy Charge, all additional kWhs	$0.021269	$0.026382	Off-Peak Usage:	67.9%
Base Power Supply Charge				
On-Peak, all kWhs	$0.092183	$0.160474		
Shoulder-Peak, all kWhs	$0.081803	$0.076148		
Off-Peak, all kWhs	$0.077183	$0.055494		
PPFAC	$0.014746	$0.000000		

Average Sales per Month	Total Bill Present Rate	Total Bill Proposed Rate	Proposed Increase $	Proposed Increase %
0	$7.50	$8.00	$0.50	6.67%
50	$12.82	$12.63	($0.19)	-1.51%
100	$18.14	$17.25	($0.89)	-4.89%
200	$28.78	$26.50	($2.28)	-7.91%
400	$50.06	$45.01	($5.05)	-10.09%
600	$73.34	$65.51	($7.83)	-10.67%
800	$96.62	$86.02	($10.60)	-10.97%
1,000	$119.90	$106.53	($13.38)	-11.16%
2,000	$236.31	$209.06	($27.25)	-11.53%
2,500	$294.51	$260.32	($34.19)	-11.61%
5,000	$585.53	$516.65	($68.88)	-11.76%
10,000	$1,167.56	$1,029.30	($138.26)	-11.84%

Residential Service Time-of-Use Winter	Present	Proposed	Assume:	
Customer Charge	$7.50	$8.00	On Peak Usage:	28.1%
Energy Charge 1st 400 kWhs	$0.011255	$0.016368		
Energy Charge, all additional kWhs	$0.021269	$0.026382	Off-Peak Usage:	71.9%
Base Power Supply Charge				
On-Peak, all kWhs	$0.080873	$0.160474		
Shoulder-Peak, all kWhs				
Off-Peak, all kWhs	$0.065873	$0.043230		
PPFAC	$0.014746	$0.000000		

Average Sales per Month	Total Bill Present Rate	Total Bill Proposed Rate	Proposed Increase $	Proposed Increase %
0	$7.50	$8.00	$0.50	6.67%
50	$12.30	$12.63	$0.32	2.61%
100	$17.11	$17.25	$0.14	0.83%
200	$26.72	$26.50	($0.21)	-0.80%
400	$45.93	$45.01	($0.93)	-2.02%
600	$67.15	$65.51	($1.64)	-2.45%
800	$88.37	$86.02	($2.36)	-2.67%
1,000	$109.59	$106.52	($3.07)	-2.80%
2,000	$215.69	$209.05	($6.64)	-3.08%
2,500	$268.74	$260.31	($8.43)	-3.14%
5,000	$533.99	$516.63	($17.36)	-3.25%
10,000	$1,064.48	$1,029.26	($35.22)	-3.31%

Small General Service	Present	Proposed
Customer Charge	$12.00	$12.50
Energy Charge 1st 400 kWhs	$0.022449	$0.028244
Energy Charge, all additional kWhs	$0.032463	$0.038258
Base Power Supply Charge, all kWhs	$0.075738	$0.073946
PPFAC	$0.014746	$0.000000

Average Sales per Month	Total Bill Present Rate	Total Bill Proposed Rate	Proposed Increase $	Proposed Increase %
50	$17.65	$17.61	($0.04)	-0.21%
100	$23.29	$22.72	($0.57)	-2.47%
250	$40.23	$38.05	($2.19)	-5.43%
500	$69.47	$64.60	($4.87)	-7.01%
1,000	$130.94	$120.70	($10.24)	-7.82%
2,000	$253.89	$232.90	($20.98)	-8.27%
3,500	$438.31	$401.21	($37.10)	-8.46%
5,000	$622.73	$569.52	($53.21)	-8.54%
10,000	$1,237.46	$1,130.54	($106.92)	-8.64%
30,000	$3,696.40	$3,374.63	($321.77)	-8.70%
50,000	$6,155.34	$5,618.73	($536.62)	-8.72%

Large General Service Delivery Charges	Present	Proposed		
Customer Charge	$15.50	$16.00		
Demand Charge, per kW	$10.71	$13.35	Assumes	
Energy Charge (kWhs)	$0.003254	$0.003834	*Load Factor =*	*55.0%*
Base Power Supply Charge, all kWhs	$0.067062	$0.065743		
PPFAC	$0.014746	$0.000000		

Average Sales per Month	Total Bill Present Rate	Total Bill Proposed Rate	Proposed Increase $	Proposed Increase %
5,000	$574.18	$530.18	($44.01)	-7.66%
10,000	$1,132.87	$1,044.35	($88.52)	-7.81%
25,000	$2,808.92	$2,586.88	($222.05)	-7.91%
50,000	$5,602.35	$5,157.75	($444.60)	-7.94%
100,000	$11,189.20	$10,299.51	($889.69)	-7.95%
200,000	$22,362.89	$20,583.01	($1,779.88)	-7.96%
300,000	$33,536.59	$30,866.52	($2,670.07)	-7.96%
400,000	$44,710.29	$41,150.02	($3,560.27)	-7.96%
500,000	$55,883.98	$51,433.53	($4,450.46)	-7.96%
600,000	$67,057.68	$61,717.03	($5,340.65)	-7.96%

Large General Service TOU	Present	Proposed		
Customer Charge	$20.40	$20.90		
Demand Charge, per kW	$10.71	$13.35	Assumes	
Energy Charge (kWhs)	$0.003254	$0.003834	Load Factor =	55.0%
Base Power Supply Charge, all kWhs	$0.067062	$0.065475		
PPFAC	$0.014746	$0.000000		

Average Sales per Month	Total Bill Present Rate	Total Bill Proposed Rate	Proposed Increase $	Proposed Increase %
5,000	$572.42	$525.42	($47.00)	-8.21%
10,000	$1,124.43	$1,029.94	($94.49)	-8.40%
25,000	$2,780.48	$2,543.50	($236.98)	-8.52%
50,000	$5,540.56	$5,066.10	($474.46)	-8.56%
100,000	$11,060.72	$10,111.29	($949.43)	-8.58%
200,000	$22,101.04	$20,201.69	($1,899.36)	-8.59%
300,000	$33,141.37	$30,292.08	($2,849.28)	-8.60%
400,000	$44,181.69	$40,382.48	($3,799.21)	-8.60%
500,000	$55,222.01	$50,472.87	($4,749.14)	-8.60%
600,000	$66,262.33	$60,563.26	($5,699.07)	-8.60%

Assumes maximum peak period demand is 5% lower than maximum demand in non-peak period.

Large Power Service (<69KV)	Present	Proposed		
Customer Charge	$365.00	$372.00		
Demand Charge, per kW	$17.90	$21.22	Assumes	
Energy Charge (kWhs)	$0.000000	($0.000000)	Load Factor =	65.0%
Base Power Supply Charge, all kWhs	$0.053260	$0.052000		
PPFAC	$0.014746	$0.000000		

Average Sales per Month	Total Bill Present Rate	Total Bill Proposed Rate	Proposed Increase $	Proposed Increase %
300,000	$32,081	$29,389	($2,692)	-8.39%
450,000	$47,939	$43,897	($4,041)	-8.43%
650,000	$69,083	$63,242	($5,841)	-8.45%
850,000	$90,226	$82,586	($7,640)	-8.47%
950,000	$100,798	$92,259	($8,540)	-8.47%
1,500,000	$158,944	$145,456	($13,488)	-8.49%
1,750,000	$185,374	$169,637	($15,737)	-8.49%
2,000,000	$211,804	$193,818	($17,986)	-8.49%
2,500,000	$264,663	$242,179	($22,484)	-8.50%

Large Power Service (>69KV) Delivery Charges	Present	Proposed		
Customer Charge	$400.00	$407.00		
Demand Charge, per kW	$11.81	$14.93	Assumes	
Energy Charge (kWhs)	$0.000000	($0.000000)	Load Factor =	70.0%
Base Power Supply Charge, all kWhs	$0.053260	$0.052000		
PPFAC	$0.014746	$0.000000		

Average Sales per Month	Total Bill Present Rate	Total Bill Proposed Rate	Proposed Increase $	Proposed Increase %
300,000	$27,617.85	$24,772.17	($2,846)	-10.30%
450,000	$41,226.77	$36,954.75	($4,272)	-10.36%
650,000	$59,372.00	$53,198.20	($6,174)	-10.40%
850,000	$77,517.23	$69,441.65	($8,076)	-10.42%
950,000	$86,589.85	$77,563.37	($9,026)	-10.42%
1,500,000	$136,489.23	$122,232.85	($14,256)	-10.45%
1,750,000	$159,170.77	$142,537.16	($16,634)	-10.45%
2,000,000	$181,852.31	$162,841.47	($19,011)	-10.45%
2,500,000	$227,215.39	$203,450.08	($23,765)	-10.46%

Interruptible Power Service Delivery Charges	Present	Proposed		
Customer Charge	$15.50	$16.00		
Demand Charge, per kW	$3.40	$4.66	50 Assumes	
Energy Charge (kWhs)	$0.014800	$0.016134	Load Factor =	55.0%
Base Power Supply Charge, all kWhs	$0.055491	$0.054178		
PPFAC	$0.014746	$0.000000		

Average Sales per Month	Total Bill Present Rate	Total Bill Proposed Rate	Proposed Increase $	Proposed Increase %
10,001	$950.65	$835.36	($115.29)	-12.13%
15,000	$1,418.08	$1,244.91	($173.17)	-12.21%
20,000	$1,885.60	$1,654.55	($231.05)	-12.25%
30,000	$2,820.66	$2,473.83	($346.83)	-12.30%
50,000	$4,690.76	$4,112.38	($578.39)	-12.33%
75,000	$7,028.39	$6,160.56	($867.83)	-12.35%
100,000	$9,366.02	$8,208.75	($1,157.27)	-12.36%
125,000	$11,703.66	$10,256.94	($1,446.72)	-12.36%
150,000	$14,041.29	$12,305.13	($1,736.16)	-12.36%

UNS Electric, Inc
Average Bill Rates
Present and Proposed Rates
TY Ended Dec. 31, 2008

	Present	Proposed	Proposed Increase $	Proposed Increase %
Lighting Dusk to Dawn Delivery Charges	Overhead Service			
New 30' Wood Pole (Class 6)	$4.12	$4.36	$0.24	5.80%
New 30' Metal or Fiberglass	$8.26	$8.74	$0.48	5.80%
	Underground Service			
Existing Wood Pole	$2.06	$2.18	$0.12	5.80%
New 30' Wood Pole (Class 6)	$6.20	$6.55	$0.36	5.80%
New 30' Metal or Fiberglass	$10.32	$10.92	$0.60	5.80%
Per Watt	$0.046577	$0.048807	$0.0022	4.79%
Lighting Base Power Supply Charge, per Watt	$0.007818	$0.00763		
PPFAC	$0.014746	$0.000000		
100 Watts - Overhead				
Existing Wood Pole	$4.67	$5.64	$0.98	20.97%
New 30' Wood Pole (Class 6)	$8.79	$10.01	$1.22	13.86%
New 30' Metal or Fiberglass	$12.92	$14.38	$1.46	11.28%
100 Watts - Underground				
Existing Wood Pole	$6.73	$7.83	$1.10	16.32%
New 30' Wood Pole (Class 6)	$10.86	$12.20	$1.34	12.32%
New 30' Metal or Fiberglass	$14.98	$16.56	$1.58	10.53%
200 Watts - Overhead				
Existing Wood Pole	$9.32	$11.29	$1.97	21.18%
New 30' Wood Pole (Class 6)	$13.44	$15.65	$2.21	16.46%
New 30' Metal or Fiberglass	$17.57	$20.02	$2.45	13.95%
200 Watts - Underground				
Existing Wood Pole	$12.94	$13.47	$0.53	4.09%
New 30' Wood Pole (Class 6)	$17.07	$17.84	$0.77	4.50%
New 30' Metal or Fiberglass	$19.63	$22.20	$2.57	13.10%
400 Watts - Overhead				
Existing Wood Pole	$21.76	$22.58	$0.82	3.76%
New 30' Wood Pole (Class 6)	$25.88	$26.94	$1.06	4.09%
New 30' Metal or Fiberglass	$30.02	$31.31	$1.30	4.32%
400 Watts - Underground				
Existing Wood Pole	$23.82	$24.76	$0.94	3.94%
New 30' Wood Pole (Class 6)	$27.95	$29.13	$1.18	4.21%
New 30' Metal or Fiberglass	$32.08	$33.49	$1.42	4.42%

UNS Electic, Inc.
Comparison of Present and Proposed Rates
Test Year Ended December 31, 2008

0.583309556

	Present as of 6-1-2009	Company Proposed Rate Pre 6-1-2010	Company Proposed Rate Post 6-1-2010	Company Increase Change from Present				Staff % Change from Present Rates	
				% Δ Pre 6-1-10	% Δ Post 6-1-10	Staff Proposed Rate Pre 6-1-2010	Staff Proposed Rate Post 6-1-2010	% Pre 6-1-2010	% Post 6-1-2010
Residential Service									
Customer Charge	$7.50	$8.00	$8.00	6.67%	6.67%	$8.00	$8.00	6.67%	6.67%
Energy Charge 1st 400 kWhs	$0.011255	$0.020070	$0.020070	78.32%	78.32%	$0.016397	$0.016397	45.69%	45.69%
Energy Charge, all additional kWhs	$0.021269	$0.030084	$0.030084	41.45%	41.45%	$0.026411	$0.026411	24.18%	24.18%
Base Power Supply Charge, all kWhs	$0.077993	$0.074812	$0.074812	-4.08%	-4.08%	$0.074812	$0.074812	-4.08%	-4.08%
PPFAC	-$0.010564	-$0.007545	$0.004101	-28.58%	-138.82%	-$0.007545	$0.004101	28.58%	138.82%
Residential Service CARES									
Customer Charge	$7.50	$3.50	$3.50	-53.33%	-53.33%	$3.50	$3.50	-53.33%	-53.33%
Energy Charge 1st 400 kWhs	$0.011255	$0.011255	$0.011255	0.00%	0.00%	$0.011255	$0.011255	0.00%	0.00%
Energy Charge, all additional kWhs	$0.021269	$0.021269	$0.021269	0.00%	0.00%	$0.021269	$0.021269	0.00%	0.00%
Base Power Supply Charge, all kWhs	$0.077993	$0.071660	$0.071660	-8.12%	-8.12%	$0.071660	$0.071660	-8.12%	-12.86%
PPFAC	-$0.010564	-$0.007545	$0.000000	-28.58%	-100.00%	$0.007454	$0.000000	28.58%	100.00%
Residential Time of Use Rates, all kWhs									
(These rates would include all Delivery charges above and replace The Base Power Supply charge)									
Summer on-peak	$0.102086	$0.159138	$0.159138	55.89%	55.89%	$0.159138	$0.159138	55.89%	55.89%
Summer Shoulder	$0.077993	$0.074812	$0.074812	-4.08%	-4.08%	$0.074812	$0.074812	-4.08%	-4.08%
Summer off-peak	$0.072092	$0.054158	$0.054158	-24.88%	-24.88%	$0.054158	$0.054158	-24.88%	-24.88%
Winter on-peak	$0.102086	$0.159138	$0.159138	55.89%	55.89%	$0.159138	$0.159138	55.89%	55.89%
Winter off-peak	$0.068588	$0.041894	$0.041894	-38.92%	-38.92%	$0.041894	$0.041894	-38.92%	-38.92%
Small General Service									
Customer Charge	$12.00	$12.50	$12.50	4.17%	4.17%	$12.50	$12.50	4.17%	4.17%
Energy Charge 1st 400 kWhs	$0.022449	$0.024400	$0.024400	8.69%	8.69%	$0.023587	$0.023587	5.07%	5.07%
Energy Charge, all additional kWhs	$0.032463	$0.042454	$0.042454	30.78%	30.78%	$0.038291	$0.038291	17.95%	17.95%
Base Power Supply Charge, all kWhs	$0.075738	$0.072649	$0.072649	-4.08%	-4.08%	$0.072649	$0.072649	-4.08%	-4.08%
PPFAC	-$0.010564	-$0.007545	$0.004101	-28.58%	-138.82%	-$0.007545	$0.004101	28.58%	138.82%
Small General Service Time of Use Rates, all kWhs									
(These rates would include all Delivery charges above and replace The Base Power Supply charge)									
Summer on-peak	$0.097108	$0.136759	$0.136759	40.83%	40.83%	$0.136759	$0.136759	40.83%	40.83%
Summer Shoulder	$0.075738	$0.072649	$0.072649	-4.08%	-4.08%	$0.072649	$0.072649	-4.08%	-4.08%
Summer off-peak	$0.067108	$0.046759	$0.046759	-30.32%	-30.32%	$0.046759	$0.046759	-30.32%	-30.32%
Winter on-peak	$0.097108	$0.136759	$0.136759	40.83%	40.83%	$0.136759	$0.136759	40.83%	40.83%

0.583309556	Present as of 6-1-2009	Company Proposed Rate Pre 6-1-2010	Company Proposed Rate Post 6-1-2010	Company Increase Change from Present				Staff % Change from Present Rates	
				% Δ Pre 6-1-10	% Δ Post 6-1-10	Staff Proposed Rate Pre 6-1-2010	Staff Proposed Rate Post 6-1-2010	% Pre 6-1-2010	% Post 6-1-2010
Large General Service									
Customer Charge	$15.50	$16.00	$16.00	3.23%	3.23%	$16.00	$16.00	3.23%	3.23%
Demand Charge, per kW	$10.71	$13.35	$13.35	24.68%	24.65%	$12.25	$12.25	14.39%	14.39%
Energy Charge (kWhs)	$0.003254	$0.004254	$0.004254	30.73%	30.73%	$0.003837	$0.003837	17.93%	17.93%
Base Power Supply Charge, all kWhs	$0.067062	$0.064326	$0.064326	-4.08%	-4.08%	$0.064326	$0.064326	-4.08%	-4.08%
PPFAC	-$0.010564	-$0.007545	$0.004101	-28.58%	-138.82%	-$0.007545	$0.004101	28.58%	138.82%
Large General Service TOU									
Customer Charge	$20.40	$20.90	$20.90	2.45%	2.45%	$20.90	$20.90	2.45%	2.45%
Demand Charge, per kW	$10.71	$13.35	$13.35	24.68%	24.68%	$12.25	$12.25	14.39%	14.39%
Energy Charge (kWhs)	$0.003254	$0.004254	$0.004254	30.73%	30.73%	$0.003837	$0.003837	17.93%	17.93%
Base Power Supply Charge, all kWhs	$0.067062	$0.064326	$0.064326	-4.08%	-4.08%	$0.064326	$0.064326	-4.08%	-4.08%
PPFAC	-$0.010564	-$0.007545	$0.004101	-28.58%	-138.82%	-$0.007545	$0.004101	28.58%	138.82%
Large General Service Time of Use Rates, all kWhs									
(These rates would include all Delivery charges above and replace The Base Power Supply charge)									
Summer on-peak	$0.089820	$0.121221	$0.121221	34.96%	34.96%	$0.121221	$0.121221	34.96%	34.96%
Summer Shoulder	$0.067062	$0.064326	$0.064326	-4.08%	-4.08%	$0.064326	$0.064326	-4.08%	-4.08%
Summer off-peak	$0.059820	$0.046221	$0.046221	-22.73%	-22.73%	$0.046221	$0.046221	-22.73%	-22.73%
Winter on-peak	$0.089820	$0.121221	$0.121221	34.96%	34.96%	$0.121221	$0.121221	34.96%	34.96%
Winter off-peak	$0.054333	$0.032503	$0.032503	-40.18%	-40.18%	$0.032503	$0.032503	-40.18%	-40.18%
Large Power Service (<69KV Distribution Service)									
Customer Charge	$365.00	$372.00	$372.00	1.92%	1.92%	$372.00	$372.00	1.92%	1.92%
Demand Charge, per kW	$17.90	$21.22	$21.22	18.59%	18.59%	$19.84	$19.84	10.84%	10.84%
Energy Charge (kWhs)	$0.000000	($0.000000)	($0.000000)	0.00%	0.00%	$0.000000	$0.000000	0.00%	0.00%
Base Power Supply Charge, all kWhs	$0.053260	$0.051087	$0.051087	-4.08%	-4.08%	$0.051087	$0.051087	-4.08%	-4.08%
PPFAC	-$0.010564	-$0.007545	$0.004101	-28.58%	-138.82%	-$0.010564	$0.004101	28.58%	138.82%
Large Power Service (>69KV Transmission Service)									
Customer Charge	$400.00	$407.00	$407.00	1.75%	1.75%	$407.00	$407.00	1.75%	1.75%
Demand Charge, per kW	$11.61	$14.93	$14.93	28.60%	28.60%	$13.55	$13.55	16.68%	16.68%
Energy Charge (kWhs)	$0.000000	($0.000000)	($0.000000)	0.00%	0.00%	$0.000000	$0.000000	0.00%	0.00%
Base Power Supply Charge, all kWhs	$0.053260	$0.051087	$0.051087	-4.08%	-4.08%	$0.051087	$0.051087	-4.08%	-4.08%
PPFAC	-$0.010564	-$0.007545	$0.004101	-28.58%	-138.82%	-$0.007545	$0.004101	28.58%	138.82%
Large Power Service Time of Use Rates, all kWhs									
(These rates would include all Delivery charges above and replace The Base Power Supply charge)									

UNS Electic, Inc.
Comparison of Present and Proposed Rates
Test Year Ended December 31, 2008

0.583309556

				Company Increase Change from Present				Staff % Change from Present Rates	
	Present as of 6-1-2009	Company Proposed Rate Pre 6-1-2010	Company Proposed Rate Post 6-1-2010	% Δ Pre 6-1-10	% Δ Post 6-1-10	Staff Proposed Rate Pre 6-1-2010	Staff Proposed Rate Post 6-1-2010	% Pre 6-1-2010	% Post 6-1-2010
Summer on-peak	$0.077240	$0.099047	$0.099047	$0.021807	28.23%	$0.099047	$0.099047	28.23%	28.23%
Summer Shoulder	$0.053260	$0.051087	$0.051087	-$0.002173	-4.08%	$0.051087	$0.051087	-4.08%	-4.08%
Summer off-peak	$0.047240	$0.039047	$0.039047	-$0.008193	-17.34%	$0.039047	$0.039047	-17.34%	-17.34%
Winter on-peak	$0.077240	$0.099047	$0.099047	$0.021807	28.23%	$0.099047	$0.099047	28.23%	28.23%
Winter off-peak	$0.041233	$0.027033	$0.027033	-$0.014200	-34.44%	$0.027033	$0.027033	-34.44%	-34.44%

0.583309556

	Present as of 6-1-2009	Company Proposed Rate Pre 6-1-2010	Company Proposed Rate Post 6-1-2010	Company Increase Change from Present				Staff % Change from Present Rates	
				% Δ Pre 6-1-10	% Δ Post 6-1-10	Staff Proposed Rate Pre 6-1-2010	Staff Proposed Rate Post 6-1-2010	% Pre 6-1-2010	% Post 6-1-2010
Interruptible Power Service									
Customer Charge	$15.50	$16.00	$16.00	3.23%	3.23%	$16.00	$16.00	3.23%	3.23%
Demand Charge, per kW	$3.40	$4.66	$4.66	37.17%	37.17%	$4.14	$4.14	21.68%	21.68%
Energy Charge (kWhs)	$0.014800	$0.017100	$0.017100	15.54%	15.54%	$0.016142	$0.016142	9.06%	9.06%
Base Power Supply Charge, all kWhs	$0.055491	$0.053227	$0.053227	-4.08%	-4.08%	$0.053227	$0.053227	-4.08%	-4.08%
PPFAC	-$0.010564	-$0.007545	$0.004101	-28.58%	-138.82%	-$0.007545	$0.004101	28.58%	138.82%
Interruptible Power Service Time of Use Rates, all kWhs									
(These rates would include all Delivery charges above and replace The Base Power Supply charge)									
Summer on-peak	$0.079833	$0.101911	$0.101911	27.66%	27.66%	$0.101911	$0.101911	27.66%	27.66%
Summer Shoulder	$0.055491	$0.053227	$0.053227	-4.08%	-4.08%	$0.053227	$0.053227	-4.08%	-4.08%
Summer off-peak	$0.049833	$0.041911	$0.041911	-15.90%	-15.90%	$0.041911	$0.041911	-15.90%	-15.90%
Winter on-peak	$0.079833	$0.101911	$0.101911	27.66%	27.66%	$0.101911	$0.101911	27.66%	27.66%
Winter off-peak	$0.042267	$0.026779	$0.026779	-36.64%	-36.64%	$0.026779	$0.026779	-36.64%	-36.64%
Lighting Dusk to Dawn									
New 30' Wood Pole (Class 6) - Overhead	$4.123	$4.535	$4.535	$0.41	10.00%	$4.36	$4.36	5.83%	5.83%
New 30' Metal or Fiberglass - Overhead	$8.257	$9.083	$9.083	$0.83	10.00%	$8.74	$8.74	5.83%	5.83%
Existing Wood Pole - Underground	$2.062	$2.268	$2.268	$0.21	10.00%	$2.18	$2.18	5.83%	5.83%
New 30' Wood Pole (Class 6) - Underground	$6.195	$6.815	$6.815	$0.62	10.00%	$6.56	$6.56	5.83%	5.83%
New 30' Metal or Fiberglass - Underground	$10.318	$11.350	$11.350	$1.03	10.00%	$10.92	$10.92	5.83%	5.83%
Wattage, per Watt	$0.046577	$0.050422	$0.050422	$0.003845	8.26%	$0.048820	$0.048820	4.82%	4.82%
Lighting Base Power Supply Charge, per Watt	$0.007818	$0.007499	$0.007499	$0.00	100.00%	$0.007499	$0.007499	-4.08%	-4.08%
PPFAC Charge, per kWh	-$0.010564	-$0.007545	$0.004101	$0.00	-28.58%	-$0.007545	$0.004101	28.58%	138.82%

Residential Service	Present as of 6-1-2009	Proposed Rate Pre 6-1-2010	Proposed Rate Post 6-1-2010
Customer Charge	$7.50	$8.00	$8.00
Energy Charge 1st 400 kWhs	$0.011255	$0.016397	$0.016397
Energy Charge, all additional kWhs	$0.021269	$0.026411	$0.026411
Base Power Supply Charge, all kWhs	$0.077993	$0.074812	$0.074812
PPFAC	($0.010564)	($0.007545)	$0.004101

Average Sales per Month	Total Bill Present Rate	Total Bill Proposed Rate	Total Bill Proposed Rate	% Δ Pre 6-1-10 %	% Δ Post 6-1- %
0	$7.50	$8.00	$8.00	6.67%	6.67%
50	$11.43	$12.18	$12.77	6.55%	11.64%
100	$15.37	$16.37	$17.53	6.49%	14.07%
200	$23.24	$24.73	$27.06	6.44%	16.46%
400	$38.97	$41.47	$46.12	6.39%	18.35%
600	$56.71	$60.20	$67.19	6.15%	18.47%
800	$74.45	$78.94	$88.25	6.02%	18.54%
1,000	$92.19	$97.67	$109.32	5.94%	18.58%
2,000	$180.89	$191.35	$0.00 $214.64	5.78%	18.66%
2,500	$225.24	$238.19	$267.30	5.75%	18.68%
5,000	$446.98	$472.38	$530.61	5.68%	18.71%
10,000	$890.47	$940.77	$1,057.23	5.65%	18.73%

Residential Service CARES	Present as of 6-1-2009	Proposed Rate Pre 6-1-2010	Proposed Rate Post 6-1-2010	Discounts:	
Customer Charge	$7.50	$3.50	$3.50	0-300 kWh	30.0%
Energy Charge 1st 400 kWhs	$0.011255	$0.011255	$0.011255	301-600 kWh	20.0%
Energy Charge, all additional kWhs	$0.021269	$0.021269	$0.021269	601-1000 kWh	10.0%
Base Power Supply Charge, all kWhs	$0.077993	$0.071660	$0.071660	1001+ kWh	$8.00
PPFAC	($0.010564)	($0.007545)	$0.004101		

Average Sales per Month	Total Bill Present Rate	Total Bill Proposed Rate	Total Bill Proposed Rate	% Δ Pre 6-1-10 %	% Δ Post 6-1- %
0	$5.25	$3.50 ##	$3.50	-33.33%	-33.33%
50	$8.00	$5.09	$5.50	-36.43%	-31.34%
100	$10.76	$7.73	$8.54	-28.18%	-20.60%
200	$16.27	$13.00	$14.63	-20.07%	-10.04%
400	$31.18	$26.92	$30.65	-13.66%	-1.71%
600	$45.37	$40.58	$46.17	-10.56%	1.76%
800	$67.01	$61.02	$69.41	-8.93%	3.58%
1,000	$82.97	$76.39	$86.87	-7.93%	4.70%
2,000	$172.89	$162.26	$185.55	-6.15%	7.32%
2,500	$217.24	$204.95	$234.07	-5.65%	7.75%
5,000	$438.98	$418.41	$476.64	-4.69%	8.58%
10,000	$882.47	$845.33	$961.79	-4.21%	8.99%

Residential Service Time-of-Use Summer	Present	Proposed	Proposed	Assume:	
Customer Charge	$7.50	$8.00	$8.00	On Peak Usage:	16.6%
Energy Charge 1st 400 kWhs	$0.011255	$0.016397	$0.016397	Shoulder-Peak Usage:	15.4%
Energy Charge, all additional kWhs	$0.021269	$0.026411	$0.026411	Off-Peak Usage:	67.9%
Base Power Supply Charge					
On-Peak, all kWhs	$0.102086	$0.159138	$0.159138		
Shoulder-Peak, all kWhs	$0.077993	$0.074812	$0.074812		
Off-Peak, all kWhs	$0.072092	$0.054158	$0.054158		
PPFAC	($0.010564)	($0.007545)	$0.004101		

Average Sales per Month	Total Bill Present Rate	Total Bill Proposed Rate	Total Bill Proposed Rate	% Δ Pre 6-1-10 %	% Δ Post 6-1- %
0	$7.50	$8.00	$8.00	6.67%	6.67%
50	$11.43	$12.18	$12.77	6.55%	11.64%
100	$15.37	$16.37	$17.53	6.49%	14.07%
200	$23.24	$24.73	$27.06	6.44%	16.46%
400	$38.97	$41.47	$46.12	6.39%	18.35%
600	$56.71	$60.20	$67.19	6.15%	18.47%
800	$74.45	$78.94	$88.25	6.02%	18.54%
1,000	$92.19	$97.67	$109.32	5.94%	18.58%
2,000	$180.89	$191.35	$214.64	5.78%	18.66%
2,500	$225.24	$238.19	$267.31	5.75%	18.68%
5,000	$446.99	$472.39	$530.62	5.68%	18.71%
10,000	$890.48	$940.78	$1,057.24	5.65%	18.73%

Residential Service Time-of-Use Winter	Present	Proposed	Proposed	Assume:	
Customer Charge	$7.50	$8.00	$8.00	On Peak Usage:	28.1%
Energy Charge 1st 400 kWhs	$0.011255	$0.016397	$0.016397		
Energy Charge, all additional kWhs	$0.021269	$0.026411	$0.026411	Off-Peak Usage:	71.9%
Base Power Supply Charge					
On-Peak, all kWhs	$0.102086	$0.159138	$0.159138		
Shoulder-Peak, all kWhs					
Off-Peak, all kWhs	$0.068588	$0.041894	$0.041894		
PPFAC	($0.010564)	($0.007545)	$0.004101		

Average Sales per Month	Total Bill Present Rate	Total Bill Proposed Rate	Total Bill Proposed Rate	% Δ Pre 6-1-10 %	% Δ Post 6-1- %
0	$7.50	$8.00	$8.00	6.67%	6.67%
50	$11.43	$12.18	$12.77	6.55%	11.64%
100	$15.37	$16.37	$17.53	6.49%	14.07%
200	$23.24	$24.73	$27.06	6.44%	16.46%
400	$38.97	$41.46	$46.12	6.39%	18.34%
600	$56.71	$60.20	$67.19	6.15%	18.47%
800	$74.45	$78.93	$88.25	6.02%	18.53%
1,000	$92.19	$97.67	$109.32	5.94%	18.57%
2,000	$180.89	$191.34	$214.64	5.78%	18.66%
2,500	$225.24	$238.18	$267.30	5.75%	18.67%
5,000	$446.98	$472.37	$530.60	5.68%	18.71%
10,000	$890.47	$940.74	$1,057.20	5.65%	18.72%

Small General Service	Present	Proposed	Proposed
Customer Charge	$12.00	$12.50	$12.50
Energy Charge 1st 400 kWhs	$0.022449	$0.023587	$0.023587
Energy Charge, all additional kWhs	$0.032463	$0.038291	$0.038291
Base Power Supply Charge, all kWhs	$0.075738	$0.072649	$0.072649
PPFAC	($0.010564)	($0.007545)	$0.004101

Average Sales per Month	Total Bill Present Rate	Total Bill Proposed Rate	Total Bill Proposed Rate	% Δ Pre 6-1-10 %	% Δ Post 6-1- %
50	$16.38	$16.93	$17.52	3.38%	6.93%
100	$20.76	$21.37	$22.53	2.92%	8.53%
250	$33.91	$34.67	$37.58	2.26%	10.85%
500	$56.81	$58.32	$64.14	2.65%	12.89%
1,000	$105.63	$110.01	$121.66	4.15%	15.17%
2,000	$203.27	$213.41	$236.70	4.99%	16.45%
3,500	$349.72	$368.50	$409.26	5.37%	17.02%
5,000	$496.18	$523.59	$581.82	5.53%	17.26%
10,000	$984.36	$1,040.57	$1,157.03	5.71%	17.54%
30,000	$2,937.10	$3,108.47	$3,457.85	5.83%	17.73%
50,000	$4,889.84	$5,176.37	$5,758.67	5.86%	17.77%

Large General Service Delivery Charges	Present	Proposed	Proposed		
Customer Charge	$15.50	$16.00	$16.00		
Demand Charge, per kW	$10.71	$12.25	$12.25	Assumes	
Energy Charge (kWhs)	$0.003254	$0.003837	$0.003837	Load Factor =	55.0%
Base Power Supply Charge, all kWhs	$0.067062	$0.064326	$0.064326		
PPFAC	($0.010564)	($0.007545)	$0.004101		

Average Sales per Month	Total Bill Present Rate	Total Bill Proposed Rate	Total Bill Proposed Rate	% Δ Pre 6-1-10 %	% Δ Post 6-1- %
5,000	$314.26	$319.09	$377.32	1.54%	20.07%
10,000	$613.02	$622.18	$738.64	1.49%	20.49%
25,000	$1,509.30	$1,531.45	$1,822.60	1.47%	20.76%
50,000	$3,003.10	$3,046.90	$3,629.20	1.46%	20.85%
100,000	$5,990.70	$6,077.80	$7,242.40	1.45%	20.89%
200,000	$11,965.90	$12,139.60	$14,468.80	1.45%	20.92%
300,000	$17,941.10	$18,201.40	$21,695.20	1.45%	20.92%
400,000	$23,916.30	$24,263.20	$28,921.60	1.45%	20.93%
500,000	$29,891.50	$30,325.00	$36,148.00	1.45%	20.93%
600,000	$35,866.70	$36,386.80	$43,374.40	1.45%	20.93%

Large General Service TOU	Present	Proposed	Proposed		
Customer Charge	$20.40	$20.90	$20.90		
Demand Charge, per kW	$10.71	$12.25	$12.25	Assumes	
Energy Charge (kWhs)	$0.003254	$0.003837	$0.003837	Load Factor =	55.0%
Base Power Supply Charge, all kWhs	$0.067062	$0.064326	$0.064326		
PPFAC	($0.010564)	($0.007545)	$0.004101		

Average Sales per Month	Total Bill Present Rate	Total Bill Proposed Rate	Total Bill Proposed Rate	% Δ Pre 6-1-10 %	% Δ Post 6-1- %
5,000	$319.16	$323.99	$382.22	1.51%	19.76%
10,000	$617.92	$627.08	$743.54	1.48%	20.33%
25,000	$1,514.20	$1,536.35	$1,827.50	1.46%	20.69%
50,000	$3,008.00	$3,051.80	$3,634.10	1.46%	20.81%
100,000	$5,995.60	$6,082.70	$7,247.30	1.45%	20.88%
200,000	$11,970.80	$12,144.50	$14,473.70	1.45%	20.91%
300,000	$17,946.00	$18,206.30	$21,700.10	1.45%	20.92%
400,000	$23,921.20	$24,268.10	$28,926.50	1.45%	20.92%
500,000	$29,896.40	$30,329.90	$36,152.90	1.45%	20.93%
600,000	$35,871.60	$36,391.70	$43,379.30	1.45%	20.93%

Assumes maximum peak period demand is 5% lower than maximum demand in non-peak period.

Large Power Service (<69KV Distribution Service)	Present	Proposed	Proposed		
Customer Charge	$365.00	$372.00	$372.00		
Demand Charge, per kW	$17.90	$19.84	$19.84	Assumes	
Energy Charge (kWhs)	$0.000000	($0.000000)	($0.000000)	Load Factor =	65.0%
Base Power Supply Charge, all kWhs	$0.053260	$0.051087	$0.051087		
PPFAC	($0.010564)	($0.007545)	$0.004101		

Average Sales per Month	Total Bill Present Rate	Total Bill Proposed Rate	Total Bill Proposed Rate	% Δ Pre 6-1-10 %	% Δ Post 6-1- %
300,000	$13,174	$13,435	$16,928	1.98%	28.50%
450,000	$19,578	$19,966	$25,207	1.98%	28.75%
650,000	$28,117	$28,674	$36,244	1.98%	28.90%
850,000	$36,657	$37,383	$47,282	1.98%	28.99%
950,000	$40,926	$41,737	$52,801	1.98%	29.01%
1,500,000	$64,409	$65,685	$83,154	1.98%	29.10%
1,750,000	$75,083	$76,571	$96,951	1.98%	29.13%
2,000,000	$85,757	$87,456	$110,748	1.98%	29.14%
2,500,000	$107,105	$109,227	$138,342	1.98%	29.16%

Large Power Service (>69KV Transmission Service)	Present	Proposed	Proposed		
Customer Charge	$400.00	$407.00	$407.00		
Demand Charge, per kW	$11.61	$13.55	$13.55	Assumes	
Energy Charge (kWhs)	$0.000000	($0.000000)	($0.000000)	Load Factor =	70.0%
Base Power Supply Charge, all kWhs	$0.053260	$0.051087	$0.051087		
PPFAC	($0.010564)	($0.007545)	$0.004101		

Average Sales per Month	Total Bill Present Rate	Total Bill Proposed Rate	Total Bill Proposed Rate	% Δ Pre 6-1-10 %	% Δ Post 6-1- %
300,000	$13,208.80	$13,469.60	$16,963.40	1.97%	28.42%
450,000	$19,613.20	$20,000.90	$25,241.60	1.98%	28.70%
650,000	$28,152.40	$28,709.30	$36,279.20	1.98%	28.87%
850,000	$36,691.60	$37,417.70	$47,316.80	1.98%	28.96%
950,000	$40,961.20	$41,771.90	$52,835.60	1.98%	28.99%
1,500,000	$64,444.00	$65,720.00	$83,189.00	1.98%	29.09%
1,750,000	$75,118.00	$76,605.50	$96,986.00	1.98%	29.11%
2,000,000	$85,792.00	$87,491.00	$110,783.00	1.98%	29.13%
2,500,000	$107,140.00	$109,262.00	$138,377.00	1.98%	29.16%

Interruptible Power Service Delivery Charges	Present	Proposed	Proposed		
Customer Charge	$15.50	$16.00	$16.00		
Demand Charge, per kW	$3.40	$4.14	$4.14	Assumes	
Energy Charge (kWhs)	$0.014800	$0.017100	$0.017100	Load Factor =	55.0%
Base Power Supply Charge, all kWhs	$0.055491	$0.053227	$0.053227		
PPFAC	($0.010564)	($0.007545)	$0.004101		

Average Sales per Month	Total Bill Present Rate	Total Bill Proposed Rate	Total Bill Proposed Rate	% Δ Pre 6-1-10 %	% Δ Post 6-1- %
10,001	$612.83	$643.88	$760.36	5.07%	24.07%
15,000	$911.41	$957.73	$1,132.42	5.08%	24.25%
20,000	$1,210.04	$1,271.64	$1,504.56	5.09%	24.34%
30,000	$1,807.31	$1,899.46	$2,248.84	5.10%	24.43%
50,000	$3,001.85	$3,155.10	$3,737.40	5.11%	24.50%
75,000	$4,495.03	$4,724.65	$5,598.10	5.11%	24.54%
100,000	$5,988.20	$6,294.20	$7,458.80	5.11%	24.56%
125,000	$7,481.38	$7,863.75	$9,319.50	5.11%	24.57%
150,000	$8,974.55	$9,433.30	$11,180.20	5.11%	24.58%

	Present	Proposed	Proposed	Proposed Increase $	Proposed Increase %
Lighting Dusk to Dawn Delivery Charges	Overhead Service				
New 30' Wood Pole (Class 6)	$4.12	$4.36	$4.36	5.75%	5.75%
New 30' Metal or Fiberglass	$8.26	$8.74	$8.74	5.85%	5.85%
	Underground Service				
Existing Wood Pole	$2.06	$2.18	$2.18	5.72%	5.72%
New 30' Wood Pole (Class 6)	$6.20	$6.56	$6.56	5.89%	5.89%
New 30' Metal or Fiberglass	$10.32	$10.92	$10.92	5.83%	5.83%
Per Watt	$0.046577	$0.048820	$0.048820	4.82%	4.82%
Lighting Base Power Supply Charge, per Watt	$0.007818	$0.00750	$0.00750		
PPFAC	($0.010564)	($0.007545)	$0.004101		
100 Watts - Overhead					
Existing Wood Pole	$4.67	$5.63	$5.63	20.71%	20.71%
New 30' Wood Pole (Class 6)	$8.79	$9.99	$9.99	13.69%	13.69%
New 30' Metal or Fiberglass	$12.92	$14.37	$14.37	11.22%	11.22%
100 Watts - Underground					
Existing Wood Pole	$6.73	$7.81	$7.81	16.12%	16.12%
New 30' Wood Pole (Class 6)	$10.86	$12.19	$12.19	12.26%	12.26%
New 30' Metal or Fiberglass	$14.98	$16.55	$16.55	10.47%	10.47%
200 Watts - Overhead					
Existing Wood Pole	$9.32	$11.26	$11.26	20.92%	20.92%
New 30' Wood Pole (Class 6)	$13.44	$15.62	$15.62	16.26%	16.26%
New 30' Metal or Fiberglass	$17.57	$20.00	$20.00	13.84%	13.84%
200 Watts - Underground					
Existing Wood Pole	$12.94	$13.44	$13.44	3.88%	3.89%
New 30' Wood Pole (Class 6)	$17.07	$17.82	$17.82	4.39%	4.39%
New 30' Metal or Fiberglass	$19.63	$22.18	$22.18	12.99%	12.99%
400 Watts - Overhead					
Existing Wood Pole	$21.76	$22.53	$22.53	3.54%	3.54%
New 30' Wood Pole (Class 6)	$25.88	$26.89	$26.89	3.89%	3.89%
New 30' Metal or Fiberglass	$30.02	$31.27	$31.27	4.17%	4.17%
400 Watts - Underground					
Existing Wood Pole	$23.82	$24.71	$24.71	3.73%	3.73%
New 30' Wood Pole (Class 6)	$27.95	$29.09	$29.09	4.06%	4.06%
New 30' Metal or Fiberglass	$32.08	$33.45	$33.45	4.28%	4.28%

Exhibit___(DCP-1)
Schedule 1

UNS ELECTRIC INC
TOTAL COST OF CAPITAL

Item	Percent	Cost			Weighted Cost		
Long-Term Debt	54.24%	7.05%				3.82%	
Common Equity	45.76%	9.50%	-	10.50%	4.35%		4.80%
Total	100.00%				8.17%		8.63%
						8.40%	**With 10.0% ROE**

ECONOMIC INDICATORS

Year	Real GDP Growth*	Industrial Production Growth	Un-employment Rate	Consumer Price Index	Producer Price Index
			1975 - 1982 Cycle		
1975	-1.1%	-8.9%	8.5%	7.0%	6.6%
1976	5.4%	10.8%	7.7%	4.8%	3.7%
1977	5.5%	5.9%	7.0%	6.8%	6.9%
1978	5.0%	5.7%	6.0%	9.0%	9.2%
1979	2.8%	4.4%	5.8%	13.3%	12.8%
1980	-0.2%	-1.9%	7.0%	12.4%	11.8%
1981	1.8%	1.9%	7.5%	8.9%	7.1%
1982	-2.1%	-4.4%	9.5%	3.8%	3.6%
			1983 - 1991 Cycle		
1983	4.0%	3.7%	9.5%	3.8%	0.6%
1984	6.8%	9.3%	7.5%	3.9%	1.7%
1985	3.7%	1.7%	7.2%	3.8%	1.8%
1986	3.1%	0.9%	7.0%	1.1%	-2.3%
1987	2.9%	4.9%	6.2%	4.4%	2.2%
1988	3.8%	4.5%	5.5%	4.4%	4.0%
1989	3.5%	1.8%	5.3%	4.6%	4.9%
1990	1.8%	-0.2%	5.6%	6.1%	5.7%
1991	-0.5%	-2.0%	6.8%	3.1%	-0.1%
			1992 - 2001 Cycle		
1992	3.0%	3.1%	7.5%	2.9%	1.6%
1993	2.7%	3.3%	6.9%	2.7%	0.2%
1994	4.0%	5.4%	6.1%	2.7%	1.7%
1995	2.5%	4.8%	5.6%	2.5%	2.3%
1996	3.7%	4.3%	5.4%	3.3%	2.8%
1997	4.5%	7.2%	4.9%	1.7%	-1.2%
1998	4.2%	6.1%	4.5%	1.6%	0.0%
1999	4.8%	4.3%	4.2%	2.7%	2.9%
2000	4.1%	4.2%	4.0%	3.4%	3.6%
2001	1.1%	-3.4%	4.7%	1.6%	-1.6%
			Current Cycle		
2002	1.8%	-0.1%	5.8%	2.4%	1.2%
2003	2.5%	1.3%	6.0%	1.9%	4.0%
2004	3.6%	2.5%	5.5%	3.3%	4.2%
2005	3.1%	3.3%	5.1%	3.4%	5.4%
2006	2.7%	2.3%	4.6%	2.5%	1.1%
2007	2.1%	1.5%	4.6%	4.1%	6.2%
2008	0.4%	-2.2%	5.8%	0.1%	-0.9%

*GDP=Gross Domestic Product

Source: Council of Economic Advisors, Economic Indicators, various issues.

ECONOMIC INDICATORS

Year	Real GDP Growth*	Industrial Production Growth	Un-employment Rate	Consumer Price Index	Producer Price Index
2002					
1st Qtr.	2.7%	-3.8%	5.6%	2.8%	4.4%
2nd Qtr.	2.2%	-1.2%	5.9%	0.9%	-2.0%
3rd Qtr.	2.4%	0.8%	5.8%	2.4%	1.2%
4th Qtr.	0.2%	1.4%	5.9%	1.6%	0.4%
2003					
1st Qtr.	1.2%	1.1%	5.8%	4.8%	5.6%
2nd Qtr.	3.5%	-0.9%	6.2%	0.0%	-0.5%
3rd Qtr.	7.5%	-0.9%	6.1%	3.2%	3.2%
4th Qtr.	2.7%	1.5%	5.9%	-0.3%	2.8%
2004					
1st Qtr.	3.0%	2.8%	5.6%	5.2%	5.2%
2nd Qtr.	3.5%	4.9%	5.6%	4.4%	4.4%
3rd Qtr.	3.6%	4.6%	5.4%	0.8%	0.8%
4th Qtr.	2.5%	4.3%	5.4%	3.6%	7.2%
2005					
1st Qtr.	4.1%	3.8%	5.3%	4.4%	5.6%
2nd Qtr.	1.7%	3.0%	5.1%	1.6%	-0.4%
3rd Qtr.	3.1%	2.7%	5.0%	8.8%	14.0%
4th Qtr.	2.1%	2.9%	4.9%	-2.0%	4.0%
2006					
1st Qtr.	5.4%	3.4%	4.7%	4.8%	-0.2%
2nd Qtr.	1.4%	4.5%	4.6%	4.8%	5.6%
3rd Qtr.	0.1%	5.2%	4.7%	0.4%	-4.4%
4th Qtr.	3.0%	3.5%	4.5%	0.0%	3.6%
2007					
1st Qtr.	1.2%	2.5%	4.5%	4.8%	6.4%
2nd Qtr.	3.2%	1.6%	4.5%	5.2%	6.8%
3rd Qtr.	3.6%	1.8%	4.6%	1.2%	1.2%
4th Qtr.	2.1%	1.7%	4.8%	5.6%	12.8%
2008					
1st Qtr.	-0.7%	1.8%	4.9%	2.8%	9.6%
2nd Qtr.	1.5%	-0.4%	5.4%	7.6%	14.0%
3rd Qtr.	-2.7%	-3.2%	6.1%	2.8%	-0.4%
4th Qtr.	-5.4%	-6.7%	6.9%	-13.2%	-28.4%
2009					
1st Qtr.	-6.4%	-11.6%	8.1%	2.4%	-1.2%
2nd Qtr.	-0.7%	-12.9%	9.3%	3.2%	8.8%
3rd Qtr.	2.8%	-9.5%	9.6%	2.4%	1.6%

Source: Council of Economic Advisors, Economic Indicators, various issues.

INTEREST RATES

Year	Prime Rate	US Treas T Bills 3 Month	US Treas T Bonds 10 Year	Utility Bonds Aaa	Utility Bonds Aa	Utility Bonds A	Utility Bonds Baa
			1975 - 1982 Cycle				
1975	7.86%	5.84%	7.99%	9.03%	9.44%	10.09%	10.96%
1976	6.84%	4.99%	7.61%	8.63%	8.92%	9.29%	9.82%
1977	6.83%	5.27%	7.42%	8.19%	8.43%	8.61%	9.06%
1978	9.06%	7.22%	8.41%	8.87%	9.10%	9.29%	9.62%
1979	12.67%	10.04%	9.44%	9.86%	10.22%	10.49%	10.96%
1980	15.27%	11.51%	11.46%	12.30%	13.00%	13.34%	13.95%
1981	18.89%	14.03%	13.93%	14.64%	15.30%	15.95%	16.60%
1982	14.86%	10.69%	13.00%	14.22%	14.79%	15.86%	16.45%
			1983 - 1991 Cycle				
1983	10.79%	8.63%	11.10%	12.52%	12.83%	13.66%	14.20%
1984	12.04%	9.58%	12.44%	12.72%	13.66%	14.03%	14.53%
1985	9.93%	7.48%	10.62%	11.68%	12.06%	12.47%	12.96%
1986	8.33%	5.98%	7.68%	8.92%	9.30%	9.58%	10.00%
1987	8.21%	5.82%	8.39%	9.52%	9.77%	10.10%	10.53%
1988	9.32%	6.69%	8.85%	10.05%	10.26%	10.49%	11.00%
1989	10.87%	8.12%	8.49%	9.32%	9.56%	9.77%	9.97%
1990	10.01%	7.51%	8.55%	9.45%	9.65%	9.86%	10.06%
1991	8.46%	5.42%	7.86%	8.85%	9.09%	9.36%	9.55%
			1992 - 2001 Cycle				
1992	6.25%	3.45%	7.01%	8.19%	8.55%	8.69%	8.86%
1993	6.00%	3.02%	5.87%	7.29%	7.44%	7.59%	7.91%
1994	7.15%	4.29%	7.09%	8.07%	8.21%	8.31%	8.63%
1995	8.83%	5.51%	6.57%	7.68%	7.77%	7.89%	8.29%
1996	8.27%	5.02%	6.44%	7.48%	7.57%	7.75%	8.16%
1997	8.44%	5.07%	6.35%	7.43%	7.54%	7.60%	7.95%
1998	8.35%	4.81%	5.26%	6.77%	6.91%	7.04%	7.26%
1999	8.00%	4.66%	5.65%	7.21%	7.51%	7.62%	7.88%
2000	9.23%	5.85%	6.03%	7.88%	8.06%	8.24%	8.36%
2001	6.91%	3.45%	5.02%	7.47%	7.59%	7.78%	8.02%
			Current Cycle				
2002	4.67%	1.62%	4.61%	[1]	7.19%	7.37%	8.02%
2003	4.12%	1.02%	4.01%		6.40%	6.58%	6.84%
2004	4.34%	1.38%	4.27%		6.04%	6.16%	6.40%
2005	6.19%	3.16%	4.29%		5.44%	5.65%	5.93%
2006	7.96%	4.73%	4.80%		5.84%	6.07%	6.32%
2007	8.05%	4.41%	4.63%		5.94%	6.07%	6.33%
2008	5.09%	1.48%	3.66%		6.18%	6.53%	7.25%

[1] Note: Moody's has not published Aaa utility bond yields since 2001.

Sources: Council of Economic Advisors, Economic Indicators; Moody's Bond Record; Federal Reserve Bulletin; various issues.

INTEREST RATES

Year	Prime Rate	US Treas T Bills 3 Month	US Treas T Bonds 10 Year	Utility Bonds Aa	Utility Bonds A	Utility Bonds Baa
2003						
Jan	4.25%	1.17%	4.05%	6.87%	7.06%	7.47%
Feb	4.25%	1.18%	3.90%	6.66%	6.93%	7.17%
Mar	4.25%	1.13%	3.81%	6.56%	6.79%	7.05%
Apr	4.25%	1.14%	3.96%	6.47%	6.64%	6.94%
May	4.25%	1.08%	3.57%	6.20%	6.38%	6.47%
June	4.00%	0.95%	3.33%	6.12%	6.21%	6.30%
July	4.00%	0.90%	3.98%	6.37%	6.57%	6.67%
Aug	4.00%	0.96%	4.45%	6.48%	6.78%	7.08%
Sept	4.00%	0.95%	4.27%	6.30%	6.56%	6.87%
Oct	4.00%	0.93%	4.29%	6.28%	6.43%	6.79%
Nov	4.00%	0.94%	4.30%	6.26%	6.37%	6.69%
Dec	4.00%	0.90%	4.27%	6.18%	6.27%	6.61%
2004						
Jan	4.00%	0.89%	4.15%	6.06%	6.15%	6.47%
Feb	4.00%	0.92%	4.08%	6.10%	6.15%	6.28%
Mar	4.00%	0.94%	3.83%	5.93%	5.97%	6.12%
Apr	4.00%	0.94%	4.35%	6.33%	6.35%	6.46%
May	4.00%	1.04%	4.72%	5.66%	6.52%	6.75%
June	4.00%	1.27%	4.73%	5.30%	6.46%	6.84%
July	4.25%	1.35%	4.50%	6.09%	6.27%	6.67%
Aug	4.50%	1.48%	4.28%	5.95%	6.14%	6.45%
Sept	4.75%	1.65%	4.13%	5.79%	5.98%	6.27%
Oct	4.75%	1.75%	4.10%	5.74%	5.94%	6.17%
Nov	5.00%	2.06%	4.19%	5.79%	5.97%	6.16%
Dec	5.25%	2.20%	4.23%	5.78%	5.92%	6.10%
2005						
Jan	5.25%	2.32%	4.22%	5.68%	5.78%	5.95%
Feb	5.50%	2.53%	4.17%	5.55%	5.61%	5.76%
Mar	5.75%	2.75%	4.50%	5.78%	5.83%	6.01%
Apr	5.75%	2.79%	4.34%	5.58%	5.64%	5.95%
May	6.00%	2.86%	4.14%	5.39%	5.53%	5.88%
June	6.25%	2.99%	4.00%	5.05%	5.40%	5.70%
July	6.25%	3.22%	4.18%	5.18%	5.51%	5.81%
Aug	6.50%	3.45%	4.28%	5.23%	5.50%	5.80%
Sept	6.75%	3.47%	4.20%	5.27%	5.52%	5.83%
Oct	6.75%	3.70%	4.46%	5.50%	5.79%	6.08%
Nov	7.00%	3.90%	4.54%	5.59%	5.88%	6.19%
Dec	7.25%	3.89%	4.47%	5.55%	5.80%	6.14%
2006						
Jan	7.50%	4.20%	4.42%	5.50%	5.75%	6.06%
Feb	7.50%	4.41%	4.57%	5.55%	5.82%	6.11%
Mar	7.75%	4.51%	4.72%	5.71%	5.98%	6.26%
Apr	7.75%	4.59%	4.99%	6.02%	6.29%	6.54%
May	8.00%	4.72%	5.11%	6.16%	6.42%	6.59%
June	8.25%	4.79%	5.11%	6.16%	6.40%	6.61%
July	8.25%	4.96%	5.09%	6.13%	6.37%	6.61%
Aug	8.25%	4.98%	4.88%	5.97%	6.20%	6.43%
Sept	8.25%	4.82%	4.72%	5.81%	6.00%	6.26%
Oct	8.25%	4.89%	4.73%	5.80%	5.98%	6.24%
Nov	8.25%	4.95%	4.60%	5.61%	5.80%	6.04%
Dec	8.25%	4.85%	4.56%	5.62%	5.81%	6.05%
2007						
Jan	8.25%	4.98%	4.76%	5.78%	5.96%	6.16%
Feb	8.25%	5.02%	4.72%	5.73%	5.90%	6.10%
Mar	8.25%	4.97%	4.56%	5.66%	5.85%	6.10%
Apr	8.25%	4.88%	4.69%	5.83%	5.97%	6.24%
May	8.25%	4.77%	4.75%	5.86%	5.99%	6.23%
June	8.25%	4.63%	5.10%	6.18%	6.30%	6.54%
July	8.25%	4.84%	5.00%	6.11%	6.25%	6.49%
Aug	8.25%	4.34%	4.67%	6.11%	6.24%	6.51%
Sept	7.75%	4.01%	4.52%	6.10%	6.18%	6.45%
Oct	7.50%	3.97%	4.53%	6.04%	6.11%	6.36%
Nov	7.50%	3.49%	4.15%	5.87%	5.97%	6.27%
Dec	7.26%	3.08%	4.10%	6.03%	6.16%	6.51%
2008						
Jan	6.00%	2.86%	3.74%	5.87%	6.02%	6.35%
Feb	6.00%	2.21%	3.74%	6.04%	6.21%	6.60%
Mar	5.25%	1.38%	3.51%	5.99%	6.21%	6.68%
Apr	5.00%	1.32%	3.68%	5.99%	6.29%	6.82%
May	5.00%	1.71%	3.88%	6.07%	6.27%	6.79%
June	5.00%	1.90%	4.10%	6.19%	6.38%	6.93%
July	5.00%	1.72%	4.01%	6.13%	6.40%	6.97%
Aug	5.00%	1.79%	3.89%	6.09%	6.37%	6.98%
Sept	5.00%	1.46%	3.69%	6.13%	6.49%	7.15%
Oct	4.00%	0.84%	3.81%	6.95%	7.56%	8.58%
Nov	4.00%	0.30%	3.53%	6.83%	7.60%	8.98%
Dec	3.25%	0.04%	2.42%	5.93%	6.54%	8.13%
2009						
Jan	3.25%	0.12%	2.52%	6.01%	6.39%	7.90%
Feb	3.25%	0.31%	2.87%	6.11%	6.30%	7.74%
Mar	3.25%	0.25%	2.82%	6.14%	6.42%	8.00%
Apr	3.25%	0.17%	2.93%	6.20%	6.48%	8.03%
May	3.25%	0.15%	3.29%	6.23%	6.49%	7.76%
June	3.25%	0.17%	3.72%	6.13%	6.20%	7.30%
July	3.25%	0.19%	3.56%	5.63%	5.97%	6.87%
Aug	3.25%	0.18%	3.59%	5.33%	5.71%	6.36%
Sept	3.25%	13.00%	3.40%	5.15%	5.53%	6.12%
Oct	3.25%	0.08%	3.39%	5.23%	5.55%	6.14%
Nov	3.25%	0.05%	3.40%	5.33%	5.64%	6.18%

Note: Moody's has not published Aaa utility bond yields since 2001.

Sources: Council of Economic Advisors, Economic Indicators; Moody's Bond Record; Federal Reserve Bulletin; various issues.

STOCK PRICE INDICATORS

Year	S&P Composite [1]	NASDAQ Composite [1]	DJIA	S&P D/P	S&P E/P
		1975 - 1982 Cycle			
1975			802.49	4.31%	9.15%
1976			974.92	3.77%	8.90%
1977			894.63	4.62%	10.79%
1978			820.23	5.28%	12.03%
1979			844.40	5.47%	13.46%
1980			891.41	5.26%	12.66%
1981			932.92	5.20%	11.96%
1982			884.36	5.81%	11.60%
		1983 - 1991 Cycle			
1983			1,190.34	4.40%	8.03%
1984			1,178.48	4.64%	10.02%
1985			1,328.23	4.25%	8.12%
1986			1,792.76	3.49%	6.09%
1987			2,275.99	3.08%	5.48%
1988	[1]	[1]	2,060.82	3.64%	8.01%
1989	322.84		2,508.91	3.45%	7.41%
1990	334.59		2,678.94	3.61%	6.47%
1991	376.18	491.69	2,929.33	3.24%	4.79%
		1992 - 2001 Cycle			
1992	415.74	599.26	3,284.29	2.99%	4.22%
1993	451.21	715.16	3,522.06	2.78%	4.46%
1994	460.42	751.65	3,793.77	2.82%	5.83%
1995	541.72	925.19	4,493.76	2.56%	6.09%
1996	670.50	1,164.96	5,742.89	2.19%	5.24%
1997	873.43	1,469.49	7,441.15	1.77%	4.57%
1998	1,085.50	1,794.91	8,625.52	1.49%	3.46%
1999	1,327.33	2,728.15	10,464.88	1.25%	3.17%
2000	1,427.22	3,783.67	10,734.90	1.15%	3.63%
2001	1,194.18	2,035.00	10,189.13	1.32%	2.95%
		Current Cycle			
2002	993.94	1,539.73	9,226.43	1.61%	2.92%
2003	965.23	1,647.17	8,993.59	1.77%	3.84%
2004	1,130.65	1,986.53	10,317.39	1.72%	4.89%
2005	1,207.23	2,099.32	10,547.67	1.83%	5.36%
2006	1,310.46	2,263.41	11,408.67	1.87%	5.78%
2007	1,477.19	2,578.47	13,169.98	1.86%	5.29%
2008	1,220.04	2,161.65	11,252.62	2.37%	3.55%

[1] Note: this source did not publish the S&P Composite prior to 1988 and the NASDAQ Composite prior to 1991.

Source: Council of Economic Advisors, Economic Indicators, various issues.

STOCK PRICE INDICATORS

YEAR	S&P Composite	NASDAQ Composite	DJIA	S&P D/P	S&P E/P
2002					
1st Qtr.	1,131.56	1,879.85	10,105.27	1.39%	2.15%
2nd Qtr.	1,068.45	1,641.53	9,912.70	1.49%	2.70%
3rd Qtr.	894.65	1,308.17	8,487.59	1.76%	3.68%
4th Qtr.	887.91	1,346.07	8,400.17	1.79%	3.14%
2003					
1st Qtr.	860.03	1,350.44	8,122.83	1.89%	3.57%
2nd Qtr.	938.00	1,521.92	8,684.52	1.75%	3.55%
3rd Qtr.	1,000.50	1,765.96	9,310.57	1.74%	3.87%
4th Qtr.	1,056.42	1,934.71	9,856.44	1.69%	4.38%
2004					
1st Qtr.	1,133.29	2,041.95	10,488.43	1.64%	4.62%
2nd Qtr.	1,122.87	1,984.13	10,289.04	1.71%	4.92%
3rd Qtr.	1,104.15	1,872.90	10,129.85	1.79%	5.18%
4th Qtr.	1,162.07	2,050.22	10,362.25	1.75%	4.83%
2005					
1st Qtr.	1,191.98	2,056.01	10,648.48	1.77%	5.11%
2nd Qtr.	1,181.65	2,012.24	10,382.35	1.85%	5.32%
3rd Qtr.	1,225.91	2,144.61	10,532.24	1.83%	5.42%
4th Qtr.	1,262.07	2,246.09	10,827.79	1.86%	5.60%
2006					
1st Qtr.	1,283.04	2,287.97	10,996.04	1.85%	5.61%
2nd Qtr.	1,281.77	2,240.46	11,188.84	1.90%	5.86%
3rd Qtr.	1,288.40	2,141.97	11,274.49	1.91%	5.88%
4th Qtr.	1,389.48	2,390.26	12,175.30	1.81%	5.75%
2007					
1st Qtr.	1,425.30	2,444.85	12,470.97	1.84%	5.85%
2nd Qtr.	1,496.43	2,552.37	13,214.26	1.82%	5.65%
3rd Qtr.	1,490.81	2,609.68	13,488.43	1.86%	5.15%
4th Qtr.	1,494.09	2,701.59	13,502.95	1.91%	4.51%
2008					
1st Qtr.	1,350.19	2,332.91	12,383.86	2.11%	4.57%
2nd Qtr.	1,371.65	2,426.26	12,508.59	2.10%	4.01%
3rd Qtr.	1,251.94	2,290.87	11,322.40	2.29%	3.94%
4th Qtr.	909.80	1,599.64	8,795.61	2.98%	1.65%
2009					
1st Qtr.	809.31	1,485.14	7,774.06	3.00%	0.86%
2nd Qtr.	892.23	1,731.41	8,327.83	2.45%	0.82%
3rd Qtr.	996.70	996.70	9,229.93	2.16%	1.20%

[1] Note: this source did not publish the S&P Composite prior to 1988 and the NASDAQ Composite prior to 1991.

Source: Council of Economic Advisors, Economic Indicators, various issues.

Exhibit___(DCP-1)
Schedule 3

UNISOURCE ENERGY CORPORATION
SEGMENT FINANCIAL INFORMATION
2006 - 2008
($millions)

Segment	Operating Revenues	Operating Income	Total Assets
		2006	
Tucson Electric Power Co	$989 75.6%	$216 90.0%	$2,623 82.3%
UNS Gas	$162 12.4%	$13 5.4%	$253 7.9%
UNS Electric	$160 12.2%	$13 5.4%	$195 6.1%
All Other	$14 1.1%	0.0%	$1,038 32.6%
Unisource Energy	$1,308	$240	$3,187
		2007	
Tucson Electric Power Co	$1,071 77.6%	$189 88.7%	$2,573 80.8%
UNS Gas	$151 10.9%	$12 5.6%	$276 8.7%
UNS Electric	$169 12.2%	$12 5.6%	$231 7.3%
All Other	$12 0.9%	0.0%	$1,077 33.8%
Unisource Energy	$1,381	$213	$3,186
		2008	
Tucson Electric Power Co	$1,079 77.2%	$107 73.8%	$2,842 81.0%
UNS Gas	$174 12.4%	$20 13.8%	$294 8.4%
UNS Electric	$195 13.9%	$12 8.3%	$285 8.1%
All Other	$23 1.6%	0.0%	$1,061 30.2%
Unisource Energy	$1,398	$145	$3,510

UNS Gas, TEP and UNS Electric figures do not total to Unisource Energy cosolidated figures due to other activities of Unisource Energy.

Source: Unisource Energy Corporation 2008 Form 10-K.

UNS ELECTRIC
CAPITAL STRUCTURE RATIOS
2003 - 2009
($millions)

YEAR	COMMON EQUITY	LONG-TERM DEBT	SHORT-TERM DEBT
2004	$40,900	$60,000	$600
	40.3%	59.1%	0.6%
	40.5%	59.5%	
2005	$49,900	$60,000	$500
	45.2%	54.3%	0.5%
	45.4%	54.6%	
2006	$64,900	$79,000	$400
	45.0%	54.7%	0.3%
	45.1%	54.9%	
2007	$79,800	$86,000	$400
	48.0%	51.7%	0.2%
	48.1%	51.9%	
2008	$83,800	$108,000	$200
	43.6%	56.3%	0.1%
	43.7%	56.3%	
June 30, 2009	$86,000	$100,000	$200
	46.2%	53.7%	0.1%
	46.2%	53.8%	

Source: Response to STF 7.2

UNISOURCE ENERGY CORP
CAPITAL STRUCTURE RATIOS
2003 - 2008
($millions)

YEAR	COMMON EQUITY	LONG-TERM DEBT	SHORT-TERM DEBT
2004	$581	$1,258	$0
	31.6%	68.4%	0.0%
	31.6%	68.4%	
2005	$617	$1,212	$5
	33.6%	66.1%	0.3%
	33.7%	66.3%	
2006	$654	$1,171	$50
	34.9%	62.5%	2.7%
	35.8%	64.2%	
2007	$690	$994	$10
	40.7%	58.7%	0.6%
	41.0%	59.0%	
2008	$679	$1,314	$10
	33.9%	65.6%	0.5%
	34.1%	65.9%	

Source: Unisource Energy Corporation 2008 Form 10-K.

UNISOURCE ENERGY AND UTILITY SUBSIDIARIES
CAPITAL STRUCTURE RATIOS
2008
($millions)

YEAR	COMMON EQUITY	LONG-TERM DEBT	SHORT-TERM DEBT
Unisource Energy consolidated	$679.3 33.9% 34.1%	$1,313.6 65.6% 65.9%	$10.0 0.5%
UNS Gas	$96.7 49.2% 49.2%	$100.0 50.8% 50.8%	$0 0.0%
UNS Electric	$83.8 21.4% 43.7%	$108.0 27.6% 56.3%	$200 51.0%
TEP	$583.6 39.0% 39.2%	$903.6 60.4% 60.8%	$10.0 0.7%

Source for Unisource Energy Consolidated and TEP is 2008 10-K
Source for UNS Gas and UNS Electric is Response to STF 7.2.

Exhibit___(DCP-1)
Schedule 5

PROXY GROUPS
COMMON EQUITY RATIOS

COMPANY	2004	2005	2006	2007	2008	Average	2012-2014
Parcell Proxy Group							
Avista Corp.	41.9%	40.6%	46.3%	59.0%	51.9%	47.9%	50.0%
Hawaiian Electric Industries, Inc	51.0%	53.3%	48.6%	51.0%	52.7%	51.3%	55.0%
Northeast Utilities	34.0%	35.1%	39.7%	39.2%	38.1%	37.2%	44.0%
Pinnacle West Capital Corp.	53.3%	56.8%	51.6%	53.0%	53.2%	53.6%	50.0%
Pepco Holdings, Inc.	39.6%	42.3%	45.1%	45.9%	43.8%	43.3%	48.5%
TECO Energy, Inc.	24.9%	30.0%	35.0%	39.0%	38.5%	33.5%	41.5%
Westar Energy, Inc.	45.5%	47.2%	49.3%	48.9%	49.7%	48.1%	52.5%
Average	41.5%	43.6%	45.1%	48.0%	46.8%	45.0%	48.8%
Pritz Comparable Company Group							
ALLETE, Inc.	61.8%	60.9%	64.9%	64.4%	58.4%	62.1%	51.5%
CH Energy Group, Inc.	59.1%	58.0%	58.8%	55.2%	54.6%	57.1%	48.5%
Empire District Electric Co.	48.7%	49.0%	50.3%	49.9%	46.4%	48.9%	49.0%
Hawaiian Electric Industries	51.0%	53.3%	48.6%	51.0%	52.7%	51.3%	55.0%
MGE Energy, Inc.	62.6%	60.7%	61.3%	64.8%	63.7%	62.6%	65.0%
Northeast Utilities	34.0%	35.1%	39.7%	39.2%	38.1%	37.2%	44.0%
NorthWestern Corp.							
NSTAR	40.2%	38.6%	39.7%	40.1%	42.8%	40.3%	54.0%
Portland General Electric	58.9%	57.7%	56.6%	50.1%	53.8%	55.4%	50.5%
UIL Holdings	52.8%	52.8%	53.0%	49.2%	46.4%	50.8%	48.0%
Average	52.1%	51.8%	52.5%	51.5%	50.8%	51.8%	51.7%

Source: Value Line.

Exhibit___(DCP-1)
Schedule 6

PROXY COMPANIES
BASIS FOR SELECTION

Company	Market Capitalization ($ millions)	Percent Reg Elec or Gas Revenues	Common Equity Ratio	Value Line Safety	S&P Bond Rating	Moody's Bond Rating
Unisource Energy	$975,000	84%	39%	3	NR	NR
Parcell Proxy Group						
Avista Corp.	$1,000,000	53%	54%	3	BBB+	Baa1
Hawaiian Electric Industries, Inc.	$1,600,000	98%	46%	3	BBB	Baa2
Northeast Utilities	$3,600,000	81%	41%	3	BBB+	A3
Pinnacle West Capital Corp.	$3,300,000	97%	45%	3	BBB-	Baa2
Pepco Holdings, Inc.	$3,100,000	50%	43%	3	A-	Baa1
TECO Energy, Inc.	$2,800,000	63%	39%	3	BBB	Baa1
Westar Energy, Inc.	$2,300,000	71%	44%	2	BBB-	Baa2
Pritz Comparable Company Group						
ALLETE, Inc.	$1,100,000	90%	58%	2	A-	A2
CH Energy Group, Inc.	$750,000	49%	49%	1	A	A2
Empire District Electric Co.	$625,000	86%	43%	3	BBB+	Baa1
Hawaiian Electric Industries	$1,600,000	98%	46%	3	BBB	Baa2
MGE Energy, Inc.	$850,000	59%	64%	1	AA-	Aa2
Northeast Utilities	$4,100,000	81%	41%	3	BBB+	A3
NorthWestern Corp.						
NSTAR	$3,400,000	80%	43%	1	AA-	A1
Portland General Electric	$1,400,000	98%	49%	2	A	Baa1
UIL Holdings	$775,000	100%	45%	2	NR	Baa2

Sources: AUS Utility Reports, Value Line.

COMPARISON COMPANIES
DIVIDEND YIELD

COMPANY	Qtr DPS	October - December, 2009 DPS	HIGH	LOW	AVERAGE	YIELD
Parcell Proxy Group						
Avista Corp.	$0.21	$0.84	$22.44	$18.48	$20.46	4.1%
Hawaiian Electric Industries, Inc.	$0.31	$1.24	$21.55	$17.64	$19.60	6.3%
Northeast Utilities	$0.24	$0.95	$26.48	$22.20	$24.34	3.9%
Pinnacle West Capital Corp.	$0.53	$2.10	$37.96	$31.08	$34.52	6.1%
Pepco Holdings, Inc.	$0.27	$1.08	$17.51	$14.24	$15.88	6.8%
TECO Energy, Inc.	$0.20	$0.80	$16.71	$13.45	$15.08	5.3%
Westar Energy, Inc.	$0.30	$1.20	$22.30	$18.91	$20.61	5.8%
Average						**5.5%**
Pritz Comparable Company Group						
ALLETE, Inc.	$0.44	$1.76	$35.29	$32.23	$33.76	5.2%
CH Energy Group, Inc.	$0.54	$2.16	$45.57	$39.54	$42.56	5.1%
Empire District Electric Co.	$0.32	$1.28	$19.36	$17.78	$18.57	6.9%
Hawaiian Electric Industries	$0.31	$1.24	$21.55	$17.64	$19.60	6.3%
MGE Energy, Inc.	$0.37	$1.47	$36.97	$33.41	$35.19	4.2%
Northeast Utilities	$0.24	$0.95	$26.48	$22.20	$24.34	3.9%
NorthWestern Corp.	$0.34	$1.34	$26.85	$23.61	$25.23	5.3%
NSTAR	$0.38	$1.50	$37.75	$30.76	$34.26	4.4%
Portland General Electric	$0.26	$1.02	$21.39	$18.25	$19.82	5.1%
UIL Holdings	$0.43	$1.73	$29.00	$25.27	$27.14	6.4%
Average						**5.3%**

Source: Yahoo! Finance.

COMPARISON COMPANIES
RETENTION GROWTH RATES

COMPANY	2004	2005	2006	2007	2008	Average	2009	2010	2012-'14	Average
Parcell Proxy Group										
Avista Corp.	1.4%	2.4%	4.9%	0.8%	3.7%	2.6%	4.0%	3.5%	3.0%	3.5%
Hawaiian Electric Industries, Inc.	1.1%	1.5%	0.7%	0.8%	0.5%	0.9%	0.0%	1.5%	3.0%	1.5%
Northeast Utilities	1.6%	1.5%	0.3%	4.3%	5.3%	2.6%	4.5%	4.5%	4.0%	4.3%
Pinnacle West Capital Corp.	2.3%	1.0%	3.4%	2.5%	0.3%	1.9%	1.0%	2.0%	3.0%	2.0%
Pepco Holdings, Inc.	2.5%	2.4%	1.5%	2.3%	4.2%	2.6%	0.0%	1.0%	2.5%	1.2%
TECO Energy, Inc.	0.0%	3.3%	5.0%	5.1%	0.0%	2.7%	2.0%	3.5%	4.5%	3.3%
Westar Energy, Inc.	3.2%	4.3%	5.5%	4.3%	1.2%	3.7%	1.0%	2.0%	2.5%	1.8%
Average						**2.4%**				**2.5%**
Pritz Comparable Company Group										
ALLETE, Inc.	4.7%	5.2%	5.0%	5.8%	3.9%	4.9%	0.0%	1.0%	2.0%	1.0%
CH Energy Group, Inc.	1.7%	2.0%	1.2%	1.6%	0.4%	1.4%	0.5%	1.5%	2.5%	1.5%
Empire District Electric Co.	0.0%	0.0%	0.8%	0.0%	0.0%	0.2%	0.0%	0.5%	2.5%	1.0%
Hawaiian Electric Industries	1.1%	1.5%	0.7%	0.8%	0.5%	0.9%	0.0%	1.5%	3.0%	1.5%
MGE Energy, Inc.	2.3%	1.2%	3.7%	4.3%	4.4%	3.2%	3.0%	4.0%	5.5%	4.2%
Northeast Utilities	1.6%	1.5%	0.3%	4.3%	5.3%	2.6%	4.5%	4.5%	4.0%	4.3%
NorthWestern Corp.	5.8%	4.2%	0.8%	0.7%	2.3%	2.8%				
NSTAR	4.8%	4.6%	4.9%	4.9%	4.9%	4.8%	5.0%	5.0%	6.0%	5.3%
Portland General Electric	7.2%	5.3%	3.5%	6.6%	2.0%	4.9%	2.5%	3.0%	3.5%	3.0%
UIL Holdings	0.0%	0.0%	0.0%	3.1%	1.0%	0.8%	1.0%	1.5%	2.5%	1.7%
Average						**2.6%**				**2.6%**

Source: Value Line Investment Survey.

COMPARISON COMPANIES
PER SHARE GROWTH RATES

COMPANY	5-Year Historic Growth Rates				Est'd '06-'08 to '12-'14 Growth Rates			
	EPS	DPS	BVPS	Average	EPS	DPS	BVPS	Average
Parcell Proxy Group								
Avista Corp.	4.0%	5.0%	3.0%	4.0%	6.5%	11.5%	3.5%	7.2%
Hawaiian Electric Industries, Inc.	-6.0%	0.0%	1.0%	-1.7%	7.0%	0.0%	2.0%	3.0%
Northeast Utilities	3.0%	8.5%	2.0%	4.5%	8.0%	7.0%	4.5%	6.5%
Pinnacle West Capital Corp.	-1.0%	5.0%	3.0%	2.3%	3.0%	1.0%	1.0%	1.7%
Pepco Holdings, Inc.	-2.0%	17.5%	1.5%	5.7%	NMF	NMF	1.0%	1.0%
TECO Energy, Inc.	-5.0%	-9.0%	-6.5%	-6.8%	4.5%	2.5%	4.5%	3.8%
Westar Energy, Inc.	21.5%	-0.5%	1.0%	7.3%	4.0%	4.5%	6.0%	4.8%
Average				**2.2%**				**4.0%**
Pritz Comparable Company Group								
ALLETE, Inc.					-1.0%	3.0%	3.0%	1.7%
CH Energy Group, Inc.	-1.5%	0.0%	1.5%	0.0%	3.5%	0.0%	2.0%	1.8%
Empire District Electric Co.	3.5%	0.0%	1.5%	1.7%	6.0%	1.0%	1.5%	2.8%
Hawaiian Electric Industries	-6.0%	0.0%	1.0%	-1.7%	7.0%	0.0%	2.0%	3.0%
MGE Energy, Inc.	6.0%	1.0%	8.0%	5.0%	6.0%	0.5%	7.0%	4.5%
Northeast Utilities	3.0%	8.5%	2.0%	4.5%	8.0%	7.0%	4.5%	6.5%
NorthWestern Corp.	--	--	--					
NSTAR	4.0%	6.0%	5.0%	5.0%	8.0%	5.5%	5.5%	6.3%
Portland General Electric	--	--	--		3.5%	5.5%	2.5%	3.8%
UIL Holdings	--	--	-2.0%	-2.0%	3.0%	0.0%	2.5%	1.8%
Average				**1.8%**				**3.6%**

Source: Value Line Investment Survey.

COMPARISON COMPANIES
DCF COST RATES

COMPANY	ADJUSTED YIELD	HISTORIC RETENTION GROWTH	PROSPECTIVE RETENTION GROWTH	HISTORIC PER SHARE GROWTH	PROSPECTIVE PER SHARE GROWTH	FIRST CALL EPS GROWTH	AVERAGE GROWTH	DCF RATES
Parcell Proxy Group								
Avista Corp.	4.2%	2.6%	3.5%	4.0%	7.2%	5.0%	4.5%	8.7%
Hawaiian Electric Industries, Inc.	6.5%	0.9%	1.5%		3.0%	10.5%	4.0%	10.4%
Northeast Utilities	4.0%	2.6%	4.3%	4.5%	6.5%	9.3%	5.5%	9.5%
Pinnacle West Capital Corp.	6.2%	1.9%	2.0%	2.3%	1.7%	8.0%	3.2%	9.4%
Pepco Holdings, Inc.	6.9%	2.6%	1.2%	5.7%	1.0%	5.5%	3.2%	10.1%
TECO Energy, Inc.	5.4%	2.7%	3.3%		3.8%	9.8%	4.9%	10.4%
Westar Energy, Inc.	5.9%	3.7%	1.8%	7.3%	4.8%	3.7%	4.3%	10.2%
Mean	5.6%	2.4%	2.5%	4.8%	4.0%	7.4%	4.2%	**9.8%**
Median	5.9%	2.6%	2.0%	4.5%	3.8%	8.0%	4.3%	**10.1%**
Composite - Mean		**8.0%**	8.1%	10.4%	9.6%	**13.0%**	9.8%	
Composite - Median		8.5%	**7.9%**	10.4%	9.8%	**13.9%**	10.2%	
Pritz Comparable Company Group								
ALLETE, Inc.	5.3%	4.9%	1.0%		1.7%	4.0%	2.9%	8.2%
CH Energy Group, Inc.	5.1%	1.4%	1.5%		1.8%	N/A	1.6%	6.7%
Empire District Electric Co.	7.0%	0.2%	1.0%	1.7%	2.8%	6.0%	2.3%	9.3%
Hawaiian Electric Industries	6.5%	0.9%	1.5%		3.0%	10.5%	4.0%	10.4%
MGE Energy, Inc.	4.3%	3.2%	4.2%	5.0%	4.5%	5.0%	4.4%	8.6%
Northeast Utilities	4.0%	2.6%	4.3%	4.5%	6.5%	9.3%	5.5%	9.5%
NorthWestern Corp.	5.4%	2.8%				7.0%	4.9%	10.3%
NSTAR	4.5%	4.8%	5.3%	5.0%	6.3%	5.7%	5.4%	9.9%
Portland General Electric	5.3%	4.9%	3.0%		3.8%	6.8%	4.6%	9.9%
UIL Holdings	6.4%	0.8%	1.7%		1.8%	4.5%	2.2%	8.6%
Mean	5.4%	2.6%	2.6%	4.0%	3.6%	6.5%	3.8%	**9.2%**
Median	5.3%	2.7%	1.7%	4.8%	3.0%	6.0%	4.2%	**9.4%**
Composite - Mean		**8.0%**	8.0%	9.4%	9.0%	**11.9%**	9.2%	
Composite - Median		8.0%	**6.9%**	10.0%	8.3%	**11.3%**	9.5%	

Sources: Prior pages of this schedule.

Exhibit___(DCP-1)
Schedule 8
Updated

STANDARD & POOR'S 500 COMPOSITE
20-YEAR U.S. TREASURY BOND YIELDS
RISK PREMIUMS

Year	EPS	BVPS	ROE	20-YEAR T-BOND YIELD	RISK PREMIUM
1977		$79.07			
1978	$12.33	$85.35	15.00%	7.90%	7.10%
1979	$14.86	$94.27	16.55%	8.86%	7.69%
1980	$14.82	$102.48	15.06%	9.97%	5.09%
1981	$15.36	$109.43	14.50%	11.55%	2.95%
1982	$12.64	$112.46	11.39%	13.50%	-2.11%
1983	$14.03	$116.93	12.23%	10.38%	1.85%
1984	$16.64	$122.47	13.90%	11.74%	2.16%
1985	$14.61	$125.20	11.80%	11.25%	0.55%
1986	$14.48	$126.82	11.49%	8.98%	2.51%
1987	$17.50	$134.04	13.42%	7.92%	5.50%
1988	$23.75	$141.32	17.25%	8.97%	8.28%
1989	$22.87	$147.26	15.85%	8.81%	7.04%
1990	$21.73	$153.01	14.47%	8.19%	6.28%
1991	$16.29	$158.85	10.45%	8.22%	2.23%
1992	$19.09	$149.74	12.37%	7.29%	5.08%
1993	$21.89	$180.88	13.24%	7.17%	6.07%
1994	$30.60	$193.06	16.37%	6.59%	9.78%
1995	$33.96	$215.51	16.62%	7.60%	9.02%
1996	$38.73	$237.08	17.11%	6.18%	10.93%
1997	$39.72	$249.52	16.33%	6.64%	9.69%
1998	$37.71	$266.40	14.62%	5.83%	8.79%
1999	$48.17	$290.68	17.29%	5.57%	11.72%
2000	$50.00	$325.80	16.22%	6.50%	9.72%
2001	$24.69	$338.37	7.43%	5.53%	1.90%
2002	$27.59	$321.72	8.36%	5.59%	2.77%
2003	$48.73	$367.17	14.15%	4.80%	9.35%
2004	$58.55	$414.75	14.98%	5.02%	9.96%
2005	$69.93	$453.06	16.12%	4.69%	11.43%
2006	$81.51	$504.39	17.03%	4.68%	12.35%
2007	$66.18	$529.59	12.50%	4.86%	7.64%
2008	$14.88	$451.37	3.30%	4.45%	-1.15%
Average					**6.20%**

Source: Standard & Poor's Analysts' Handbook, Ibbotson Associates Handbook.

Exhibit___(DCP-1)
Schedule 9
Updated

COMPARISON COMPANIES
CAPM COST RATES

COMPANY	RISK-FREE RATE	BETA	RISK PREMIUM	CAPM RATES
Parcell Proxy Group				
Avista Corp.	4.27%	0.70	5.23%	7.9%
Hawaiian Electric Industries, Inc.	4.27%	0.70	5.23%	7.9%
Northeast Utilities	4.27%	0.70	5.23%	7.9%
Pinnacle West Capital Corp.	4.27%	0.75	5.23%	8.2%
Pepco Holdings, Inc.	4.27%	0.80	5.23%	8.5%
TECO Energy, Inc.	4.27%	0.85	5.23%	8.7%
Westar Energy, Inc.	4.27%	0.75	5.23%	8.2%
Mean				**8.2%**
Median				**8.2%**
Pritz Comparable Company Group				
ALLETE, Inc.	4.27%	0.70	5.23%	7.9%
CH Energy Group, Inc.	4.27%	0.65	5.23%	7.7%
Empire District Electric Co.	4.27%	0.75	5.23%	8.2%
Hawaiian Electric Industries	4.27%	0.70	5.23%	7.9%
MGE Energy, Inc.	4.27%	0.65	5.23%	7.7%
Northeast Utilities	4.27%	0.70	5.23%	7.9%
NorthWestern Corp.	4.27%	0.70	5.23%	7.9%
NSTAR	4.27%	0.65	5.23%	7.7%
Portland General Electric	4.27%	0.70	5.23%	7.9%
UIL Holdings	4.27%	0.70	5.23%	7.9%
Mean				**7.9%**
Median				**7.9%**

Sources: Value Line Investment Survey, Standard & Poor's Analysts' Handbook, Federal Reserve.

20-year Treasury Bonds	
Month	Rate
Oct, 2009	4.16%
Nov, 2009	4.24%
Dec, 2009	4.40%

COMPARISON COMPANIES
RATES OF RETURN ON AVERAGE COMMON EQUITY

COMPANY	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	1992-2001 Average	2002-2009 Average	2010	2012-14
Parcell Proxy Group																						
Avista Corp.	11.7%	12.2%	10.5%	11.2%	10.6%	15.0%	10.2%	1.1%	13.4%	7.9%	4.5%	6.7%	4.6%	5.8%	8.8%	4.1%	7.6%	8.1%	10.4%	6.3%	8.0%	8.5%
Hawaiian Electric Industries, Ir	10.9%	10.5%	11.1%	11.0%	10.5%	10.9%	11.5%	11.1%	9.8%	12.4%	11.9%	11.1%	9.3%	9.7%	9.3%	7.7%	7.0%	7.5%	11.0%	9.2%	9.5%	10.5%
Northeast Utilities	12.5%	9.4%	12.6%	11.9%	0.1%	-5.2%	-2.3%	-7.3%	-1.3%	8.6%	6.4%	7.1%	5.1%	5.4%	4.5%	8.6%	9.8%	9.6%	3.8%	7.1%	9.0%	9.5%
Pinnacle West Capital Corp.	10.7%	10.9%	10.2%	10.6%	11.2%	11.9%	11.5%	12.3%	12.4%	12.8%	8.6%	8.3%	8.2%	6.7%	9.2%	8.5%	6.1%	6.9%	11.5%	7.8%	8.0%	9.0%
Pepco Holdings, Inc.	10.6%	12.0%	10.8%	10.5%	11.7%	10.5%	11.3%	11.7%	8.9%	11.9%	9.8%	7.6%	8.3%	8.1%	7.1%	7.9%	9.9%	6.3%	11.0%	8.1%	7.0%	7.5%
TECO Energy, Inc.	16.1%	15.1%	14.5%	16.6%	16.5%	14.8%	13.5%	13.8%	17.4%	17.2%	13.5%	-0.7%	9.2%	14.2%	14.7%	14.3%	8.1%	11.0%	15.6%	10.5%	11.5%	12.0%
Westar Energy, Inc.	11.0%	12.4%	10.7%	11.1%	10.4%	-1.6%	7.1%	5.2%	3.2%	-2.2%	5.0%	10.8%	7.7%	9.6%	11.1%	10.0%	6.7%	8.2%	6.7%	8.6%	7.5%	7.5%
Average	11.9%	11.8%	11.5%	11.8%	10.1%	7.9%	9.0%	6.9%	9.1%	9.8%	8.5%	7.2%	7.5%	8.5%	9.2%	8.7%	7.9%	8.2%	10.0%	8.2%	8.6%	9.2%
Median	11.0%	12.0%	10.8%	11.1%	10.6%	10.9%	11.3%	11.1%	9.8%	11.9%	8.6%	7.6%	8.2%	8.1%	9.2%	8.5%	7.6%	8.1%	11.1%	8.2%	8.0%	9.0%
Pritz Comparable Company Group																						
ALLETE, Inc.														12.0%	13.2%	13.4%	11.4%	7.6%		11.5%	8.0%	9.0%
CH Energy Group, Inc.	11.0%	11.1%	10.7%	10.7%	11.3%	10.9%	10.4%	10.2%	10.5%	10.4%	7.0%	9.1%	8.7%	8.9%	7.9%	8.2%	6.7%	6.6%	9.5%	7.9%	7.5%	8.5%
Empire District Electric Co.	10.3%	9.4%	10.6%	9.4%	9.4%	9.9%	11.6%	8.4%	10.0%	4.3%	8.4%	8.7%	5.7%	6.2%	9.2%	6.9%	7.4%	9.6%	8.6%	7.8%	8.5%	10.5%
Hawaiian Electric Industries	10.9%	10.5%	11.1%	11.0%	10.5%	10.9%	11.5%	11.1%	9.8%	12.4%	11.9%	11.1%	9.3%	9.7%	9.3%	7.7%	7.0%	7.5%	11.0%	9.2%	8.5%	10.5%
MGE Energy, Inc.	13.1%	13.3%	13.1%	12.5%	7.1%	12.5%	12.2%	13.0%	14.2%	13.1%	13.2%	12.5%	11.4%	9.4%	11.9%	12.1%	11.8%	11.2%	12.1%	11.7%	10.5%	12.0%
Northeast Utilities	12.6%	9.4%	12.6%	11.9%	0.1%	-6.2%	-2.3%	-7.3%	-1.3%	8.6%	6.4%	7.1%	5.1%	5.4%	4.5%	8.6%	9.8%	9.6%	3.8%	7.1%	9.0%	9.5%
NorthWestern Corp.																						
NSTAR	11.4%	11.9%	12.2%	10.2%	12.6%	12.6%	12.5%	11.4%	12.3%	13.4%	14.0%	13.9%	13.4%	13.1%	13.2%	13.5%	13.6%	13.7%	12.7%	13.6%	13.5%	15.0%
Portland General Electric	12.9%	12.0%	11.3%	13.4%	13.9%										5.9%	11.5%	6.5%	6.4%	12.7%	7.6%	8.0%	8.5%
UIL Holdings	9.2%	10.4%	10.5%	11.8%	10.1%	10.4%	9.5%	11.6%	12.8%	12.1%	8.9%	6.1%	7.1%	5.7%	9.1%	10.1%	10.1%	9.9%	9.7%	8.4%	10.0%	10.5%
Average	11.4%	11.0%	11.5%	11.4%	9.4%	8.7%	9.4%	8.4%	9.8%	10.6%	10.0%	9.8%	8.7%	8.8%	9.4%	10.2%	9.4%	9.1%	10.0%	9.4%	9.4%	10.4%
Median	11.2%	10.8%	11.2%	11.4%	10.3%	10.9%	11.5%	11.1%	10.5%	12.1%	8.9%	9.1%	8.7%	9.2%	9.2%	10.1%	9.8%	9.6%	11.1%	9.3%	9.0%	10.5%

Source: Calculations made from data contained in Value Line Investment Survey.

COMPARISON COMPANIES
MARKET TO BOOK RATIOS

COMPANY	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	1992-2001 Average	2002-2009 Average
Parcell Proxy Group																				
Avista Corp.	151%	163%	133%	125%	145%	162%	163%	152%	317%	114%	85%	94%	111%	115%	135%	127%	110%	88%	163%	108%
Hawaiian Electric Industries,	171%	154%	141%	149%	147%	147%	154%	132%	127%	145%	153%	151%	179%	181%	192%	166%	166%	114%	147%	163%
Northeast Utilities	154%	149%	127%	124%	95%	64%	91%	113%	136%	129%	99%	95%	106%	108%	131%	163%	128%	112%	118%	118%
Pinnacle West Capital Corp.	116%	125%	99%	116%	133%	152%	160%	143%	145%	154%	116%	114%	130%	130%	129%	127%	100%	86%	136%	117%
Pepco Holdings, Inc.	160%	162%	135%	138%	161%	151%	161%	166%	139%	124%	110%	103%	109%	122%	129%	141%	115%	75%	150%	113%
TECO Energy, Inc.	243%	268%	224%	238%	241%	234%	247%	210%	223%	222%	135%	111%	174%	243%	202%	188%	171%	116%	235%	167%
Westar Energy, Inc.	144%	152%	130%	129%	126%	131%	128%	89%	74%	78%	67%	109%	132%	142%	139%	140%	107%	87%	118%	115%
Average	163%	168%	141%	146%	150%	149%	160%	144%	166%	138%	109%	111%	134%	149%	151%	150%	128%	97%	**152%**	**129%**
Median	154%	154%	133%	129%	145%	151%	161%	143%	139%	129%	110%	109%	130%	130%	135%	141%	115%	88%	**144%**	**120%**
Pritz Comparable Company Group																				
ALLETE, Inc.													322%	212%	219%	195%	156%	113%	203%	203%
CH Energy Group, Inc.	123%	133%	107%	112%	114%	135%	155%	133%	125%	141%	152%	147%	149%	146%	154%	145%	132%	133%	135%	145%
Empire District Electric Co.	184%	178%	143%	142%	143%	138%	168%	177%	183%	162%	132%	133%	144%	148%	149%	150%	122%	99%	150%	135%
Hawaiian Electric Industries	171%	154%	141%	149%	147%	147%	154%	132%	127%	145%	153%	151%	179%	181%	192%	166%	166%	114%	147%	163%
MGE Energy, Inc.	189%	196%	189%	183%	203%	189%	197%	177%	172%	197%	214%	223%	207%	207%	191%	178%	160%	151%	190%	191%
Northeast Utilities	154%	149%	127%	124%	95%	64%	91%	113%	136%	129%	99%	95%	106%	108%	131%	163%	128%	112%	118%	118%
NorthWestern Corp.																				
NSTAR	138%	154%	130%	130%	125%	146%	181%	166%	161%	161%	170%	175%	189%	202%	214%	222%	201%	187%	170%	195%
Portland General Electric	115%	125%	112%	140%	199%										153%	140%	101%	80%	138%	119%
UIL Holdings	123%	157%	127%	123%	114%	111%	151%	144%	141%	139%	126%	113%	133%	135%	174%	189%	168%	126%	139%	146%
Average	150%	156%	135%	138%	142%	133%	157%	149%	149%	153%	150%	148%	179%	167%	175%	172%	148%	124%	**154%**	**157%**
Median	146%	154%	129%	135%	134%	138%	155%	144%	141%	145%	152%	147%	164%	165%	174%	166%	156%	114%	**142%**	**155%**

Source: Calculations made from data contained in Value Line Investment Survey.

Exhibit___(DCP-1)
Schedule 11
Updated

STANDARD & POOR'S 500 COMPOSITE RETURNS AND MARKET-TO-BOOK RATIOS 1992 - 2008

YEAR	RETURN ON AVERAGE EQUITY	MARKET-TO BOOK RATIO
1992	12.2%	271%
1993	13.2%	272%
1994	16.4%	246%
1995	16.6%	264%
1996	17.1%	299%
1997	16.3%	354%
1998	14.6%	421%
1999	17.3%	481%
2000	16.2%	453%
2001	7.5%	353%
2002	8.4%	296%
2003	14.2%	278%
2004	15.0%	291%
2005	16.1%	278%
2006	17.0%	277%
2007	12.8%	284%
2008	3.3%	224%
Averages:		
1992-2001	14.7%	341%
2002-2008	12.4%	275%

Source: Standard & Poor's Analyst's Handbook, 2008 edition, page 1.

COMPANY	VALUE LINE SAFETY	VALUE LINE BETA	VALUE LINE FINANCIAL STRENGTH		S& P STOCK RANKING	
Parcell Proxy Group						
Avista Corp.	3	0.70	B+	3.33	B+	3.33
Hawaiian Electric Industries, Inc.	3	0.70	B+	3.33	B+	3.33
Northeast Utilities	3	0.70	B+	3.33	B	3.00
Pinnacle West Capital Corp.	3	0.75	B+	3.33	B	3.00
Pepco Holdings, Inc.	3	0.80	B	3.00	B	3.00
TECO Energy, Inc.	3	0.85	B	3.00	B	3.00
Westar Energy, Inc.	2	0.75	B++	3.67	B	3.00
	2.9	0.75	B+	3.28	B	3.09
Pritz Comparable Company Group						
ALLETE, Inc.	2	0.70	A	4.00	B	3.00
CH Energy Group, Inc.	1	0.65	A	4.00	B+	3.33
Empire District Electric Co.	3	0.75	B+	3.33	B+	3.33
Hawaiian Electric Industries	3	0.70	B+	3.33	B+	3.33
MGE Energy, Inc.	1	0.65	A	4.00	B+	3.33
Northeast Utilities	3	0.70	B+	3.33	B	3.00
NorthWestern Corp.	3	0.70	B++	3.67		
NSTAR	1	0.65	A	4.00		
Portland General Electric	2	0.70	B++	3.67	NR	NR
UIL Holdings	2	0.70	B++	3.67	B	3.00
Average	2.1	0.7	A-	3.7	A-	3.2

Exhibit___(DCP-1)
Schedule 12
Updated

RISK INDICATORS

GROUP	VALUE LINE SAFETY	VALUE LINE BETA	VALUE LINE FIN STR	S & P STK RANK
S & P's 500 Composite	2.7	1.05	B++	B
Parcell Proxy Group	2.9	0.75	B+	B
Pritz Comparable Company Group	2.1	0.69	A-	A-

Sources: Value Line Investment Survey, Standard & Poor's Stock Guide.

Definitions:

Safety rankings are in a range of 1 to 5, with 1 representing the highest safety or lowest risk.

Beta reflects the variability of a particular stock, relative to the market as a whole. A stock with a beta of 1.0 moves in concert with the market, a stock with a beta below 1.0 is less variable than the market, and a stock with a beta above 1.0 is more variable than the market.

Financial strengths range from C to A++, with the latter representing the highest level.

Common stock rankings range from D to A+, with the later representing the highest level.

Exhibit___(DCP-1)
Schedule 13
Updated

UNS ELECTRIC INC
RATING AGENCY RATIOS

Item	Percent	Cost	Weighted Cost	Pre-Tax Cost	
Long-Term Debt	54.24%	7.05%	3.82%	3.82%	
Common Equity	45.76%	10.00%	4.58%	7.63%	
Total	100.00%		8.40%	11.45%	1/

1/ Post-tax weighted cost divided by .60 (composite tax factor)

Pre-Tax coverage = **2.99**
11.45% /3.82%

Standard & Poor's Utility Benchmark Ratios: Business Profile of "4"	A	BBB
Pre-tax coverage	3.3x - 4.0x	2.2x - 3.0x
Total debt to total capital	45%-52%	52%-62%

LONG-TERM PROJECTIONS OF GROSS DOMESTIC PRODUCT GROWTH

Social Security Administration

Year	Real GDP	GDP Index	Nominal GDP
2008	2.3%	2.0%	4.3%
2009	2.8%	2.1%	4.9%
2010	2.7%	2.4%	5.1%
2011	2.5%	2.4%	4.9%
2012	2.5%	2.4%	4.9%
2013	2.5%	2.4%	4.9%
2014	2.4%	2.4%	4.8%
2015	2.3%	2.4%	4.7%
2016	2.3%	2.4%	4.7%
2017	2.3%	2.4%	4.7%
2018	2.3%	2.4%	4.7%
2019	2.3%	2.4%	4.7%
2020	2.2%	2.4%	4.6%
2021	2.2%	2.4%	4.6%
2022	2.2%	2.4%	4.6%
2023	2.2%	2.4%	4.6%
2024	2.2%	2.4%	4.6%
2025	2.1%	2.4%	4.5%
2026	2.1%	2.4%	4.5%
2027	2.1%	2.4%	4.5%
2028	2.1%	2.4%	4.5%
2029	2.1%	2.4%	4.5%
2030	2.1%	2.4%	4.5%
2031	2.1%	2.4%	4.5%
2032	2.1%	2.4%	4.5%
2033	2.1%	2.4%	4.5%
2034	2.1%	2.4%	4.5%
2035	2.2%	2.4%	4.6%
2036	2.2%	2.4%	4.6%
2037	2.2%	2.4%	4.6%
2038	2.2%	2.4%	4.6%
2039	2.2%	2.4%	4.6%
2040	2.2%	2.4%	4.6%
2041	2.2%	2.4%	4.6%
2042	2.2%	2.4%	4.6%
2043	2.2%	2.4%	4.6%
2044	2.2%	2.4%	4.6%
2045	2.2%	2.4%	4.6%
2046	2.2%	2.4%	4.6%
2047	2.2%	2.4%	4.6%
2048	2.2%	2.4%	4.6%
2049	2.2%	2.4%	4.6%
2050	2.1%	2.4%	4.5%
2051	2.1%	2.4%	4.5%
2052	2.1%	2.4%	4.5%
2053	2.1%	2.4%	4.5%
2054	2.1%	2.4%	4.5%
2055	2.1%	2.4%	4.5%
2056	2.1%	2.4%	4.5%
2057	2.1%	2.4%	4.5%
2058	2.1%	2.4%	4.5%
2059	2.1%	2.4%	4.5%
2060	2.1%	2.4%	4.5%
2061	2.1%	2.4%	4.5%
2062	2.1%	2.4%	4.5%
2063	2.1%	2.4%	4.5%
2064	2.1%	2.4%	4.5%
2065	2.1%	2.4%	4.5%
2066	2.1%	2.4%	4.5%
2067	2.1%	2.4%	4.5%
2068	2.1%	2.4%	4.5%
2069	2.1%	2.4%	4.5%
2070	2.1%	2.4%	4.5%
2071	2.1%	2.4%	4.5%
2072	2.1%	2.4%	4.5%
2073	2.1%	2.4%	4.5%
2074	2.1%	2.4%	4.5%
2075	2.1%	2.4%	4.5%
2076	2.1%	2.4%	4.5%
2077	2.1%	2.4%	4.5%
2078	2.1%	2.4%	4.5%
2079	2.1%	2.4%	4.5%
2080	2.1%	2.4%	4.5%
2081	2.1%	2.4%	4.5%
2082	2.1%	2.4%	4.5%
Average			**4.6%**

Source: 2007 OASDI Trustees Report.

LONG-TERM PROJECTIONS OF GROSS DOMESTIC PRODUCT GROWTH

Energy Information Administration

Annual Growth (2005-2030):

Real GDP	2.4%
GDP Chain-type Price Index	2.0%
Nominal GDP Growth	**4.4%**

Source: Energy Information Administration, Annual Energy Outlook 2008 with Projections to 2030.