



0000109710

ORIGINAL

BEFORE THE ARIZONA CORPORATION COMMISSION

2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30

2010 APR -1 P 3:57

COMMISSIONERS

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

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

IN THE MATTER OF THE APPLICATION) DOCKET NO. E-01933A-09-0476
 OF TUCSON ELECTRIC POWER COMPANY)
 FOR A FINANCING ORDER AUTHORIZING) **SUPPLEMENT TO TUCSON**
 VARIOUS FINANCING TRANSACTIONS) **ELECTRIC POWER COMPANY'S**
) **FINANCING APPLICATION**

Tucson Electric Power Company ("TEP") hereby supplements its Application in this docket with information responsive to Arizona Administrative Code R14-2-803(A) (Attachment 1), which is incorporated herein by this reference.

TEP further waives any applicable time limits as set forth in Arizona Administrative Code R 14-2-803(B).

RESPECTFULLY SUBMITTED this 1st day of April 2010.

TUCSON ELECTRIC POWER COMPANY

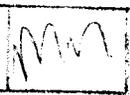
By: 

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

Arizona Corporation Commission
DOCKETED

APR -1 2010

and

DOCKETED BY 

Phillip Dion, Esq.
 Melody Gilkey, Esq.
 Tucson Electric Power Company
 One South Church Avenue, Suite 200
 Tucson, Arizona 85701

1 Original and 13 copies of the foregoing
2 filed this 1st day of April 2010 with:

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

7 Copy of the foregoing hand-delivered/mailed
8 this 1st day of April 2010 to:

9 Lyn Farmer
10 Chief Administrative Law Judge
11 Hearing Division
12 Arizona Corporation Commission
13 1200 West Washington Street
14 Phoenix, Arizona 85007

15 Janice M. Alward, Esq.
16 Legal Division
17 Arizona Corporation Commission
18 1200 West Washington Street
19 Phoenix, Arizona 85007

20 Steve Olea
21 Utilities Division
22 Arizona Corporation Commission
23 1200 West Washington Street
24 Phoenix, Arizona 85007

25 By: Mary Appolits
26
27
28
29
30

ATTACHMENT I

Arizona Administrative Code R 14-2-803(A) holds that any utility or affiliate intending to organize a public utility holding company or reorganize an existing public utility holding company will notify the Commission's Utilities Division in writing at least 120 days prior thereto. The notice of intent will include the following information:

1. The names and business addresses of the proposed officers and directors of the holding company;
2. The business purposes for establishing or reorganizing the holding company;
3. The proposed method of financing the holding company and the resultant capital structure;
4. The resultant effect on the capital structure of the public utility;
5. An organization chart of the holding company that identifies all affiliates and their relationships within the holding company;
6. The proposed method for allocating federal and state income taxes to the subsidiaries of the holding company;
7. The anticipated changes in the utility's cost of service and the cost of capital attributable to the reorganization;
8. A description of diversification plans of affiliates of the holding company; and
9. Copies of all relevant documents and filing with the United States Securities and Exchange Commission and other federal or state agencies.
10. The contemplated annual and cumulative investment in each affiliate for the next five years, in dollars and as a percentage of projected net utility plant, and an explanation of the reasons supporting the level of investment and the reasons this level will not increase the risks of investment in the public utility.
11. An explanation of the manner in which the utility can assure that adequate capital will be available for the construction of necessary new utility plant and for improvements in existing utility at no greater cost than if the utility or its affiliate did not organize or reorganize a public utility holding company.

UniSource Energy Corporation discloses the following information regarding its holdings and affiliated interests.

1. For the names and business addresses of UniSource Energy Corporation's officers and directors, please see attached Exhibit A.
2. UniSource Energy Corporation is not newly establishing nor reorganizing itself.
3. UniSource Energy Corporation's existing financing structure is as follows. As of December 31, 2009, UniSource Energy Corporation had 35,851,185 shares of common stock outstanding, which are traded under the ticker symbol "UNS" and

1 listed on the New York Stock Exchange; 150 million of 4.50% Convertible Senior
2 Notes due in 2035; a \$70 million revolving credit facility (with \$31 million
3 outstanding as of December 31, 2009), and \$9 million outstanding under a term loan
4 facility.
5

6 4. The resultant effect on the capital structure of the public utility of increasing the
7 allowable capital contributions from UniSource Energy Corporation to TEP would be
8 a maintained and improved balanced mix of debt and equity capital.

9 5. For an organization chart of corporate structure, please see attached Exhibit B.

10 6. UniSource Energy Corporation is proposing no changes to the existing method of
11 allocating income taxes to its subsidiaries.

12 7. UniSource Energy Corporation anticipates no changes in TEP's cost of service and
13 cost of capital attributable to an increased capital contribution.
14

15 8. As of the date of this filing, UniSource Energy Corporation has no diversification
16 plans for its affiliates and is presently in the process of reducing its net investment in
17 Millennium Energy Holdings, the primary unregulated affiliate.

18 9. UniSource has made no relevant filings with either the United States Securities and
19 Exchange Commission or the Federal Energy Regulatory Commission with regards to
20 the current request to increase capital contributions from UniSource Energy
21 Corporation to TEP.
22

23 10. UniSource Energy Corporation's contemplated annual and cumulative investment in
24 TEP for the next five years is the requested amount of up to \$250 million. UniSource
25 Energy Corporation is not proposing any changes to its contemplated annual and
26 cumulative investment in UNS Electric, Inc., or UNS Gas.

27 11. UniSource Energy Corporation is not proposing a new organization or reorganization
28 of its existing structure, thus there will be no changes in the availability of adequate
29 capital of TEP. TEP will have adequate capital available for the construction of
30 necessary new utility plant and for improvements in existing utility regardless of

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30

additional capital from its parent. Increased equity contributions from the parent should allow TEP to have access to adequate capital at reasonable financing terms for the construction of necessary new utility plant and improvements to existing plant and maintain a balanced capital structure over the next several years, all of which in the public interest.

EXHIBIT A

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30

EXHIBIT B

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30

UniSource Energy Corporation & Subsidiaries

September 2009

