

ORIGINAL



0000108825

BEFORE THE ARIZONA CORPORATION COMMISSION

RECEIVED

COMMISSIONERS

KRISTIN K. MAYES - Chairman

GARY PIERCE

PAUL NEWMAN

SANDRA D. KENNEDY

BOB STUMP

2010 MAR 12 P 2:21

ARIZONA CORPORATION
DOCKET CONTROL

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 FILING
LATE-FILED EXHIBIT S-18

Staff of the Arizona Corporation Commission ("Staff") hereby files Late-Filed Exhibit S-18
in the above Docket.

RESPECTFULLY SUBMITTED this 12th day of March 2010.

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

Original and thirteen (13) copies
of the foregoing filed this
12th day of March 2010 with:

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

...

Arizona Corporation Commission
DOCKETED
MAR 12 2010

DOCKETED BY

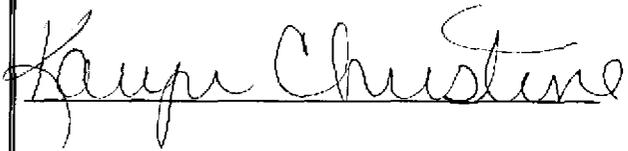
1 Copies of the foregoing mailed this
12th day of March 2010 to:

2
3 Michael W. Patten
4 Roshka, DeWulf & Patten, PLC
5 One Arizona Center
6 400 East Van Buren, Suite 800
7 Phoenix, Arizona 85004

8
9 Philip J. Dion
10 Michelle Livengood
11 UniSource Energy Services
12 One South Church Avenue
13 Tucson, Arizona 85701

14
15 Daniel W. Pozefsky, Chief Counsel
16 Residential Utility Consumer Office
17 1110 West Washington, Suite 220
18 Phoenix, Arizona 85007

19
20 Timothy M. Hogan
21 Arizona Center for Law in the Public Interest
22 202 East McDowell Road, Suite 153
23 Phoenix, Arizona 85004

24
25
26
27
28


**STAFF EXHIBIT OF UNSE
ESTIMATED BILL IMPACTS
IMPACTS OF VARYING REST LEVELS AND RECOVERY OF 100% DSM WITHIN BASE RATES**

Residential Bill Impacts

Average Monthly Usage (kWh)	Small 444	Median 681	Average 874	Large 1,058
BASED ON PRESENT REST CAP STRUCTURE AND DSM RECOVERY METHOD				
Proposed Rates With Present REST & DSM Surcharge Struc	\$54.21	\$81.10	\$102.95	\$123.79
Proposed Rates with 50% REST & 100% DSM in Base Rate:	\$53.98	\$80.75	\$102.50	\$123.24
Proposed Rates with 75% REST & 100% DSM in Base Rate:	\$53.84	\$80.54	\$102.23	\$122.91
Proposed Rates with 100% REST & 100% DSM in Base Rate:	\$53.71	\$80.33	\$101.96	\$122.59
% Change - Present to 50% in Base Rates	-0.4%	-0.4%	-0.4%	-0.4%
% Change - Present to 75% in Base Rates	-0.7%	-0.7%	-0.7%	-0.7%
% Change - Present to 100% in Base Rates	-0.9%	-0.9%	-1.0%	-1.0%
REST AND DSM RECOVERY WITHIN BASE RATES CALCULATED AS A PER KWH CHARGE - NO CAPS				
Proposed Rates With Present REST & DSM Surcharge Struc	\$54.21	\$81.10	\$102.95	\$123.79
Proposed Rates with 50% REST & 100% DSM in Base Rate:	\$52.15	\$77.93	\$98.89	\$118.86
Proposed Rates with 75% REST & 100% DSM in Base Rate:	\$52.68	\$78.74	\$99.93	\$120.13
Proposed Rates with 100% REST & 100% DSM in Base Rate:	\$53.20	\$79.56	\$100.97	\$121.39
% Change - Present to 50% in Base Rates	-3.8%	-3.9%	-3.9%	-4.0%
% Change - Present to 75% in Base Rates	-2.8%	-2.9%	-2.9%	-3.0%
% Change - Present to 100% in Base Rates	-1.9%	-1.9%	-1.9%	-1.9%

CARES Bill Impacts

Average Monthly Usage (kWh)	Small 411	Median 621	Average 772	Large 899
BASED ON PRESENT REST CAP STRUCTURE AND DSM RECOVERY METHOD				
Proposed Rates With Present REST & DSM Surcharge Struc	\$32.50	\$55.47	\$69.07	\$80.51
Proposed Rates with 50% REST & 100% DSM in Base Rate:	\$32.30	\$55.13	\$68.64	\$80.01
Proposed Rates with 75% REST & 100% DSM in Base Rate:	\$32.19	\$54.95	\$68.43	\$79.76
Proposed Rates with 100% REST & 100% DSM in Base Rate:	\$32.09	\$54.78	\$68.21	\$79.51
% Change - Present to 50% in Base Rates	-0.6%	-0.6%	-0.6%	-0.6%
% Change - Present to 75% in Base Rates	-0.9%	-0.9%	-0.9%	-0.9%
% Change - Present to 100% in Base Rates	-1.3%	-1.2%	-1.2%	-1.2%
REST AND DSM RECOVERY WITHIN BASE RATES CALCULATED AS A PER KWH CHARGE - NO CAPS				
Proposed Rates With Present REST & DSM Surcharge Struc	\$32.50	\$55.47	\$69.07	\$80.51
Proposed Rates with 50% REST & 100% DSM in Base Rate:	\$30.94	\$46.94	\$58.46	\$68.14
Proposed Rates with 75% REST & 100% DSM in Base Rate:	\$31.33	\$47.54	\$59.20	\$69.00
Proposed Rates with 100% REST & 100% DSM in Base Rate:	\$31.72	\$48.13	\$59.94	\$69.86
% Change - Present to 50% in Base Rates	-4.8%	-15.4%	-15.4%	-15.4%
% Change - Present to 75% in Base Rates	-3.6%	-14.3%	-14.3%	-14.3%
% Change - Present to 100% in Base Rates	-2.4%	-13.2%	-13.2%	-13.2%

Note: All rates in exhibit reflect total recovery of \$7.8 million of REST budget which includes \$6.6 million of Distributed Generation cost and \$1.4 million of Demand Side Management cost.

**STAFF EXHIBIT OF UNSE
ESTIMATED BILL IMPACTS
IMPACTS OF VARYING REST LEVELS AND RECOVERY OF 100% DSM WITHIN BASE RATES**

Small Commercial Bill Impacts

Average Monthly Usage (kWh)	Small 500	Median 600	Average 1,001	Large 5,000
BASED ON PRESENT REST CAP STRUCTURE AND DSM RECOVERY METHOD				
Proposed Rates With Present REST & DSM Surcharge Struc	\$68.09	\$80.38	\$129.68	\$621.33
Proposed Rates with 50% REST & 100% DSM in Base Rate:	\$67.36	\$79.51	\$128.23	\$614.07
Proposed Rates with 75% REST & 100% DSM in Base Rate:	\$66.98	\$79.05	\$127.46	\$610.20
Proposed Rates with 100% REST & 100% DSM in Base Rate:	\$66.59	\$78.58	\$126.68	\$606.33
% Change - Present to 50% in Base Rates	-1.1%	-1.1%	-1.1%	-1.2%
% Change - Present to 75% in Base Rates	-1.6%	-1.7%	-1.7%	-1.8%
% Change - Present to 100% in Base Rates	-2.2%	-2.2%	-2.3%	-2.4%

REST AND DSM RECOVERY WITHIN BASE RATES CALCULATED AS A PER KWH CHARGE - NO CAPS				
Proposed Rates With Present REST & DSM Surcharge Struc	\$68.09	\$80.38	\$129.68	\$621.33
Proposed Rates with 50% REST & 100% DSM in Base Rate:	\$65.76	\$77.59	\$125.03	\$598.07
Proposed Rates with 75% REST & 100% DSM in Base Rate:	\$66.36	\$78.31	\$126.22	\$604.03
Proposed Rates with 100% REST & 100% DSM in Base Rate:	\$66.96	\$79.02	\$127.41	\$609.99
% Change - Present to 50% in Base Rates	-3.4%	-3.5%	-3.6%	-3.7%
% Change - Present to 75% in Base Rates	-2.5%	-2.6%	-2.7%	-2.8%
% Change - Present to 100% in Base Rates	-1.7%	-1.7%	-1.8%	-1.8%

Large General Service Bill Impacts

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

BASED ON PRESENT REST CAP STRUCTURE AND DSM RECOVERY METHOD				
Proposed Rates With Present REST & DSM Surcharge Struc	\$569.38	\$1,122.77	\$2,744.57	\$31,218.84
Proposed Rates with 50% REST & 100% DSM in Base Rate:	\$562.12	\$1,108.25	\$2,727.45	\$31,783.34
Proposed Rates with 75% REST & 100% DSM in Base Rate:	\$558.25	\$1,100.50	\$2,717.67	\$32,051.04
Proposed Rates with 100% REST & 100% DSM in Base Rate:	\$554.38	\$1,092.76	\$2,707.90	\$32,318.74
% Change - Present to 50% in Base Rates	-1.3%	-1.3%	-0.6%	1.8%
% Change - Present to 75% in Base Rates	-2.0%	-2.0%	-1.0%	2.7%
% Change - Present to 100% in Base Rates	-2.6%	-2.7%	-1.3%	3.5%

REST AND DSM RECOVERY WITHIN BASE RATES CALCULATED AS A PER KWH CHARGE - NO CAPS				
Proposed Rates With Present REST & DSM Surcharge Struc	\$569.38	\$1,122.77	\$2,744.57	\$31,218.84
Proposed Rates with 50% REST & 100% DSM in Base Rate:	\$546.12	\$1,076.24	\$2,666.60	\$31,823.14
Proposed Rates with 75% REST & 100% DSM in Base Rate:	\$552.08	\$1,088.16	\$2,696.40	\$32,180.74
Proposed Rates with 100% REST & 100% DSM in Base Rate:	\$558.04	\$1,100.08	\$2,726.20	\$32,538.34
% Change - Present to 50% in Base Rates	-4.1%	-4.1%	-2.8%	1.9%
% Change - Present to 75% in Base Rates	-3.0%	-3.1%	-1.8%	3.1%
% Change - Present to 100% in Base Rates	-2.0%	-2.0%	-0.7%	4.2%

Large General Service Bill Impacts (TOU)

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

BASED ON PRESENT REST CAP STRUCTURE AND DSM RECOVERY METHOD				
Proposed Rates With Present REST & DSM Surcharge Struc	\$566.66	\$1,112.41	\$2,711.33	\$30,766.08
Proposed Rates with 50% REST & 100% DSM in Base Rate:	\$559.40	\$1,097.89	\$2,694.21	\$31,330.58
Proposed Rates with 75% REST & 100% DSM in Base Rate:	\$555.52	\$1,090.15	\$2,684.43	\$31,598.28
Proposed Rates with 100% REST & 100% DSM in Base Rate:	\$551.65	\$1,082.40	\$2,674.66	\$31,865.98
% Change - Present to 50% in Base Rates	-1.3%	-1.3%	-0.6%	1.8%
% Change - Present to 75% in Base Rates	-2.0%	-2.0%	-1.0%	2.7%
% Change - Present to 100% in Base Rates	-2.6%	-2.7%	-1.4%	3.6%

REST AND DSM RECOVERY WITHIN BASE RATES CALCULATED AS A PER KWH CHARGE - NO CAPS				
Proposed Rates With Present REST & DSM Surcharge Struc	\$566.66	\$1,112.41	\$2,711.33	\$30,766.08
Proposed Rates with 50% REST & 100% DSM in Base Rate:	\$543.39	\$1,065.88	\$2,633.36	\$31,370.38
Proposed Rates with 75% REST & 100% DSM in Base Rate:	\$549.35	\$1,077.80	\$2,663.16	\$31,727.98
Proposed Rates with 100% REST & 100% DSM in Base Rate:	\$555.31	\$1,089.72	\$2,692.96	\$32,085.58
% Change - Present to 50% in Base Rates	-4.1%	-4.2%	-2.9%	2.0%
% Change - Present to 75% in Base Rates	-3.1%	-3.1%	-1.8%	3.1%
% Change - Present to 100% in Base Rates	-2.0%	-2.0%	-0.7%	4.3%

Note: All rates in exhibit reflect total recovery of \$7.8 million of REST budget which includes \$6.6 million of Distributed Generation cost and \$1.4 million of Demand Side Management cost.

**STAFF EXHIBIT OF UNSE
ESTIMATED BILL IMPACTS
IMPACTS OF VARYING REST LEVELS AND RECOVERY OF 100% DSM WITHIN BASE RATES**

Large Power Service Bill Impacts (<69kV)

	Assumes Load Factor =			
	Small	Median	Average	65% Large
Average Monthly Sales (kWh)	300,000	520,000	1,000,000	3,000,000
Average Monthly Demand (kW)	632.2	1,095.9	2,107.5	6,322.4

BASED ON PRESENT REST CAP STRUCTURE AND DSM RECOVERY METHOD

Proposed Rates With Present REST & DSM Surcharge Struc	\$31,842.80	\$53,911.70	\$100,840.65	\$296,377.96
Proposed Rates with 50% REST & 100% DSM in Base Rate:	\$31,203.50	\$53,306.42	\$100,926.65	\$299,335.96
Proposed Rates with 75% REST & 100% DSM in Base Rate:	\$30,869.15	\$52,981.30	\$100,920.65	\$300,667.96
Proposed Rates with 100% REST & 100% DSM in Base Rate:	\$30,534.80	\$52,654.18	\$100,914.65	\$301,999.96
% Change - Present to 50% in Base Rates	-2.0%	-1.1%	0.1%	1.0%
% Change - Present to 75% in Base Rates	-3.1%	-1.7%	0.1%	1.4%
% Change - Present to 100% in Base Rates	-4.1%	-2.3%	0.1%	1.9%

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

Proposed Rates With Present REST & DSM Surcharge Struc	\$31,842.80	\$53,911.70	\$100,840.65	\$296,377.96
Proposed Rates with 50% REST & 100% DSM in Base Rate:	\$30,446.90	\$52,501.82	\$100,621.65	\$301,120.96
Proposed Rates with 75% REST & 100% DSM in Base Rate:	\$30,804.50	\$53,121.66	\$101,813.65	\$304,696.96
Proposed Rates with 100% REST & 100% DSM in Base Rate:	\$31,162.10	\$53,741.50	\$103,005.65	\$308,272.96
% Change - Present to 50% in Base Rates	-4.4%	-2.6%	-0.2%	1.6%
% Change - Present to 75% in Base Rates	-3.3%	-1.5%	1.0%	2.8%
% Change - Present to 100% in Base Rates	-2.1%	-0.3%	2.1%	4.0%

Large Power Service Bill Impacts (>69kV)

	Assumes Load Factor =			
	Small	Median	Average	70% Large
Average Monthly Sales (kWh)	300,000	520,000	1,000,000	3,000,000
Average Monthly Demand (kW)	587.1	1,017.6	1,956.9	5,870.8

BASED ON PRESENT REST CAP STRUCTURE AND DSM RECOVERY METHOD

Proposed Rates With Present REST & DSM Surcharge Struc	\$27,289.06	\$45,992.88	\$85,579.85	\$250,525.56
Proposed Rates with 50% REST & 100% DSM in Base Rate:	\$28,649.76	\$45,389.60	\$85,665.85	\$253,483.56
Proposed Rates with 75% REST & 100% DSM in Base Rate:	\$26,315.41	\$45,062.48	\$85,659.85	\$254,815.56
Proposed Rates with 100% REST & 100% DSM in Base Rate:	\$25,981.06	\$44,735.36	\$85,653.85	\$256,147.56
% Change - Present to 50% in Base Rates	-2.3%	-1.3%	0.1%	1.2%
% Change - Present to 75% in Base Rates	-3.6%	-2.0%	0.1%	1.7%
% Change - Present to 100% in Base Rates	-4.8%	-2.7%	0.1%	2.2%

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

Proposed Rates With Present REST & DSM Surcharge Struc	\$27,289.06	\$45,992.88	\$85,579.85	\$250,525.56
Proposed Rates with 50% REST & 100% DSM in Base Rate:	\$25,893.16	\$44,583.00	\$85,360.85	\$255,268.56
Proposed Rates with 75% REST & 100% DSM in Base Rate:	\$26,250.76	\$45,202.84	\$86,552.85	\$258,844.56
Proposed Rates with 100% REST & 100% DSM in Base Rate:	\$26,608.36	\$45,822.68	\$87,744.85	\$262,420.56
% Change - Present to 50% in Base Rates	-5.1%	-3.1%	-0.3%	1.9%
% Change - Present to 75% in Base Rates	-3.8%	-1.7%	1.1%	3.3%
% Change - Present to 100% in Base Rates	-2.5%	-0.4%	2.5%	4.7%

Note: All rates in exhibit reflect total recovery of \$7.8 million of REST budget which includes \$6.6 million of Distributed Generation cost and \$1.4 million of Demand Side Management cost.

**STAFF EXHIBIT OF UNSE
ESTIMATED BILL
IMPACTS WITH DG RECOVERY WITHIN REST SURCHARGE AND
REMAINDER OF REST RECOVERY WITHIN BASE RATES**

Residential Bill Impacts*

Average Monthly Usage (kWh)	Small 444	Median 681	Average 874	Large 1,058
BASED ON PRESENT REST CAP STRUCTURE AND DSM RECOVERY METHOD				
Proposed Rates With Present REST & DSM Surcharge Structure	\$54.21	\$80.58	\$102.28	\$122.98
Proposed Rates with 50% Non-DG REST & 100% DSM in Base	\$54.17	\$81.04	\$102.88	\$123.69
Proposed Rates with 75% Non-DG REST & 100% DSM in Base	\$54.44	\$81.45	\$103.41	\$124.33
Proposed Rates with 100% Non-DG REST & 100% DSM in Base	\$54.17	\$81.04	\$102.88	\$123.70
% Change - Present to 50% in Base Rates	-0.1%	0.6%	0.6%	0.6%
% Change - Present to 75% in Base Rates	0.4%	1.1%	1.1%	1.1%
% Change - Present to 100% in Base Rates	-0.1%	0.6%	0.6%	0.6%
REST AND DSM RECOVERY WITHIN BASE RATES CALCULATED AS A PER KWH CHARGE - NO CAPS				
Proposed Rates With Present REST & DSM Surcharge Structure	\$54.21	\$80.58	\$102.28	\$122.98
Proposed Rates with 50% Non-DG REST & 100% DSM in Base	\$51.26	\$76.56	\$97.13	\$116.74
Proposed Rates with 75% Non-DG REST & 100% DSM in Base	\$51.34	\$76.69	\$97.30	\$116.94
Proposed Rates with 100% Non-DG REST & 100% DSM in Base	\$53.20	\$79.55	\$100.97	\$121.39
% Change - Present to 50% in Base Rates	-5.4%	-5.0%	-5.0%	-5.1%
% Change - Present to 75% in Base Rates	-5.3%	-4.8%	-4.9%	-4.9%
% Change - Present to 100% in Base Rates	-1.9%	-1.3%	-1.3%	-1.3%

CARES Bill Impacts

Average Monthly Usage (kWh)	Small 411	Median 621	Average 772	Large 899
BASED ON PRESENT REST CAP STRUCTURE AND DSM RECOVERY METHOD				
Proposed Rates With Present REST & DSM Surcharge Structure	\$32.50	\$55.47	\$69.07	\$80.51
Proposed Rates with 50% Non-DG REST & 100% DSM in Base	\$32.43	\$55.37	\$68.94	\$80.35
Proposed Rates with 75% Non-DG REST & 100% DSM in Base	\$32.63	\$55.70	\$69.38	\$80.85
Proposed Rates with 100% Non-DG REST & 100% DSM in Base	\$32.44	\$55.37	\$68.94	\$80.38
% Change - Present to 50% in Base Rates	-0.2%	-0.2%	-0.2%	-0.2%
% Change - Present to 75% in Base Rates	0.4%	0.4%	0.4%	0.4%
% Change - Present to 100% in Base Rates	-0.2%	-0.2%	-0.2%	-0.2%
REST AND DSM RECOVERY WITHIN BASE RATES CALCULATED AS A PER KWH CHARGE - NO CAPS				
Proposed Rates With Present REST & DSM Surcharge Structure	\$32.50	\$55.47	\$69.07	\$80.51
Proposed Rates with 50% Non-DG REST & 100% DSM in Base	\$30.27	\$45.95	\$57.22	\$66.70
Proposed Rates with 75% Non-DG REST & 100% DSM in Base	\$30.34	\$46.04	\$57.34	\$66.83
Proposed Rates with 100% Non-DG REST & 100% DSM in Base	\$30.40	\$46.14	\$57.46	\$66.97
% Change - Present to 50% in Base Rates	-8.8%	-17.2%	-17.1%	-17.2%
% Change - Present to 75% in Base Rates	-6.6%	-17.0%	-17.0%	-17.0%
% Change - Present to 100% in Base Rates	-6.5%	-16.8%	-16.8%	-16.8%

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

**STAFF EXHIBIT OF UNSE
ESTIMATED BILL
IMPACTS WITH DG RECOVERY WITHIN REST SURCHARGE AND
REMAINDER OF REST RECOVERY WITHIN BASE RATES**

Small Commercial Bill Impacts

Average Monthly Usage (kWh)	Small 500	Median 600	Average 1,001	Large 5,000
BASED ON PRESENT REST CAP STRUCTURE AND DSM RECOVERY METHOD				
Proposed Rates With Present REST & DSM Surcharge Structure	\$68.09	\$80.38	\$129.68	\$621.33
Proposed Rates with 50% Non-DG REST & 100% DSM in Base	\$67.97	\$80.24	\$129.45	\$620.15
Proposed Rates with 75% Non-DG REST & 100% DSM in Base	\$68.24	\$80.28	\$129.50	\$620.43
Proposed Rates with 100% Non-DG REST & 100% DSM in Base	\$67.90	\$80.16	\$129.31	\$619.44
% Change - Present to 50% in Base Rates	-0.2%	-0.2%	-0.2%	-0.2%
% Change - Present to 75% in Base Rates	0.2%	-0.1%	-0.1%	-0.1%
% Change - Present to 100% in Base Rates	-0.3%	-0.3%	-0.3%	-0.3%

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

Proposed Rates With Present REST & DSM Surcharge Structure	\$68.09	\$80.38	\$129.68	\$621.33
Proposed Rates with 50% Non-DG REST & 100% DSM in Base	\$64.76	\$78.39	\$123.02	\$588.02
Proposed Rates with 75% Non-DG REST & 100% DSM in Base	\$64.85	\$76.50	\$123.20	\$588.96
Proposed Rates with 100% Non-DG REST & 100% DSM in Base	\$66.96	\$79.02	\$127.41	\$609.99
% Change - Present to 50% in Base Rates	-4.9%	-5.0%	-5.1%	-5.4%
% Change - Present to 75% in Base Rates	-4.8%	-4.8%	-5.0%	-5.2%
% Change - Present to 100% in Base Rates	-1.7%	-1.7%	-1.8%	-1.8%

Large General Service Bill Impacts

Average Monthly Sales (kWh)	Small 5,000	Median 10,000	Average 25,000	Large 300,000
Average Monthly Demand (kW)	12.6	24.9	62.3	747.2

BASED ON PRESENT REST CAP STRUCTURE AND DSM RECOVERY METHOD

Proposed Rates With Present REST & DSM Surcharge Structure	\$569.38	\$1,122.77	\$2,744.57	\$31,218.84
Proposed Rates with 50% Non-DG REST & 100% DSM in Base	\$568.20	\$1,120.39	\$2,746.53	\$31,334.75
Proposed Rates with 75% Non-DG REST & 100% DSM in Base	\$570.86	\$1,125.73	\$2,753.31	\$31,385.36
Proposed Rates with 100% Non-DG REST & 100% DSM in Base	\$567.49	\$1,118.98	\$2,740.49	\$31,416.27
% Change - Present to 50% in Base Rates	-0.2%	-0.2%	0.1%	0.4%
% Change - Present to 75% in Base Rates	0.3%	0.3%	0.3%	0.5%
% Change - Present to 100% in Base Rates	-0.3%	-0.3%	-0.1%	0.6%

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

Proposed Rates With Present REST & DSM Surcharge Structure	\$569.38	\$1,122.77	\$2,744.57	\$31,218.84
Proposed Rates with 50% Non-DG REST & 100% DSM in Base	\$536.07	\$1,056.15	\$2,616.37	\$31,220.44
Proposed Rates with 75% Non-DG REST & 100% DSM in Base	\$537.01	\$1,058.03	\$2,621.07	\$31,276.84
Proposed Rates with 100% Non-DG REST & 100% DSM in Base	\$558.04	\$1,100.08	\$2,726.20	\$32,538.34
% Change - Present to 50% in Base Rates	-5.9%	-5.9%	-4.7%	0.0%
% Change - Present to 75% in Base Rates	-5.7%	-5.8%	-4.5%	0.2%
% Change - Present to 100% in Base Rates	-2.0%	-2.0%	-0.7%	4.2%

Large General Service Bill Impacts (TOU)

Average Monthly Sales (kWh)	Small 5,000	Median 10,000	Average 25,000	Large 300,000
Average Monthly Demand (kW)	12.6	24.9	62.3	747.2
Average Monthly Peak Demand (kW)	11.8	23.7	59.2	709.8

BASED ON PRESENT REST CAP STRUCTURE AND DSM RECOVERY METHOD

Proposed Rates With Present REST & DSM Surcharge Structure	\$568.74	\$1,116.58	\$2,721.76	\$30,891.18
Proposed Rates with 50% Non-DG REST & 100% DSM in Base	\$567.55	\$1,114.21	\$2,723.72	\$31,007.09
Proposed Rates with 75% Non-DG REST & 100% DSM in Base	\$570.22	\$1,119.54	\$2,730.50	\$31,057.70
Proposed Rates with 100% Non-DG REST & 100% DSM in Base	\$562.52	\$1,104.15	\$2,696.05	\$30,829.11
% Change - Present to 50% in Base Rates	-0.2%	-0.2%	0.1%	0.4%
% Change - Present to 75% in Base Rates	0.3%	0.3%	0.3%	0.5%
% Change - Present to 100% in Base Rates	-1.1%	-1.1%	-0.9%	-0.2%

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

Proposed Rates With Present REST & DSM Surcharge Structure	\$568.74	\$1,116.58	\$2,721.76	\$30,891.18
Proposed Rates with 50% Non-DG REST & 100% DSM in Base	\$535.43	\$1,049.96	\$2,593.56	\$30,892.78
Proposed Rates with 75% Non-DG REST & 100% DSM in Base	\$536.37	\$1,051.84	\$2,598.26	\$30,949.18
Proposed Rates with 100% Non-DG REST & 100% DSM in Base	\$557.40	\$1,093.89	\$2,703.38	\$32,210.66
% Change - Present to 50% in Base Rates	-5.9%	-6.0%	-4.7%	0.0%
% Change - Present to 75% in Base Rates	-5.7%	-5.8%	-4.5%	0.2%
% Change - Present to 100% in Base Rates	-2.0%	-2.0%	-0.7%	4.3%

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

**STAFF EXHIBIT OF UNSE
ESTIMATED BILL
IMPACTS WITH DG RECOVERY WITHIN REST SURCHARGE AND
REMAINDER OF REST RECOVERY WITHIN BASE RATES**

Large Power Service Bill Impacts (<69kV)

	Assumes Load Factor = 65%			
	Small	Median	Average	Large
Average Monthly Sales (kWh)	300,000	520,000	1,000,000	3,000,000
Average Monthly Demand (kW)	632.2	1,095.9	2,107.5	6,322.4
BASED ON PRESENT REST CAP STRUCTURE AND DSM RECOVERY METHOD				
Proposed Rates With Present REST & DSM Surcharge Structure	\$31,842.80	\$53,911.70	\$100,840.65	\$296,377.96
Proposed Rates with 50% Non-DG REST & 100% DSM in Base	\$31,740.38	\$53,911.07	\$100,988.97	\$297,146.92
Proposed Rates with 75% Non-DG REST & 100% DSM in Base	\$31,883.34	\$54,018.54	\$101,145.80	\$297,509.40
Proposed Rates with 100% Non-DG REST & 100% DSM in Base	\$31,664.85	\$53,749.04	\$100,926.62	\$297,499.86
% Change - Present to 50% in Base Rates	-0.3%	0.0%	0.1%	0.3%
% Change - Present to 75% in Base Rates	0.1%	0.2%	0.3%	0.4%
% Change - Present to 100% in Base Rates	-0.6%	-0.3%	0.1%	0.4%
REST AND DSM RECOVERY WITHIN BASE RATES CALCULATED AS A PER KWH CHARGE - NO CAPS				
Proposed Rates With Present REST & DSM Surcharge Structure	\$31,842.80	\$53,911.70	\$100,840.65	\$296,377.96
Proposed Rates with 50% Non-DG REST & 100% DSM in Base	\$29,844.20	\$51,457.14	\$98,612.65	\$295,093.96
Proposed Rates with 75% Non-DG REST & 100% DSM in Base	\$29,900.60	\$51,554.90	\$98,800.65	\$295,657.96
Proposed Rates with 100% Non-DG REST & 100% DSM in Base	\$31,162.10	\$53,741.50	\$103,005.65	\$308,272.96
% Change - Present to 50% in Base Rates	-6.3%	-4.6%	-2.2%	-0.4%
% Change - Present to 75% in Base Rates	-6.1%	-4.4%	-2.0%	-0.2%
% Change - Present to 100% in Base Rates	-2.1%	-0.3%	2.1%	4.0%

Large Power Service Bill Impacts (>69kV)

	Assumes Load Factor = 70%			
	Small	Median	Average	Large
Average Monthly Sales (kWh)	300,000	520,000	1,000,000	3,000,000
Average Monthly Demand (kW)	687.1	1,017.6	1,966.9	5,870.8
BASED ON PRESENT REST CAP STRUCTURE AND DSM RECOVERY METHOD				
Proposed Rates With Present REST & DSM Surcharge Structure	\$27,171.64	\$45,789.36	\$85,188.46	\$249,351.39
Proposed Rates with 50% Non-DG REST & 100% DSM in Base	\$27,069.23	\$45,788.73	\$85,336.78	\$250,120.35
Proposed Rates with 75% Non-DG REST & 100% DSM in Base	\$27,212.18	\$45,896.20	\$85,493.61	\$250,482.83
Proposed Rates with 100% Non-DG REST & 100% DSM in Base	\$26,993.69	\$45,626.70	\$85,274.43	\$250,473.29
% Change - Present to 50% in Base Rates	-0.4%	0.0%	0.2%	0.3%
% Change - Present to 75% in Base Rates	0.1%	0.2%	0.4%	0.5%
% Change - Present to 100% in Base Rates	-0.7%	-0.4%	0.1%	0.4%
REST AND DSM RECOVERY WITHIN BASE RATES CALCULATED AS A PER KWH CHARGE - NO CAPS				
Proposed Rates With Present REST & DSM Surcharge Structure	\$27,171.64	\$45,789.36	\$85,188.46	\$249,351.39
Proposed Rates with 50% Non-DG REST & 100% DSM in Base	\$25,173.04	\$43,334.80	\$82,960.46	\$248,067.39
Proposed Rates with 75% Non-DG REST & 100% DSM in Base	\$25,229.44	\$43,432.56	\$83,148.48	\$248,631.39
Proposed Rates with 100% Non-DG REST & 100% DSM in Base	\$26,490.94	\$45,619.16	\$87,353.46	\$261,246.39
% Change - Present to 50% in Base Rates	-7.4%	-5.4%	-2.6%	-0.5%
% Change - Present to 75% in Base Rates	-7.1%	-5.1%	-2.4%	-0.3%
% Change - Present to 100% in Base Rates	-2.5%	-0.4%	2.5%	4.8%

*The DSM surcharge used in this analysis is the current rate of \$.000768/kWh
The DSM in base rates used in the analysis is the total company average of \$.000855

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