

**ORIGINAL**



0000110459

**BEFORE THE ARIZONA CORPORATIC**

- 2 **COMMISSIONERS**
- 3 KRISTIN K MAYES – CHAIRMAN
- 4 GARY PIERCE
- 5 PAUL NEWMAN
- 6 SANDRA D. KENNEDY
- 7 BOB STUMP

6 IN THE MATTER OF THE APPLICATION OF ) DOCKET NO. G-04204A-08-0571  
 7 UNS GAS, INC. FOR THE ESTABLISHMENT OF )  
 8 JUST AND REASONABLE RATES AND )  
 9 CHARGES DESIGNED TO REALIZE A ) **NOTICE OF FILING**  
 10 REASONABLE RATE OF RETURN ON THE )  
 11 FAIR VALUE OF THE PROPERTIES OF UNS )  
 12 GAS, INC. DEVOTED TO ITS OPERATIONS )  
 13 THROUGHOUT THE STATE OF ARIZONA. )

12 UNS Gas, Inc. (“UNS Gas”), through undersigned counsel, hereby files, in compliance  
 13 with Decision No. 71623 (April 14, 2010): (i) its final revised schedules of rates and charges in the  
 14 above captioned docket, as well as a redlined version of those revised schedules; and (ii) a proof of  
 15 revenues based on the adjusted test year level of sales.

16 RESPECTFULLY SUBMITTED this 28<sup>th</sup> day of April 2010.

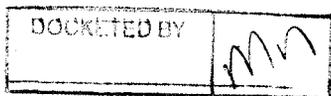
17 UNS Gas, Inc.

18 Arizona Corporation Commission  
 19 **DOCKETED**

By 

20 APR 28 2010

21 Philip Dion, Esq.  
 22 Melody Gilkey, Esq.  
 23 UniSource Energy Services  
 24 One South Church Avenue  
 25 Tucson, Arizona 85701



26 and

27 AZ CORP COMMISSION  
 DOCKET CONTROL

28 Michael W. Patten  
 29 Timothy J. Sabo  
 30 ROSHKA DEWULF & PATTEN, PLC.  
 31 400 East Van Buren Street, Suite 800  
 32 Phoenix, Arizona 85004

2010 APR 28 P 3:52

RECEIVED

Attorneys for UNS Gas, Inc.

1 Original and 13 copies of the foregoing  
filed this 28<sup>th</sup> day of April, 2010, with:

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

5 Copy of the foregoing hand-delivered  
this 28<sup>th</sup> day of April, 2010, to:

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1200 West Washington Street  
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20  
21 By: Mary Spolito  
22

23

24

25

26

27

**CLEAN  
VERSION**



**UNS Gas, Inc.  
Pricing Plan R-10  
Residential Gas Service**

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AVAILABILITY

In all territories served by Company at all points where facilities for gas service are available to the premise served.

APPLICABILITY

Subject to availability, at point of delivery, to residential gas service in individual residences and individually metered apartments when all service is metered through one meter.

RATE

A monthly net bill at the following rate plus any adjustments incorporated in this pricing plan:

Minimum Customer Charge per month @	\$10.00
Delivery Charge per therm @	\$0.3270

Cost of Natural Gas Charge ("CNGC"): This charge recovers the cost of natural gas purchased by UES on behalf of its customer. The CNGC shall be subject to increases or decreases by the amount of the purchased gas adjustment for the billing month computed in accordance with the provisions of Rider RR-1.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this pricing plan.

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Filed By: Raymond S. Heyman  
Title: Senior Vice President, General Counsel  
District: Entire Gas Service Area

Tariff No.: R-10  
Effective: April 1, 2010  
Page No.: 1 of 1



**UNS Gas, Inc.  
Pricing Plan R-12  
Customer Assistance Residential Energy Support  
(C.A.R.E.S.)**

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AVAILABILITY

In all territories served by Company at all points where facilities for gas service are available to the premise served.

APPLICABILITY

Subject to availability, at point of delivery, to residential gas service in individual residences and individually metered apartments when all service is metered through one meter.

RATE

A monthly net bill at the following rate plus any adjustments incorporated in this pricing plan:

Minimum Customer Charge per month @	\$7.00
Delivery Charge per therm @	\$0.3270

Delivery Charge: first 100 therms or less per month will be discounted by \$0.1500 per therm for the billing months of November through April.

SPECIAL CONDITIONS

1. Eligibility requirements for C.A.R.E.S. are set forth on the Company's Application and Declaration of Eligibility for Low Income Ratepayer Assistance form. Customers who desire to qualify for this pricing plan must initially make application to the Company for qualification and must provide verification to the Company that the customer's household gross income does not exceed one hundred fifty percent (150%) of the federal poverty level. Qualified customers must have an approved application form on file with the Company. Subsequent to the initial certification, the residential customer seeking to retain eligibility for the C.A.R.E.S. must provide a personal certification that the household gross income of the residential dwelling unit involved does not exceed one hundred fifty percent (150%) of the federal poverty level.
2. Samples of the existing C.A.R.E.S. participants will be re-certified every two years prior to October 1 and when a customer changes residence.
3. Eligible customers shall be billed under this pricing plan during the winter season, commencing with the next regularly scheduled billing period after the Company has received the customer's properly completed application form or re-certification.
4. Eligibility information provided by the customer on the application form may be subject to verification by the Company. Refusal or failure of a customer to provide documentation of eligibility acceptable to the Company, upon request of the Company, shall result in removal from or ineligibility for this pricing plan.

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Filed By: Raymond S. Heyman  
Title: Senior Vice President, General Counsel  
District: Entire Gas Service Area

Tariff No.: R-12  
Effective: April 1, 2010  
Page No.: 1 of 2



**UNS Gas, Inc.  
Pricing Plan R-12  
Customer Assistance Residential Energy Support  
(C.A.R.E.S.)**

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5. Customers who wrongfully declare eligibility or fail to notify the Company when they no longer meet the eligibility requirements may be rebilled for the period of ineligibility under their otherwise applicable residential pricing plan.
6. It is the responsibility of the customer to notify the Company within thirty (30) days of any changes in the customer's eligibility status.

**TAX CLAUSE**

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company.

**RULES AND REGULATIONS**

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this pricing plan.

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Filed By: Raymond S. Heyman  
Title: Senior Vice President, General Counsel  
District: Entire Gas Service Area

Tariff No.: R-12  
Effective: April 1, 2010  
Page No.: 2 of 2



**UNS Gas, Inc.  
Pricing Plan C-20  
Small Volume Commercial Service**

AVAILABILITY

In all territories served by Company at all points where facilities for gas service are available to the premise served.

APPLICABILITY

To all commercial customers whose primary business activity at the location served is not provided for under any other pricing plan, whose usage does not exceed 120,000 therms per year when all service is supplied at one point of delivery, and whose gas is metered through one meter.

RATE

A monthly net bill at the following rate plus any adjustments incorporated in this pricing plan:

Minimum Customer Charge per month @	\$15.50
Delivery Charge per therm @	\$0.2806

Cost of Natural Gas Charge ("CNGC"): This charge recovers the cost of natural gas purchased by UES on behalf of its customer. The CNGC shall be subject to increases or decreases by the amount of the purchased gas adjustment for the billing month computed in accordance with the provisions of Rider RR-1.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this pricing plan.

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Filed By: Raymond S. Heyman  
Title: Senior Vice President, General Counsel  
District: Entire Gas Service Area

Tariff No.: C-20  
Effective: April 1, 2010  
Page No.: 1 of 1



**UNS Gas, Inc.  
Pricing Plan C-22  
Large Volume Commercial Service**

AVAILABILITY

In all territories served by Company at all points where facilities for gas service are available to the premise served.

APPLICABILITY

To all commercial customers whose primary business activity at the location served is not provided for under any other pricing plan and whose preceding twelve (12) month usage exceeded 120,000 therms. Service is supplied at one point of delivery and gas is metered through one meter unless the Company, at its sole discretion, chooses to provide service through multiple meters.

For new customers, their expected usage must exceed 120,000 therms per year.

Any customer transferring from this schedule may not return for a period of twelve (12) billing periods.

RATE

A monthly net bill at the following rate plus any adjustments incorporated in this pricing plan:

Minimum Customer Charge per month @	\$105.00
Delivery Charge per therm @	\$0.1857

Cost of Natural Gas Charge ("CNGC"): This charge recovers the cost of natural gas purchased by UES on behalf of its customer. The CNGC shall be subject to increases or decreases by the amount of the purchased gas adjustment for the billing month computed in accordance with the provisions of Rider RR-1.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this pricing plan.

Filed By: Raymond S. Heyman  
Title: Senior Vice President, General Counsel  
District: Entire Gas Service Area

Tariff No.: C-22  
Effective: April 1, 2010  
Page No.: 1 of 1



**UNS Gas, Inc.  
Pricing Plan CGS-1  
Competitive Gas Service**

AVAILABILITY

In all territories served by Company at all points where facilities for gas service are available to the premise served.

APPLICABILITY

Applicable to natural gas use by customers that qualify for service under this pricing plan according to either applicability Provision 1. or 2. below:

1. Customers whose annual requirements are greater than 10,000 therms and who in the Company's sole judgment have facilities capable of installing or using alternative fuels or energy to adequately serve their needs.
2. Customers whose requirements may be served by other natural gas suppliers at rates lower than the customer's otherwise applicable gas sales pricing plan. As a condition precedent to qualifying for service under this applicability provision, the customer must establish to the satisfaction of the Company, that bypass is economically, operationally, and physically feasible.

Any gas service rendered to customers not in conformance with the provisions of this pricing plan shall be billed at a rate equivalent to the otherwise applicable gas sales pricing plan.

RATE

The maximum service charge is the charge under the customer's otherwise applicable gas sales pricing plan.

Unless otherwise provided, the commodity charge per therm shall be determined in accordance with Condition No. 2 defined below. In no event shall the commodity charge per therm be less than the "floor" cost of gas, which is defined as the sum of (1) the weighted average commodity cost of gas purchased by the Company for system supply during the month, (2) the applicable upstream pipeline capacity charge, and (3) an amount to reflect distribution system shrinkage.

For customers qualifying for service, and if the Company is unable to serve such customer utilizing the "floor" cost of gas as set forth above, a Special Gas Procurement Agreement shall be executed and filed with the Arizona Corporation Commission ("ACC"), and the commodity charge per therm shall be determined in accordance with Condition No. 3 defined below.

With the exception of gas sales provided for under Condition No. 3, the Company shall account for sales under this pricing plan using the "floor" cost of purchased gas.

Filed By: Raymond S. Heyman  
Title: Senior Vice President, General Counsel  
District: Entire Gas Service Area

Tariff No.: CGS-1  
Effective: April 1, 2010  
Page No.: 1 of 3



**UNS Gas, Inc.  
Pricing Plan CGS-1  
Competitive Gas Service**

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PRICING PLAN CGS-1 (continued)

SUPPLIER REFUNDS

If, as a result of any final Order of the Federal Energy Regulatory Commission or the ACC that is no longer subject to judicial review, the Company receives a refund from any of its upstream pipeline transporters or suppliers which is applicable to gas sales made under this Competitive Gas Service Pricing Plan, the Company shall allocate such refund to its customers based on the therms billed during the refund period. The amount allocated to the customers served under this pricing plan shall be used to reduce such customer's gas costs.

CONDITIONS

1. Any qualified customer taking service under this pricing plan shall do so by agreement.
2. The commodity charge per therm may vary from customer to customer based on value of the service and on the customer's ability to change from one energy source to another, and may be revised from time to time as costs and conditions change. In no event shall the commodity charge per therm charged to the customer, excluding gross revenue taxes, exceed the commodity charge per therm that would have been charged under the customer's otherwise applicable gas sales pricing plan, adjusted to exclude any surcharge to amortize the balance in the Gas Cost Balancing Account.
3. A Special Gas Procurement Agreement under this pricing plan is defined herein as an agreement between the Company and an applicable customer, which enumerates the provisions whereby the Company will procure specific supplies of gas for the customer. The commodity charge per therm for Special Gas Procurement Agreement customers may vary depending on the terms and conditions of the Agreement, but in no event shall be less than the variable cost of gas procured from suppliers on behalf of the customer. A sole and separate accounting of gas purchases and sales made under Special Gas Procurement Agreements shall be maintained by the Company. The cost of gas purchases made for such customers will be excluded from the Purchased Gas Adjustment in Rider RR-1. However, the Company shall credit to Account No. 191, Unrecovered Purchased Gas Costs, all upstream pipeline capacity charges collected from the customer. (Note: Upstream pipeline capacity charges will be priced at market-based rates.)
4. All customers that qualify for service under this pricing plan because of alternate energy capability must be capable of installing adequate alternate energy facilities of equivalent capacity to those natural gas facilities served hereunder. These facilities are subject to Company inspection and verification of operating capacity and capability.
5. Any customer served under this pricing plan who returns to an otherwise applicable gas sales pricing plan shall be billed at the then currently effective pricing plan.

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Filed By: Raymond S. Heyman  
Title: Senior Vice President, General Counsel  
District: Entire Gas Service Area

Tariff No.: CGS-1  
Effective: April 1, 2010  
Page No.: 2 of 3



**UNS Gas, Inc.  
Pricing Plan CGS-1  
Competitive Gas Service**

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PRICING PLAN CGS-1 (continued)

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this pricing plan.

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Filed By: Raymond S. Heyman  
Title: Senior Vice President, General Counsel  
District: Entire Gas Service Area

Tariff No.: CGS-1  
Effective: April 1, 2010  
Page No.: 3 of 3



**UNS Gas, Inc.  
Pricing Plan CNG-1  
Compressed Natural Gas Service  
(Separately Metered)**

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**AVAILABILITY**

In all territories served by Company at all points where facilities for gas service are available to the premise served.

**APPLICABILITY**

Service under this pricing plan is available to any customer where the customer purchases natural gas to be used as a motor fuel. Service will be separately metered. This rate may include compression by the Company beyond normal meter sales pressure.

**RATE**

**Customer Charge:** For customers using Compressed Natural Gas for only their own vehicle(s), the customer charge is that from the otherwise applicable pricing plan.

**Basic Cost of Service Rates:** The rate will be determined by a contract between the Company and the customer. In no case will the rate be lower than the Company's cost of gas, as determined by the most recent Purchased Gas Adjustment proceeding, nor will it be higher than one hundred fifty percent (150%) of the equivalent cost of premium gasoline.

**Purchased Gas Adjustment:** The basic cost of service rate set forth above shall be increased or decreased by the amount of the purchased gas adjustment for the billing month computed in accordance with the provisions of Rider RR-1. The purchased gas adjustment enables the Company to increase or decrease the basic cost of service rate in order to pass on increases or decreases in the base cost of gas to customers.

**CONDITIONS**

1. This pricing plan does not include any road use fees or permits.
2. Customer must provide an affidavit to the Company certifying that the gas delivered will be used as motor fuel.
3. Compressor stations are subject to inspection by qualified Company personnel.

**TAX CLAUSE**

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company.

**RULES AND REGULATIONS**

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this pricing plan.

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Filed By: Raymond S. Heyman  
Title: Senior Vice President, General Counsel  
District: Entire Gas Service Area

Tariff No.: CNG-1  
Effective: April 1, 2010  
Page No.: 1 of 1



**UNS Gas, Inc.  
Pricing Plan EC-1  
Electrical Cogeneration Service**

AVAILABILITY

In all territories served by Company at all points where facilities for gas service are available to the premise served.

APPLICABILITY

Service under this pricing plan is available to any customer who enters into a contract with the Company to use natural gas for the purpose of cogeneration. Cogeneration is defined as the use of thermal energy to produce electricity with recapture of by-product heat in the form of steam, exhaust heat, etc. for industrial process use, space heating, food processing, or other purposes.

RATE

A monthly net bill at the following rate plus any adjustments incorporated in this pricing plan:

Minimum Customer Charge per month @	\$105.00
Delivery Charge per therm @	\$0.4488

Cost of Natural Gas Charge ("CNGC"): This charge recovers the cost of natural gas purchased by UES on behalf of its customer. The CNGC shall be subject to increases or decreases by the amount of the purchased gas adjustment for the billing month computed in accordance with the provisions of Rider RR-1.

CONDITIONS

1. Gas taken under this pricing plan shall be used exclusively for the purpose of cogeneration as defined in the Applicability section of this pricing plan and not for other purposes. The gas taken under this pricing plan will be separately metered.
2. This pricing plan will not be available for standby use.
3. For the purpose of this pricing plan, the annual load factor must be sixty percent (60%) or greater. The annual load factor is defined as the customer's total annual consumption divided by the customer's peak month consumption times twelve (12). If less than a sixty percent (60%) load factor occurs for a twelve (12) month period, the rate charged will be the rate that the customer would otherwise be served under for the months in which the annual load factor did not equal sixty percent (60%).

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this pricing plan.

Filed By: Raymond S. Heyman  
Title: Senior Vice President, General Counsel  
District: Entire Gas Service Area

Tariff No.: EC-1  
Effective: April 1, 2010  
Page No.: 1 of 1



**UNS Gas, Inc.  
Pricing Plan I-30  
Small Volume Industrial Service**

AVAILABILITY

In all territories served by Company at all points where facilities for gas service are available to the premise served.

APPLICABILITY

To all customers whose gas usage does not exceed 120,000 therms per year, who are served through a single meter, and whose primary business activity at the location served is included in one of the following classifications of the North American Classification System, United States:

- Sector 11. Agriculture, Forestry, Fishing and Hunting: Subsector 111. Crop Production only;
- Sector 21. Mining: All Subsectors;
- Sector 22. Utilities: Power Generation Subsectors only; and
- Sectors 31-33. Manufacturing: All Subsectors.

RATE

A monthly net bill at the following rate plus any adjustments incorporated in this pricing plan:

Minimum Customer Charge per month @	\$15.50
Delivery Charge per therm @	\$0.2540

Cost of Natural Gas Charge ("CNGC"): This charge recovers the cost of natural gas purchased by UES on behalf of its customer. The CNGC shall be subject to increases or decreases by the amount of the purchased gas adjustment for the billing month computed in accordance with the provisions of Rider RR-1.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this pricing plan.

Filed By: Raymond S. Heyman  
Title: Senior Vice President, General Counsel  
District: Entire Gas Service Area

Tariff No.: I-30  
Effective: April 1, 2010  
Page No.: 1 of 1



**UNS Gas, Inc.  
Pricing Plan I-32  
Large Volume Industrial Service**

AVAILABILITY

In all territories served by Company at all points where facilities for gas service are available to the premise served.

APPLICABILITY

To all customers whose gas usage over the preceding twelve (12) months exceeded 120,000 therms, and whose primary business activity at the location served is included in one of the following classifications of the North American Classification System, United States:

- Sector 11. Agriculture, Forestry, Fishing and Hunting: Subsector 111. Crop Production only;
- Sector 21. Mining: All Subsectors;
- Sector 22. Utilities: Power Generation Subsectors only; and
- Sectors 31-33. Manufacturing: All Subsectors.

Service is supplied at one point of delivery and gas is metered through one meter unless the Company, at its sole discretion, chooses to provide service through multiple meters.

For new customers, their expected usage must exceed 120,000 therms per year.  
Any customer transferring from this pricing plan may not return for a period of twelve (12) billing months.

RATE

A monthly net bill at the following rate plus any adjustments incorporated in this pricing plan:

Minimum Customer Charge per month @	\$105.00
Delivery Charge per therm @	\$0.1029

Cost of Natural Gas Charge ("CNGC"): This charge recovers the cost of natural gas purchased by UES on behalf of its customer. The CNGC shall be subject to increases or decreases by the amount of the purchased gas adjustment for the billing month computed in accordance with the provisions of Rider RR-1.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this pricing plan.

Filed By: Raymond S. Heyman  
Title: Senior Vice President, General Counsel  
District: Entire Gas Service Area

Tariff No.: I-32  
Effective: April 1, 2010  
Page No.: 1 of 1



UNS Gas, Inc.  
Pricing Plan PA-40  
Small Volume Public Authority Service

AVAILABILITY

In all territories served by Company at all points where facilities for gas service are available to the premise served.

APPLICABILITY

To all facilities owned or operated by governmental agencies whose primary business activity at the location served is not provided for under any other pricing plan or special contract, whose usage does not exceed 120,000 therms per year when all service is supplied at one point of delivery and gas is metered through one meter.

RATE

A monthly net bill at the following rate plus any adjustments incorporated in this pricing plan:

Minimum Customer Charge per month @	\$15.50
Delivery Charge per therm @	\$0.2782

Cost of Natural Gas Charge ("CNGC"): This charge recovers the cost of natural gas purchased by UES on behalf of its customer. The CNGC shall be subject to increases or decreases by the amount of the purchased gas adjustment for the billing month computed in accordance with the provisions of Rider RR-1.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this pricing plan.

Filed By: Raymond S. Heyman  
Title: Senior Vice President, General Counsel  
District: Entire Gas Service Area

Tariff No.: PA-40  
Effective: April 1, 2010  
Page No.: 1 of 1



**UNS Gas, Inc.  
Pricing Plan PA-42  
Large Volume Public Authority Service**

AVAILABILITY

In all territories served by Company at all points where facilities for gas service are available to the premise served.

APPLICABILITY

To all facilities owned or operated by governmental agencies whose primary business activity at the location served is not provided for under any other pricing plan or special contract. Under this pricing plan, usage over the preceding twelve (12) months must exceed 120,000 therms when all service is supplied at one point of delivery and gas is metered through one meter unless the Company, at its sole discretion, chooses to provide service through multiple meters.

For new customers, their expected usage must exceed 120,000 therms per year.

Any customer transferring from this pricing plan may not return for a period of twelve (12) billing months.

RATE

A monthly net bill at the following rate plus any adjustments incorporated in this pricing plan:

Minimum Customer Charge per month @	\$105.00
Delivery Charge per therm @	\$0.1295

Cost of Natural Gas Charge ("CNGC"): This charge recovers the cost of natural gas purchased by UES on behalf of its customer. The CNGC shall be subject to increases or decreases by the amount of the purchased gas adjustment for the billing month computed in accordance with the provisions of Rider RR-1.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this pricing plan.

Filed By: Raymond S. Heyman  
Title: Senior Vice President, General Counsel  
District: Entire Gas Service Area

Tariff No.: PA-42  
Effective: April 1, 2010  
Page No.: 1 of 1



**UNS Gas, Inc.  
Pricing Plan PA-44  
Special Gas Light Service**

AVAILABILITY

In all territories served by Company at all points where facilities for gas service are available to the facilities served.

APPLICABILITY

To all public authority customers for the operation by the Company of gas lights for streets in which gas distribution facilities are located.

RATE

A monthly net bill at the following rates plus any adjustments incorporated in this pricing plan:

Single Orifice @	\$19.56
Double Orifice @	\$39.12
Triple Orifice @	\$58.68
Quadruple Orifice @	\$78.24

Cost of Natural Gas Charge ("CNGC"): This charge recovers the cost of natural gas purchased by UES on behalf of its customer. The CNGC shall be subject to increases or decreases by the amount of the purchased gas adjustment for the billing month computed in accordance with the provisions of Rider RR-1.

CONDITIONS

1. Contracts for gas lighting service under this pricing plan must be for a minimum term of five (5) years.
2. The cost of relocation of any gas light that is requested by the customer will be reimbursed to the Company by the customer.
3. The customer is not authorized to make any connections to gas lines serving individual gas lights or make any alteration of such lights.
4. The Company will use diligence in maintaining gas lighting service and monthly bills will not be reduced because of any gas light outage.
5. Any special contracts for public authority lighting will be based on an analysis of costs of operation, maintenance, and investment. Any contracts pursuant to this pricing plan, which provide for higher rates than set forth in this pricing plan, will be filed with the Arizona Corporation Commission for approval.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this pricing plan.

Filed By: Raymond S. Heyman  
Title: Senior Vice President, General Counsel  
District: Entire Gas Service Area

Tariff No.: PA-44  
Effective: April 1, 2010  
Page No.: 1 of 1



**UNS Gas, Inc.  
Pricing Plan IR-60  
Irrigation Service**

AVAILABILITY

In all territories served by Company at all points where facilities for gas service are available to the premise served.

APPLICABILITY

To all irrigation customers whose primary business activity at the location served is not provided for under any other pricing plan, who operates one or more gas-fueled engines, and gas is metered through one meter.

The Company may require that gas for engine use be separately metered and billed if necessary to prevent abuse or inequity in the application of this rate.

RATE

A monthly net bill at the following rate plus any adjustments incorporated in this pricing plan:

Minimum Customer Charge per month @	\$15.50
Delivery Charge per therm @	\$0.3442

Cost of Natural Gas Charge ("CNGC"): This charge recovers the cost of natural gas purchased by UES on behalf of its customer. The CNGC shall be subject to increases or decreases by the amount of the purchased gas adjustment for the billing month computed in accordance with the provisions of Rider RR-1.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this pricing plan.

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Tariff No.: IR-60  
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**UNS Gas, Inc.  
Pricing Plan T-1 Supplementary Information  
Transportation of Customer-Secured Natural Gas**

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Transportation customers procure their own gas and UNS Gas, Inc. ("Company") transports it from the connection with the interstate pipeline (at the city gate) over the Company's pipeline system to the customer's facility. To qualify, customers must use a minimum of 120,000 therms per year.

The rates per therm for transportation service from the city gate to the customer's facility are as follows:

Large Volume Commercial	\$0.1857 per therm
Large Volume Industrial	\$0.1029 per therm
Large Volume Public Authority	\$0.1295 per therm

Customers must also pay for the following items:

1. Charges for lost and unaccounted for gas in accordance with Pricing Plan T-1 (Transportation of Customer-Secured Natural Gas);
2. A minimum Customer Charge of \$105.00 per month;
3. Telemetering equipment and a telephone line; and
4. The costs for delivery of gas to the city gate.

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**UNS Gas, Inc.  
Pricing Plan T-1  
Transportation of Customer-Secured Natural Gas**

AVAILABILITY

This pricing plan is available to any qualifying Customer for transportation of natural gas by the Company from existing interconnects between the Company and upstream pipelines (herein called Receipt Point) to the Delivery Point(s) on the Company's system throughout its certificated Arizona Gas Service Area under the following conditions:

1. The Company has available capacity to render the requested service without construction of any additional facilities, except as provided by this pricing plan under Facility Additions.
2. The Customer has demonstrated to the Company's satisfaction the assurance of natural gas supplies and third-party transportation agreements with quantities, and for a term compatible with the service being requested from the Company.
3. The Customer and the Company have executed a Transportation Agreement, and the Customer is to be the End-User.
4. The Customer's gas to be transported is greater than 120,000 therms per year. A Customer receiving service from the Company at multiple locations may aggregate meters with annual consumption of no less than 50,000 therms per meter to qualify for this service provided that all meter locations are served under a single entity. In addition, the annual consumption of customers that are aggregated must be greater than 120,000 therms per year.

APPLICABILITY

This pricing plan shall apply to gas transported by the Company for Customer pursuant to the executed service agreement.

1. The basic transportation service rendered under this pricing plan shall consist of:
  - (a) The receipt by the Company for the account of the Customer of the Customer's gas at the Receipt Point;
  - (b) The transportation of gas through the Company's gas system for the account of the Customer; and
  - (c) The delivery of gas after transportation by the Company for the account of the Customer at the Delivery Point(s).
2. Transportation: Service is firm and uninterrupted except for the following:
  - (a) Curtailment in accordance with the Company's curtailment priority procedures;
  - (b) When the Company determines it has insufficient capacity on its system or from its upstream pipeline; or
  - (c) Customer's gas supply to the Company is insufficient to meet its requirement.

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Title: Senior Vice President, General Counsel  
District: Entire Gas Service Area

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UNS Gas, Inc.  
Pricing Plan T-1  
Transportation of Customer-Secured Natural Gas

3. Any Customer served under this pricing plan that requests service under a sales pricing plan is ineligible to return to transportation service for a period of not less than twelve (12) months.

RATES

A discount from the following rates may be offered at the sole discretion of the Company if such discount is in the best interest of the Company and its ratepayers. The maximum amount that the Customer shall pay the Company monthly will be the sum of the following charges:

Customer Charge per Month: \$105.00 per meter

Volume Charge: An amount equal to the applicable unit transportation rate for each therm of Customer-secured gas metered and delivered to the Customer. The unit rates shall be as set forth in the currently effective Pricing Plan Summary. The volume charge will consist of the following:

- (a) An amount equal to the applicable unit sales margin for each therm as set forth in the Customer's otherwise applicable sales pricing plan for each meter. This volume charge will cover the Company's Delivery Charge as specified in the currently effective gas sales pricing plan but not including the base cost of gas specified therein.
- (b) An amount to reflect lost and unaccounted for gas as determined by the differential between the gas costs on a sales basis and gas costs on a purchase basis determined in the development of the currently effective, Purchased Gas Adjustment ("PGA"), Rate Rider No. RR-1. The Company, at its sole option, may allow lost and unaccounted for gas to be paid in kind.
- (c) Any applicable imbalance charges as specified in Payment For Excess Quantities of this pricing plan.
- (d) Any charges from upstream pipeline transporters or suppliers which have been incurred by the Company in excess of those specified in section (c) above and are deemed by the Company to be applicable to the transportation service rendered for the Customer under these pricing plans.

Minimum Charge: The minimum charge will be the Basic Customer Charge per Month plus \$0.005 per therm.

ADMINISTRATIVE PROCEDURES

1. Processing Requests for Transportation Service: Requests for transportation hereunder shall be made by, and shall be deemed to be complete upon, the Customer providing the following information to the Company:

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District: Entire Gas Service Area

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**UNS Gas, Inc.**  
**Pricing Plan T-1**  
**Transportation of Customer-Secured Natural Gas**

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- (a) Gas Quantities: The Maximum Daily Quantity applicable to the receipt point and the Maximum Daily Quantity applicable to each delivery point and estimated total quantities to be received and transported monthly over the delivery period should be stated individually in terms for each receipt point.
- (b) Delivery Point(s): Point(s) of delivery by the Company to the Customer.
- (c) Term of Service:
  - i. Date of service requested to commence;
  - ii. Date service requested to terminate, if known; and
  - iii. Minimum term for transportation service shall be twelve (12) months.
- (d) Performance: A statement from the Customer certifying that the Customer has or will have title to the gas to be delivered to the Company for transportation and has entered into or will enter into those arrangements necessary to assure all upstream transportation will be in place prior to the commencement of service under a Transportation Agreement. The Customer's Agent, if any, must be named.

Upon receipt of all of the information specified above, the Company shall prepare and tender to the Customer for execution a Transportation Agreement. If the Customer fails to execute the Transportation Agreement within thirty (30) days of the date tendered, the Customer's request shall be deemed null and void.

**OPERATING PROCEDURES**

- 1. Nominating and Scheduling of Gas Receipts and Deliveries: The Customer shall be responsible for contacting the upstream pipelines to arrange for the nominating and scheduling of receipts and deliveries hereunder, provided, that the Customer may designate one (1) other party to serve as his agent for such purpose.

The Customer or Customer's Agent shall be responsible for submitting nominations to the upstream pipeline and notifying the Company's designated representative in writing no later than one (1) hour prior to the upstream pipeline's nomination deadlines set forth in their FERC approved tariff. Such communication shall occur prior to the first of the month and within the month if there are changes to the nominations. The Customer is responsible for confirming the timely receipt of this information by the Company. The Company will confirm whether it has sufficient operational capacity to deliver all or a portion of the Customer's gas.

- 2. Operating Information and Estimates: Upon request of the Company, the Customer shall from time to time submit its best estimates of the daily, monthly and annual volumes of gas to be transported; including peak day requirements, together with such other operating data as the Company may require in order to schedule its operations.

The Company may require large Customers whose contractually allowed maximum daily quantity exceeds 10,000 therms per day, whose usage is not predictable based on weather, and whose ratio of high to low daily usage

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Title: Senior Vice President, General Counsel  
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exceeds ten (10) to inform the Company within 2 hours of any initiation or termination of gas usage exceeding an hourly rate of 1,000 therms per hour.

3. Quantities: All quantities referred to under Operating Procedures of this pricing plan shall be provided as dekatherms ("DTH") (one million British Thermal Units).
4. Deliverability: The Company shall not be liable for its failure to deliver gas when such failure is due to unavailability of gas supply or interruption of third party transportation services.
5. Other Operating Procedures: The Company may require additional information or enforce other operating procedures as deemed necessary in the Company's sole judgment, in order to coordinate gas volumes and the movement of gas through the upstream pipeline system to the Company's Arizona Gas Service Area. These additional operating procedures may be enforced upon verbal notice to each Customer or the Customer's Agent with twenty-four (24) hour notice of implementation.
6. Balancing: Balancing of thermally equivalent volumes of gas received and delivered shall be achieved as nearly as feasible on a daily basis, taking into account the Customer's right, subject to prior Company approval, to vary receipts and deliveries across the Company Distribution System. Customer monthly imbalances are defined as the difference between the Customer's total monthly metered quantities and the Customer's total scheduled transportation quantity. Customers are provided a monthly operating window, under which the Customer's cumulative imbalances must be within plus or minus 5 percent (+/- 5%) of the month's total of daily scheduled transportation quantities, plus any Company-approved imbalance adjustment quantity, or 1,500 therms, whichever is greater. Imbalances established in excess of the applicable monthly operating window will be subject to imbalance charges as specified in Payment for Excess Quantities of this pricing plan. However, if the Customer has an imbalance outside this limit and contacts the Company before the end of the last business day of the month, the Customer will have a "cure period" of an additional 30 days to bring its imbalance within the limits before any imbalance charges specified in Payment for Excess Quantities are applied. Customer is then ineligible for a "cure period" for the following month. If in the Company's sole good faith judgment and operating conditions permit, the Company will increase the monthly operating window. Any imbalance (plus or minus) carried forward shall be considered first through the meter during the next daily or monthly period, as applicable.

Upon Customer request, the Company will permit electronic read-only access to the telemetering facilities described in Facility Additions of this pricing plan or provide daily meter reads each calendar day.

7. Adjustments: Periodically, volume adjustments may be made by the upstream pipelines or the Customer's agent. Therefore, actual daily volumes invoiced will be compared with daily nominated volumes. Should adjustments to the nominated volumes become necessary, such adjustments will be applied to the nomination for the month in which the volumes were delivered to the Customer for the purposes of determining the applicability of the provisions of this pricing plan.
8. Customer Default: The Company shall not be required to perform or continue service on behalf of any Customer that fails to comply with the terms contained in this pricing plan and the terms of the Customer's Transportation

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District: Entire Gas Service Area

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Service Agreement with the Company. The Company shall have the right to waive any one or more specific defaults by any Customer under any provision of this pricing plan or the service agreement, provided, however, that no such waiver shall operate or be construed as a waiver of any other existing or future default or defaults, whether of a like or different character.

9. Operational Curtailment: The Company reserves the right to impose, at any time, any reasonable operating conditions upon the transportation of the Customer's gas which the Company, in its sole good faith judgment, deems necessary to maintain safe and efficient operation of its distribution system, or to make the operating terms and conditions of service hereunder compatible with those of its upstream pipelines. Under such circumstances, the following conditions shall apply:
- (a) Any Customer that does not comply with a notice of operational curtailment shall be subject to, in addition to any otherwise applicable charges, a penalty of \$10.00 per DTH for all unauthorized quantities during the curtailment period.
  - (b) The Company shall endeavor to provide notice of such operational curtailment forty-eight (48) hours prior to the commencement of the delivery of gas.
  - (c) Notwithstanding condition (b), the Company may impose an operational curtailment on the current gas day. In the event an operational curtailment is imposed on the current gas day, a minimum one-hour grace period will be allowed before penalties begin to apply.

PAYMENT FOR EXCESS QUANTITIES

1. Customers will be assessed imbalance charges if an imbalance exists in excess of the applicable monthly operating window under the conditions set forth in Balancing described as part of Operating Procedures herein. The portion of any imbalance quantity established by a Customer in excess of the applicable monthly operating window is defined as an excess imbalance quantity. The imbalance charge will be based on the Company's short term purchases, where short term purchases are defined as gas for which the price is determined in the calendar month of use. In addition to the charges payable under this pricing plan, any monthly excess quantity shall be billed as follows:



**UNS Gas, Inc.  
Pricing Plan T-1  
Transportation of Customer-Secured Natural Gas**

(a) Positive Excess Imbalance

A positive excess imbalance exists when the Customer's scheduled transportation quantity exceeds the Customer's metered quantity by more than the applicable monthly operating window. The excess imbalance shall be retained by the Company and eliminated after the Customer's bill is credited as follows:

- (i) The price of the positive imbalance gas for the applicable month shall be calculated as the weighted average cost per therm of the Company's least expensive short term purchases (including all upstream pipeline fuel and variable costs) for the aggregate positive imbalance volume associated with all T-1 customers. This weighted average cost per therm will be multiplied by the Customer's positive imbalance volume and the percentage associated with the Customer's "Percentage Excess Imbalance" in the "Positive" column in Table 1 below.

(b) Negative Excess Imbalance

A negative excess imbalance exists when the sum of the Customer's scheduled transportation quantity is less than the metered quantity by more than the applicable monthly operating window. The excess imbalance shall be eliminated after the Customer is billed as follows:

- (i) The price of the negative imbalance gas for the applicable month shall be calculated as the weighted average cost per therm of the Company's most expensive short term purchases (including all upstream pipeline fuel, variable and capacity costs, at a 100% load factor) for the aggregate negative imbalance volume associated with all T-1 customers. This weighted average cost per therm will be multiplied by the Customer's negative imbalance volume and the percentage associated with the Customer's "Percentage Excess Imbalance" in the "Negative" column in Table 1 below.

Table 1

Percentage Excess Imbalance	Positive	Negative
Equal to or less than 5%	100%	100%
Over 5% and less than or equal to 15%	90%	110%
Over 15% and less than or equal to 20%	80%	120%
Over 20% and less than or equal to 30%	70%	130%
Over 30%	60%	140%

- 2. Should the Customer cease to utilize transportation service under this pricing plan, the entire remaining imbalance shall be settled pursuant to section Payment For Excess Quantities herein. For purposes of this settlement, no operating window applies.

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**UNS Gas, Inc.  
Pricing Plan T-1  
Transportation of Customer-Secured Natural Gas**

3. Under no circumstances shall the section Payment For Excess Quantities above be considered as giving the Customer any right to take excess quantity gas, other than as provided in Operating Procedures hereof, nor shall the section Payment For Excess Quantities or payment thereunder be considered as a substitute for any other remedy available to the Company against the offending Customer for failure to respect its obligation to stay within its authorized quantities.

**FACILITY ADDITIONS**

Any facilities which must be installed by the Company to serve the Customer will be constructed in accordance with the Rules and Regulations as approved from time to time by the Arizona Corporation Commission. Telemetering facilities on each meter will be installed at the Customer's expense. Customers requiring telemetering facilities shall provide, at the Customer's expense, a dedicated telephone line for the Company's use in communicating with the telemetering facilities and will pay any and all costs associated with that phone line. Further, any existing special surcharges or minimum bill provisions designed to recover the cost of facilities for any Customer shall remain in effect and may serve to increase maximum allowable transportation rate levels pursuant to this pricing plan.

**THIRD PARTY CHARGES**

The Customer shall reimburse the Company for any charges rendered or billed to the Company by its upstream pipelines and by any other upstream transporter and gas gatherers, either before or after termination of the Transportation Agreement, which the Company, in its sole good faith judgment, determines have been incurred because of the transportation of Customer's gas hereunder and should, therefore, appropriately be borne by the Customer. Such charges, whether levied in dollars or gas, may include, but shall not be limited to, standby charges or reservation fees, prepayments, applicable taxes, applicable fuel reimbursement, shrinkage, lost and unaccounted for volumes, Gas Research Institute surcharges, penalty charges and filing fees.

The Customer will reimburse the Company for all such charges incurred by the Company as rendered, irrespective of the actual quantities of natural gas delivered to the Customer.

**CONDITIONS FOR CONVERTING TO T-1 SERVICE**

Any qualified Customer converting from gas sales service to service under this pricing plan is subject to the following conditions and requirements:

1. T-1 service will commence at the beginning of the first calendar month following the end of five (5) days after receipt of the customer service change request.
2. Customer will be billed or credited the Customer's pro rata share of the balance in the Company's PGA bank, calculated as follows:

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- (a) Starting from the later of the month of initiation of gas sales service by the Customer, or the date of initiation of the current PGA bank, through the last month of sales service, the Customer's actual therm usage will be multiplied, on a month-by-month basis, by the difference between the Company's actual commodity cost per therm and the Gas Cost component of the Basic Cost of Service Rate adjusted for any PGA and PGA Surcharge that may be in effect from time to time;
  - (b) The sum of these monthly calculated values equals the Customer's charge or credit due for conversion to service under this pricing plan;
  - (c) Customer charge or credit will be paid in twelve (12) equal monthly payments, including interest equal to the carrying charge rate applicable to the PGA bank at the time of conversion to service under this pricing plan.
3. If a Customer converts back to a pricing plan for gas sales service while the PGA Surcharge existing at the time of the switch to T-1 service is still in effect, such Surcharge will not be applicable to the Customer's billed usage for the period it remains in effect. However, any future PGA Surcharge that may be put into effect will be applicable to the Customer's billed usage.

**TAX CLAUSE**

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company.

**RULES AND REGULATIONS**

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this pricing plan.

**CONDITIONS**

1. Transportation of Customer-owned natural gas hereunder shall be limited to natural gas of equal or higher quality than natural gas currently available from the Company's supplier(s). All gas delivered by the Company to the Customer shall be deemed to be the same quality as that gas received by the Company for transportation.
2. With respect to the Company's capacity to deliver gas at any particular time, the curtailment priority of any Customer served under this pricing plan shall be the same as the curtailment priority established for other Customers served pursuant to the Company's pricing plan which would otherwise be available to such Customer.



**UNS Gas, Inc.  
Pricing Plan T-2  
Transportation Service Using Dedicated  
Transmission Facilities**

AVAILABILITY

This pricing plan is only available to any qualifying Customer for transportation of natural gas by the Company from dedicated interconnects between the Company and upstream pipelines (herein called Receipt Point) to the Delivery Point(s) on the Company's transmission system throughout its certificated Arizona Gas Service Area under the following conditions:

1. The Company has or will have available capacity to render the requested service utilizing facilities dedicated to the requirements of the Customer, except as provided under Facility Additions hereof;
2. The Customer has demonstrated to the Company's satisfaction the assurance of natural gas supplies and third-party transportation agreements with quantities and for a term compatible with the service being requested from the Company;
3. The Customer and the Company have executed a Transportation Agreement, and the Customer is to be the End-User;
4. The Customer's requirement for gas to be transported is greater than 1,000 therms per day or 120,000 therms per year; and
5. The Customer is not taking service through dedicated facilities under the provisions of a special contract approved by the Arizona Corporation Commission ("ACC").
6. The Customer is classified as a utility that produces electricity.

APPLICABILITY

This pricing plan shall apply to gas transported by the Company for Customer pursuant to the executed service agreement.

1. The basic transportation service rendered under this pricing plan shall consist of:
  - (a) The receipt by the Company for the account of the Customer of the Customer's gas at the Receipt Point;
  - (b) The transportation of gas through the Company's gas system for the account of the Customer; and
  - (c) The delivery of gas after transportation by the Company for the account of the Customer at the Delivery Point(s).
2. Transportation: Service is firm and uninterrupted except for the following:
  - (a) Curtailment in accordance with the Company's curtailment priority procedures;
  - (b) When the Company determines it has insufficient capacity on its system or from its upstream pipeline; or

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District: Entire Gas Service Area

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**UNS Gas, Inc.  
Pricing Plan T-2  
Transportation Service Using Dedicated  
Transmission Facilities**

- (c) Customer's gas supply to the Company is insufficient to meet its requirement.
3. Any Customer served under this pricing plan is ineligible to obtain sales service without executing a special contract approved by the ACC.

**RATES**

A monthly net bill at the following rates plus any adjustments incorporated in this pricing plan:

Customer Charge per month: \$105.00 per meter

Volume Charge: An amount equal to the applicable unit transportation rate for each therm of Customer-secured gas metered and delivered to the Customer. The unit rates shall be as set forth in the currently effective Pricing Plan Summary. The volume charge will consist of the following:

- (a) An amount to fund the Company's low income rate program equal to the portion of the applicable unit sales margin for each therm included in rates as set forth in the Customer's otherwise applicable sales pricing plan for each meter.
- (b) An amount to reflect lost and unaccounted for gas as determined by the differential between the gas cost on a sales basis and gas cost on a purchase basis determined in the development of the currently effective Purchased Gas Adjustment ("PGA"), Rate Rider No. RR-1. The Company at its sole option may allow lost and unaccounted for gas to be paid in kind.
- (c) Any applicable imbalance charges as specified in Payment For Excess Quantities of this pricing plan.
- (d) Any charges from upstream pipeline transporters or suppliers which have been incurred by the Company in excess of those specified in section (c) above and are deemed by the Company to be applicable to the transportation service rendered for the Customer under this pricing plan.

Reservation Charge: An annual charge to be billed in twelve (12) equal monthly installments equal to the fully allocated costs to provide the dedicated facilities necessary to serve the Customer as described more fully in Rates of this pricing plan.

Determined on the basis of a fully allocated cost study filed with and approved by the ACC in the context of a general rate case except when the request for service is non-coincident with a rate filing. In the latter case, the Reservation Charge will be computed by the Company including the following elements:

- (a) Return and income taxes at the rate of return approved by the ACC in the Company's last general rate case computed on the basis of the installed costs of the dedicated facilities plus an allocation of other rate

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UNS Gas, Inc.  
Pricing Plan T-2  
Transportation Service Using Dedicated  
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base items including, as appropriate: intangible, general and common plant investment, less any applicable accumulated depreciation and deferred taxes, an allowance for working capital and materials and supplies;

- (b) Operations expense including all operating and maintenance expenses, depreciation and amortization expense, taxes other than income related to the dedicated facilities and allocated rate base;
- (c) Allocated indirect expense including an appropriate portion of customer accounting, sales and information, and administrative and general expenses; and
- (d) Any other allocated costs incurred either directly or indirectly to provide the requested service.

Special Surcharge: An annual charge to be computed on the basis of the twelve (12) months ending September of the prior year and billed beginning in January in equal monthly installments, computed as the sum of the following charges:

- (a) The revenue requirements for any additional investments required to provide the service requested by Customer subsequent to the establishment of the currently effective Reservation Charge,
- (b) Any non-recurring operating and maintenance expenses associated with the facilities dedicated to the Customer in the previous year, and
- (c) Any extraordinary expenses incurred by the Company on behalf of the Customer not included in (a) or (b) above.

Minimum Charge: The minimum charge will be the sum of the Basic Customer Charge per Month, the monthly Reservation Charge and any monthly Special Surcharge.

ADMINISTRATIVE PROCEDURES

1. Processing Requests for Transportation Service: Requests for transportation hereunder shall be made by, and shall be deemed to be complete upon, the Customer providing the following information to the Company:
  - (a) Gas Quantities: The Maximum Daily Quantity applicable to the receipt point and the Maximum Daily Quantity applicable to each delivery point, and estimated total quantities to be received and transported monthly over the delivery period should be stated individually in therms for each receipt point.
  - (b) Delivery Point(s): Point(s) of delivery by the Company to the Customer.

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Transportation Service Using Dedicated  
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- (c) Term of Service:
  - i. Date service requested to commence;
  - ii. Date service requested to terminate, if known; and
  - iii. Minimum term for transportation service shall be twelve (12) months.
  
- (d) Performance: A statement from the Customer certifying that the Customer has or will have title to the gas to be delivered to the Company for transportation and has entered into or will enter into those arrangements necessary to assure all upstream transportation will be in place prior to the commencement of service under a Transportation Agreement. The Customer's Agent, if any, must be named.

Upon receipt of all of the information specified above, the Company shall prepare and tender to the Customer for execution a Transportation Agreement. If the Customer fails to execute the Transportation Agreement within thirty (30) days of the date tendered, the Customer's request shall be deemed null and void.

- 2. Construction Requirements: In the event that the Customer's request for service requires the construction of additional transmission facilities not otherwise addressed in section Payment For Excess Quantities herof, Extension of Lines, in the Company's current Rules and Regulations, the following additional provisions may apply:
  - (a) The Company may request an advance for engineering and design services based on the Company's estimate of the anticipated costs related to the requested dedicated facilities;
  - (b) Any advance for engineering and design will be refunded to the Customer on commencement of service;
  - (c) Actual engineering and design costs will be included in the dedicated facilities' costs and recovered as a part of the Reservation Charge;
  - (d) If the dedicated facilities are not placed in service for any reason, the Company may retain the advance;
  - (e) Prior to the initiation of construction of the dedicated facilities, the Company will provide an estimate of the total costs and resulting annual costs to Customer;
  - (f) The Company shall not be liable for any differences between actual construction costs and estimated costs;
  - (g) Customer may withdraw the request for service prior to initiation of construction; and
  - (h) The Customer may request that construction cease prior to completion. However, if the dedicated facilities are not completed or placed in service, the Customer is liable for service under the terms of this pricing plan as if the facilities had been completed, based on the total construction costs expended on behalf of the Customer.



**UNS Gas, Inc.  
Pricing Plan T-2  
Transportation Service Using Dedicated  
Transmission Facilities**

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**OPERATING PROCEDURES**

1. **Nominating and Scheduling of Gas Receipts and Deliveries:** The Customer shall be responsible for contacting the upstream pipelines to arrange for the nominating and scheduling of receipts and deliveries hereunder, provided, that the Customer may designate one (1) other party to serve as his agent for such purpose.

The Customer or Customer's Agent shall be responsible for submitting nominations to the upstream pipeline and notifying the Company's designated representative in writing no later than one (1) hour prior to the upstream pipeline's nomination deadlines set forth in their FERC approved tariff. Such communication shall occur prior to the first of the month and within the month if there are changes to the nominations. The Customer is responsible for confirming the timely receipt of this information by the Company. The Company will confirm whether it has sufficient operational capacity to deliver all or a portion of the Customer's gas.

2. **Operating Information and Estimates:** Upon request of the Company, the Customer shall from time to time submit its best estimates of the daily, monthly and annual volumes of gas to be transported; including peak day requirements, together with such other operating data as the Company may require in order to schedule its operations.
3. The Company may require large Customers whose contractually allowed maximum daily quantity exceeds 10,000 therms per day, whose usage is not predictable based on weather, and whose ratio of high to low daily usage exceeds ten (10) to inform the Company within 2 hours of any initiation or termination of gas usage exceeding an hourly rate of 1,000 therms per hour.
4. **Quantities:** All quantities referred to under Operating Procedures shall be provided as dekatherms ("DTH") (one million British Thermal Units).
5. **Deliverability:** The Company shall not be liable for its failure to deliver gas when such failure is due to unavailability of gas supply or interruption of third party transportation services.
6. **Other Operating Procedures:** The Company may require additional information or enforce other operating procedures as deemed necessary in the Company's sole judgment, in order to coordinate gas volumes and the movement of gas through the upstream pipeline system to the Company's Arizona Gas Service Area. These additional operating procedures may be enforced upon verbal notice to each Customer or the Customer's Agent with twenty-four (24) hour notice of implementation.
7. **Balancing:** Balancing of thermally equivalent volumes of gas received and delivered shall be achieved as nearly as feasible on a daily basis, taking into account the Customer's right, subject to prior Company approval, to vary receipts and deliveries across the Company Distribution System. Customer monthly imbalances are defined as the difference between the Customer's total monthly metered quantities and the Customer's total scheduled transportation quantity. Customers are provided a monthly operating window, under which the Customer's cumulative imbalances must be within plus or minus 5 percent (+/- 5%) of the month's total of daily scheduled

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Filed By: Raymond S. Heyman  
Title: Senior Vice President, General Counsel  
District: Entire Gas Service Area

Tariff No.: T-2  
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**UNS Gas, Inc.  
Pricing Plan T-2  
Transportation Service Using Dedicated  
Transmission Facilities**

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transportation quantities, plus any Company-approved imbalance adjustment quantity, or 1,500 therms, whichever is greater. Imbalances established in excess of the applicable monthly operating window will be subject to imbalance charges as specified under Payment For Excess Quantities of this pricing plan. However, if the Customer has an imbalance outside this limit and contacts the Company before the end of the last business day of the month, the Customer will have a "cure period" of an additional 30 days to bring its imbalance within the limits before any imbalance charges specified under Payment For Excess Quantities are applied. Customer is then ineligible for a "cure period" for the following month. If in the Company's sole good faith judgment and operating conditions permit, the Company will increase the monthly operating window. Any imbalance (plus or minus) carried forward shall be considered first through the meter during the next daily or monthly period, as applicable.

8. Upon Customer request, the Company will permit electronic read-only access to the telemetering facilities described under Facility Additions or provide daily meter reads each calendar day.
9. Adjustments: Periodically, volume adjustments may be made by the upstream pipelines or the Customer's agent. Therefore, actual daily volumes invoiced will be compared with daily nominated volumes. Should adjustments to the nominated volumes become necessary, such adjustments will be applied to the nomination for the month in which the volumes were delivered to the Customer for the purposes of determining the applicability of the provisions of this pricing plan.
10. Customer Default: The Company shall not be required to perform or continue service on behalf of any Customer that fails to comply with the terms contained in this pricing plan and the terms of the Customer's Transportation Service Agreement with the Company. The Company shall have the right to waive any one or more specific defaults by any Customer under any provision of this pricing plan or the service agreement, provided, however, that no such waiver shall operate or be construed as a waiver of any other existing or future default or defaults, whether of a like or different character.
11. Operational Curtailment: The Company reserves the right to impose, at any time, any reasonable operating conditions upon the transportation of the Customer's gas which the Company, in its sole good faith judgment, deems necessary to maintain safe and efficient operation of its distribution system, or to make the operating terms and conditions of service hereunder compatible with those of its upstream pipelines. Under such circumstances, the following conditions shall apply:
  12. Any Customer that does not comply with a notice of operational curtailment shall be subject to, in addition to any otherwise applicable charges, a penalty of \$10.00 per DTH for all unauthorized quantities during the curtailment period.
  13. The Company shall endeavor to provide notice of such operational curtailment forty-eight (48) hours prior to the commencement of the delivery of gas.

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Filed By: Raymond S. Heyman  
Title: Senior Vice President, General Counsel  
District: Entire Gas Service Area

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**UNS Gas, Inc.  
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14. Notwithstanding condition (b), the Company may impose an operational curtailment on the current gas day. In the event an operational curtailment is imposed on the current gas day, a minimum one-hour grace period will be allowed before penalties begin to apply.

**PAYMENT FOR EXCESS QUANTITIES**

1. Customers will be assessed imbalance charges if an imbalance exists in excess of the applicable monthly operating window under the conditions set forth under Balancing described as part of Operating Procedures herein. The portion of any imbalance quantity established by a Customer in excess of the applicable monthly operating window is defined as an excess imbalance quantity. The imbalance charge will be based on the Company's short term purchases, where short term purchases are defined as gas for which the price is determined in the calendar month of use. In addition to the charges payable under this pricing plan, any monthly excess quantity shall be billed as follows:

(a) **Positive Excess Imbalance**

A positive excess imbalance exists when the Customer's scheduled transportation quantity exceeds the Customer's metered quantity by more than the applicable monthly operating window. The excess imbalance shall be retained by the Company and eliminated after the Customer's bill is credited as follows:

- (i) The price of the positive imbalance gas for the applicable month shall be calculated as the weighted average cost per therm of the Company's least expensive short term purchases (including all upstream pipeline fuel and variable costs) for the aggregate positive imbalance volume associated with all T-2 customers. This weighted average cost per therm will be multiplied by the Customer's positive imbalance volume and the percentage associated with the Customer's "Percentage Excess Imbalance" in the "Positive" column in Table 1 below.

(b) **Negative Excess Imbalance**

A negative excess imbalance exists when the sum of the Customer's scheduled transportation quantity is less than the metered quantity by more than the applicable monthly operating window. The excess imbalance shall be eliminated after the Customer is billed as follows:

- (i) The price of the negative imbalance gas for the applicable month shall be calculated as the weighted average cost per therm of the Company's most expensive short term purchases (including all upstream pipeline fuel, variable and capacity costs, at a 100% load factor) for the aggregate negative imbalance volume associated with all T-2 customers. This weighted average cost per therm will be multiplied by the Customer's negative imbalance volume and the percentage associated with the Customer's "Percentage Excess Imbalance" in the "Negative" column in Table 1 below.



**UNS Gas, Inc.  
Pricing Plan T-2  
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Transmission Facilities**

Table 1

Percentage Excess Imbalance	Positive	Negative
Equal to or less than 5%	100%	100%
Over 5% and less than or equal to 15%	90%	110%
Over 15% and less than or equal to 20%	80%	120%
Over 20% and less than or equal to 30%	70%	130%
Over 30%	60%	140%

2. Should the Customer cease to utilize transportation service under this pricing plan, the entire remaining imbalance shall be settled pursuant to section Payment For Excess Quantities herein. For purposes of this settlement, no operating window applies.
3. Under no circumstances shall the section Payment For Excess Quantities above be considered as giving the Customer any right to take excess quantity gas, other than as provided in Operating Procedures hereof, nor shall the section Payment For Excess Quantities or payment thereunder be considered as a substitute for any other remedy available to the Company against the offending Customer for failure to respect its obligation to stay within its authorized quantities.

**FACILITY ADDITIONS**

Any facilities which must be installed by the Company to serve the Customer will be constructed in accordance with the Rules of Service as approved from time to time by the ACC. Telemetering facilities on each meter will be installed at the Customer's expense. Customers requiring telemetering facilities shall provide, at the Customer's expense, a dedicated telephone line for the Company's use in communicating with the telemetering facilities and will pay any and all costs associated with that phone line. Further, any existing special surcharges or minimum bill provisions designed to recover the cost of facilities for any Customer shall remain in effect and may serve to increase maximum allowable transportation rate levels pursuant to this pricing plan.

**THIRD PARTY CHARGES**

The Customer shall reimburse the Company for any charges rendered or billed to the Company by its upstream pipelines and by any other upstream transporter and gas gatherers, either before or after termination of the Transportation Agreement, which the Company, in its sole good faith judgment, determines have been incurred because of the transportation of Customer's gas hereunder and should, therefore, appropriately be borne by the Customer. Such charges, whether levied in dollars or gas, may include, but shall not be limited to, standby charges or reservation fees, prepayments, applicable taxes, applicable fuel reimbursement, shrinkage, lost and unaccounted for volumes, Gas Research Institute surcharges, penalty charges, and filing fees.

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Filed By: Raymond S. Heyman  
Title: Senior Vice President, General Counsel  
District: Entire Gas Service Area

Tariff No.: T-2  
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**UNS Gas, Inc.  
Pricing Plan T-2  
Transportation Service Using Dedicated  
Transmission Facilities**

The Customer will reimburse the Company for all such charges incurred by the Company as rendered, irrespective of the actual quantities of natural gas delivered to the Customer.

**CONDITIONS FOR CONVERTING TO T-2 SERVICE**

Any qualified Customer converting from gas sales service to service under this pricing plan is subject to the following conditions and requirements:

1. T-2 service will commence at the beginning of the first calendar month following the end of five (5) days after receipt of the customer service change request or completion of any required facilities, whichever is later.
2. Customer will be billed or credited the Customer's pro rata share of the balance in the PGA bank accumulated while served under the Company's sales pricing plan, calculated as follows:
  - (a) Starting from the later of the month of initiation of gas sales service by the Customer, or the date of initiation of the current PGA bank, through the Customer's last month of sales service, the Customer's actual therm usage will be multiplied, on a month-by-month basis, by the difference between the Company's actual commodity cost per therm and the Gas Cost component of the Base Cost of Service Rate adjusted for any PGA and PGA Surcharge that may be in effect from time-to-time;
  - (b) The sum of these monthly calculated values equals the Customer's charge or credit due for conversion to service under this pricing plan;
  - (c) Customer charge or credit will be paid in twelve (12) equal monthly payments, including interest equal to the carrying charge rate applicable to the PGA bank at the time of conversion to service under this pricing plan.

**TAX CLAUSE**

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company.

**RULES AND REGULATIONS**

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this pricing plan.

**CONDITIONS**

1. Transportation of Customer owned natural gas hereunder shall be limited to natural gas of equal or higher quality than natural gas currently available from the Company's supplier(s). All gas delivered by the Company to the Customer shall be deemed to be the same quality as that gas received by the Company for transportation.

Filed By: Raymond S. Heyman  
Title: Senior Vice President, General Counsel  
District: Entire Gas Service Area

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**UNS Gas, Inc.  
Pricing Plan T-2  
Transportation Service Using Dedicated  
Transmission Facilities**

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2. With respect to the Company's capacity to deliver gas at any particular time, the curtailment priority of any Customer served under this pricing plan shall be the same as the curtailment priority established for other Customers served pursuant to the Company's pricing plan, which would otherwise be applicable to such Customer.

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Filed By: Raymond S. Heyman  
Title: Senior Vice President, General Counsel  
District: Entire Gas Service Area

Tariff No.: T-2  
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**UNS Gas, Inc.  
Pricing Plan NSP-1  
Negotiated Sales Program**

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**AVAILABILITY**

In all territories served by Company at all points where facilities for gas service are available to the premise served.

**APPLICABILITY**

Available to all customers who receive service under the Company's T-1 pricing plan (Transportation of Customer-Secured Natural Gas), T-2 pricing plan (Transportation Service Using Dedicated Transmission Facilities), or special gas supply agreements approved by the Arizona Corporation Commission ("ACC") that meet the minimum transportation requirements under the T-1 or T-2 pricing plans.

Service under the Negotiated Sales Program ("NSP") will be the sale of natural gas to a transportation customer who has negotiated with the Company for the delivery of natural gas to the interconnection of the Company's distribution system and an upstream pipeline at the City Gate. NSP service will be interruptible service at the election of the Customer.

**RATE**

The rates to be charged for this service shall be those negotiated between the Company and each Customer.

**CONDITIONS**

NSP service shall be provided subject to the provision of this pricing plan, the T-1 pricing plan, the T-2 pricing plan, or special gas supply agreements approved by the ACC, as applicable.

**TAX CLAUSE**

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company.

**RULES AND REGULATIONS**

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this pricing plan.

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Filed By: Raymond S. Heyman  
Title: Senior Vice President, General Counsel  
District: Entire Gas Service Area

Tariff No.: NSP-1  
Effective: April 1, 2010  
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**REDLINED  
VERSION**



UNS Gas, Inc.  
Pricing Plan R-10  
Residential Gas Service

AVAILABILITY

In all territories served by Company at all points where facilities for gas service are available to the premise served.

APPLICABILITY

Subject to availability, at point of delivery, to residential gas service in individual residences and individually metered apartments when all service is metered through one meter.

RATE

A monthly net bill at the following rate plus any adjustments incorporated in this pricing plan:

Minimum Customer Charge per month @	<del>\$10.008.50</del>
Delivery Charge per therm @	\$0.3270

Cost of Natural Gas Charge ("CNGC"): This charge recovers the cost of natural gas purchased by UES on behalf of its customer. The CNGC shall be subject to increases or decreases by the amount of the purchased gas adjustment for the billing month computed in accordance with the provisions of Rider RR-1.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this pricing plan.

Filed By: Raymond S. Heyman  
Title: Senior Vice President, General Counsel  
District: Entire Gas Service Area

Tariff No.: R-10  
Effective: April 1, 2010  
Page No.: 1 of 1



UNS Gas, Inc.  
Pricing Plan R-12  
Customer Assistance Residential Energy Support  
(C.A.R.E.S.)

AVAILABILITY

In all territories served by Company at all points where facilities for gas service are available to the premise served.

APPLICABILITY

Subject to availability, at point of delivery, to residential gas service in individual residences and individually metered apartments when all service is metered through one meter.

~~To gas service qualifying for billing under Residential Pricing Plan R-10 where the customer also has qualified for Pricing Plan R-12 as specified in the Company's plan for administration. All provisions of Pricing Plan R-10 will apply except as modified herein.~~

RATE

A monthly net bill at the following rate plus any adjustments incorporated in this pricing plan:

~~The monthly bill shall be in accordance with Pricing Plan R-10 except:~~

Minimum Customer Charge per month @	\$7.00
<u>Delivery Charge per therm @</u>	<u>\$0.3270</u>

Delivery Charge: first 100 therms or less per month will be discounted by \$0.1500 per therm for the billing months of November through April.

SPECIAL CONDITIONS

1. Eligibility requirements for C.A.R.E.S. are set forth on the Company's Application and Declaration of Eligibility for Low Income Ratepayer Assistance form. Customers who desire to qualify for this pricing plan must initially make application to the Company for qualification and must provide verification to the Company that the customer's household gross income does not exceed one hundred fifty percent (150%) of the federal poverty level. Qualified customers must have an approved application form on file with the Company. Subsequent to the initial certification, the residential customer seeking to retain eligibility for the C.A.R.E.S. must provide a personal certification that the household gross income of the residential dwelling unit involved does not exceed one hundred fifty percent (150%) of the federal poverty level.
2. Samples of the existing C.A.R.E.S. participants will be re-certified every two years prior to October 1 and when a customer changes residence.
3. Eligible customers shall be billed under this pricing plan during the winter season, commencing with the next regularly scheduled billing period after the Company has received the customer's properly completed application form or re-certification.

Filed By: Raymond S. Heyman  
Title: Senior Vice President, General Counsel  
District: Entire Gas Service Area

Tariff No.: R-12  
Effective: April 1, 2010  
Page No.: 1 of 2



**UNS Gas, Inc.  
Pricing Plan R-12  
Customer Assistance Residential Energy Support  
(C.A.R.E.S.)**

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4. Eligibility information provided by the customer on the application form may be subject to verification by the Company. Refusal or failure of a customer to provide documentation of eligibility acceptable to the Company, upon request of the Company, shall result in removal from or ineligibility for this pricing plan.
  5. Customers who wrongfully declare eligibility or fail to notify the Company when they no longer meet the eligibility requirements may be rebilled for the period of ineligibility under their otherwise applicable residential pricing plan.
  6. It is the responsibility of the customer to notify the Company within thirty (30) days of any changes in the customer's eligibility status.

**TAX CLAUSE**

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company.

**RULES AND REGULATIONS**

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this pricing plan.

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Filed By: Raymond S. Heyman  
Title: Senior Vice President, General Counsel  
District: Entire Gas Service Area

Tariff No.: R-12  
Effective: April 1, 2010  
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UNS Gas, Inc.  
Pricing Plan C-20  
Small Volume Commercial Service

AVAILABILITY

In all territories served by Company at all points where facilities for gas service are available to the premise served.

APPLICABILITY

To all commercial customers whose primary business activity at the location served is not provided for under any other pricing plan, whose usage does not exceed 120,000 therms per year when all service is supplied at one point of delivery, and whose gas is metered through one meter.

RATE

A monthly net bill at the following rate plus any adjustments incorporated in this pricing plan:

Minimum Customer Charge per month @	\$ <del>15.503.50</del>
Delivery Charge per therm @	\$ <del>0.28062638</del>

Cost of Natural Gas Charge ("CNGC"): This charge recovers the cost of natural gas purchased by UES on behalf of its customer. The CNGC shall be subject to increases or decreases by the amount of the purchased gas adjustment for the billing month computed in accordance with the provisions of Rider RR-1.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this pricing plan.

Filed By: Raymond S. Heyman  
Title: Senior Vice President, General Counsel  
District: Entire Gas Service Area

Tariff No.: C-20  
Effective: April 1, 2010  
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UNS Gas, Inc.  
Pricing Plan C-22  
Large Volume Commercial Service

AVAILABILITY

In all territories served by Company at all points where facilities for gas service are available to the premise served.

APPLICABILITY

To all commercial customers whose primary business activity at the location served is not provided for under any other pricing plan and whose preceding twelve (12) month usage exceeded 120,000 therms. Service is supplied at one point of delivery and gas is metered through one meter unless the Company, at its sole discretion, chooses to provide service through multiple meters.

For new customers, their expected usage must exceed 120,000 therms per year.

Any customer transferring from this schedule may not return for a period of twelve (12) billing periods.

RATE

A monthly net bill at the following rate plus any adjustments incorporated in this pricing plan:

	Minimum Customer Charge per month @	\$ <u>10500.00</u>
	Delivery Charge per therm @	\$ <u>0.18571718</u>

Cost of Natural Gas Charge ("CNGC"): This charge recovers the cost of natural gas purchased by UES on behalf of its customer. The CNGC shall be subject to increases or decreases by the amount of the purchased gas adjustment for the billing month computed in accordance with the provisions of Rider RR-1.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this pricing plan.

Filed By: Raymond S. Heyman  
Title: Senior Vice President, General Counsel  
District: Entire Gas Service Area

Tariff No.: C-22  
Effective: April 1, 2010  
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**UNS Gas, Inc.  
Pricing Plan CGS-1  
Competitive Gas Service**

AVAILABILITY

In all territories served by Company at all points where facilities for gas service are available to the premise served.

APPLICABILITY

Applicable to natural gas use by customers that qualify for service under this pricing plan according to either applicability Provision 1. or 2. below:

1. Customers whose annual requirements are greater than 10,000 therms and who in the Company's sole judgment have facilities capable of installing or using alternative fuels or energy to adequately serve their needs.
2. Customers whose requirements may be served by other natural gas suppliers at rates lower than the customer's otherwise applicable gas sales pricing plan. As a condition precedent to qualifying for service under this applicability provision, the customer must establish to the satisfaction of the Company, that bypass is economically, operationally, and physically feasible.

Any gas service rendered to customers not in conformance with the provisions of this pricing plan shall be billed at a rate equivalent to the otherwise applicable gas sales pricing plan.

RATE

The maximum service charge is the charge under the customer's otherwise applicable gas sales pricing plan.

Unless otherwise provided, the commodity charge per therm shall be determined in accordance with Condition No. 2 defined below. In no event shall the commodity charge per therm be less than the "floor" cost of gas, which is defined as the sum of (1) the weighted average commodity cost of gas purchased by the Company for system supply during the month, (2) the applicable upstream pipeline capacity charge, and (3) an amount to reflect distribution system shrinkage.

For customers qualifying for service, and if the Company is unable to serve such customer utilizing the "floor" cost of gas as set forth above, a Special Gas Procurement Agreement shall be executed and filed with the Arizona Corporation Commission ("ACC"), and the commodity charge per therm shall be determined in accordance with Condition No. 3 defined below.

With the exception of gas sales provided for under Condition No. 3, the Company shall account for sales under this pricing plan using the "floor" cost of purchased gas.

Filed By: Raymond S. Heyman  
 Title: Senior Vice President, General Counsel  
 District: Entire Gas Service Area

Tariff No.: CGS-1  
 Effective: ~~December 1, 2007~~ April 1, 2011  
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**UNS Gas, Inc.  
Pricing Plan CGS-1  
Competitive Gas Service**

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PRICING PLAN CGS-1 (continued)

SUPPLIER REFUNDS

If, as a result of any final Order of the Federal Energy Regulatory Commission or the ACC that is no longer subject to judicial review, the Company receives a refund from any of its upstream pipeline transporters or suppliers which is applicable to gas sales made under this Competitive Gas Service Pricing Plan, the Company shall allocate such refund to its customers based on the terms billed during the refund period. The amount allocated to the customers served under this pricing plan shall be used to reduce such customer's gas costs.

CONDITIONS

1. Any qualified customer taking service under this pricing plan shall do so by agreement.
2. The commodity charge per therm may vary from customer to customer based on value of the service and on the customer's ability to change from one energy source to another, and may be revised from time to time as costs and conditions change. In no event shall the commodity charge per therm charged to the customer, excluding gross revenue taxes, exceed the commodity charge per therm that would have been charged under the customer's otherwise applicable gas sales pricing plan, adjusted to exclude any surcharge to amortize the balance in the Gas Cost Balancing Account.
3. A Special Gas Procurement Agreement under this pricing plan is defined herein as an agreement between the Company and an applicable customer, which enumerates the provisions whereby the Company will procure specific supplies of gas for the customer. The commodity charge per therm for Special Gas Procurement Agreement customers may vary depending on the terms and conditions of the Agreement, but in no event shall be less than the variable cost of gas procured from suppliers on behalf of the customer. A sole and separate accounting of gas purchases and sales made under Special Gas Procurement Agreements shall be maintained by the Company. The cost of gas purchases made for such customers will be excluded from the Purchased Gas Adjustment in Rider RR-1. However, the Company shall credit to Account No. 191, Unrecovered Purchased Gas Costs, all upstream pipeline capacity charges collected from the customer. (Note: Upstream pipeline capacity charges will be priced at market-based rates.)
4. All customers that qualify for service under this pricing plan because of alternate energy capability must be capable of installing adequate alternate energy facilities of equivalent capacity to those natural gas facilities served hereunder. These facilities are subject to Company inspection and verification of operating capacity and capability.
5. Any customer served under this pricing plan who returns to an otherwise applicable gas sales pricing plan shall be billed at the then currently effective pricing plan.

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Filed By: Raymond S. Heyman  
Title: Senior Vice President, General Counsel  
District: Entire Gas Service Area

Tariff No.: CGS-1  
Effective: ~~December 1, 2007~~ April 1, 2011  
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**UNS Gas, Inc.  
Pricing Plan CGS-1  
Competitive Gas Service**

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PRICING PLAN CGS-1 (continued)

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this pricing plan.

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Filed By: Raymond S. Heyman  
Title: Senior Vice President, General Counsel  
District: Entire Gas Service Area

Tariff No.: CGS-1  
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**UNS Gas, Inc.  
Pricing Plan CNG-1  
Compressed Natural Gas Service  
(Separately Metered)**

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AVAILABILITY

In all territories served by Company at all points where facilities for gas service are available to the premise served.

APPLICABILITY

Service under this pricing plan is available to any customer where the customer purchases natural gas to be used as a motor fuel. Service will be separately metered. This rate may include compression by the Company beyond normal meter sales pressure.

RATE

Customer Charge: For customers using Compressed Natural Gas for only their own vehicle(s), the customer charge is that from the otherwise applicable pricing plan. ~~For all others, it is \$30.00 per meter per month.~~

Basic Cost of Service Rates: The rate will be determined by a contract between the Company and the customer. In no case will the rate be lower than the Company's cost of gas, as determined by the most recent Purchased Gas Adjustment proceeding, nor will it be higher than one hundred fifty percent (150%) of the equivalent cost of premium gasoline.

Purchased Gas Adjustment: The basic cost of service rate set forth above shall be increased or decreased by the amount of the purchased gas adjustment for the billing month computed in accordance with the provisions of Rider RR-1. The purchased gas adjustment enables the Company to increase or decrease the basic cost of service rate in order to pass on increases or decreases in the base cost of gas to customers.

CONDITIONS

1. This pricing plan does not include any road use fees or permits.
2. Customer must provide an affidavit to the Company certifying that the gas delivered will be used as motor fuel.
3. Compressor stations are subject to inspection by qualified Company personnel.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this pricing plan.

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Filed By: Raymond S. Heyman  
Title: Senior Vice President, General Counsel  
District: Entire Gas Service Area

Tariff No.: CNG-1  
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UNS Gas, Inc.  
Pricing Plan EC-1  
Electrical Cogeneration Service

AVAILABILITY

In all territories served by Company at all points where facilities for gas service are available to the premise served.

APPLICABILITY

Service under this pricing plan is available to any customer who enters into a contract with the Company to use natural gas for the purpose of cogeneration. Cogeneration is defined as the use of thermal energy to produce electricity with recapture of by-product heat in the form of steam, exhaust heat, etc. for industrial process use, space heating, food processing, or other purposes.

RATE

A monthly net bill at the following rate plus any adjustments incorporated in this pricing plan:

Minimum Customer Charge per month @	\$1050.00
Delivery Charge per therm @	\$0.4488

Cost of Natural Gas Charge ("CNGC"): This charge recovers the cost of natural gas purchased by UES on behalf of its customer. The CNGC shall be subject to increases or decreases by the amount of the purchased gas adjustment for the billing month computed in accordance with the provisions of Rider RR-1.

CONDITIONS

- Gas taken under this pricing plan shall be used exclusively for the purpose of cogeneration as defined in the Applicability section of this pricing plan and not for other purposes. The gas taken under this pricing plan will be separately metered.
- This pricing plan will not be available for standby use.
- For the purpose of this pricing plan, the annual load factor must be sixty percent (60%) or greater. The annual load factor is defined as the customer's total annual consumption divided by the customer's peak month consumption times twelve (12). If less than a sixty percent (60%) load factor occurs for a twelve (12) month period, the rate charged will be the rate that the customer would otherwise be served under for the months in which the annual load factor did not equal sixty percent (60%).

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this pricing plan.

Filed By: Raymond S. Heyman  
 Title: Senior Vice President, General Counsel  
 District: Entire Gas Service Area

Tariff No.: EC-1  
 Effective: April 1, 2010  
 Page No.: 1 of 1



UNS Gas, Inc.  
Pricing Plan I-30  
Small Volume Industrial Service

AVAILABILITY

In all territories served by Company at all points where facilities for gas service are available to the premise served.

APPLICABILITY

To all customers whose gas usage does not exceed 120,000 therms per year, who are served through a single meter, and whose primary business activity at the location served is included in one of the following classifications of the North American Classification System, United States:

- Sector 11. Agriculture, Forestry, Fishing and Hunting: Subsector 111. Crop Production only;
- Sector 21. Mining: All Subsectors;
- Sector 22. Utilities: Power Generation Subsectors only; and
- Sectors 31-33. Manufacturing: All Subsectors.

RATE

A monthly net bill at the following rate plus any adjustments incorporated in this pricing plan:

Minimum Customer Charge per month @	\$ <u>15.50</u> <del>3.50</del>
Delivery Charge per therm @	\$ <u>0.254</u> <del>0.356</del>

Cost of Natural Gas Charge ("CNGC"): This charge recovers the cost of natural gas purchased by UES on behalf of its customer. The CNGC shall be subject to increases or decreases by the amount of the purchased gas adjustment for the billing month computed in accordance with the provisions of Rider RR-1.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this pricing plan.

Filed By: Raymond S. Heyman  
 Title: Senior Vice President, General Counsel  
 District: Entire Gas Service Area

Tariff No.: I-30  
 Effective: April 1, 2010  
 Page No.: 1 of 1



UNS Gas, Inc.  
Pricing Plan I-32  
Large Volume Industrial Service

AVAILABILITY

In all territories served by Company at all points where facilities for gas service are available to the premise served.

APPLICABILITY

To all customers whose gas usage over the preceding twelve (12) months exceeded 120,000 therms, and whose primary business activity at the location served is included in one of the following classifications of the North American Classification System, United States:

- Sector 11. Agriculture, Forestry, Fishing and Hunting: Subsector 111. Crop Production only;
- Sector 21. Mining: All Subsectors;
- Sector 22. Utilities: Power Generation Subsectors only; and
- Sectors 31-33. Manufacturing: All Subsectors.

Service is supplied at one point of delivery and gas is metered through one meter unless the Company, at its sole discretion, chooses to provide service through multiple meters.

For new customers, their expected usage must exceed 120,000 therms per year.  
Any customer transferring from this pricing plan may not return for a period of twelve (12) billing months.

RATE

A monthly net bill at the following rate plus any adjustments incorporated in this pricing plan:

	Minimum Customer Charge per month @	\$1050.00
	Delivery Charge per therm @	\$0.10290952

Cost of Natural Gas Charge ("CNGC"): This charge recovers the cost of natural gas purchased by UES on behalf of its customer. The CNGC shall be subject to increases or decreases by the amount of the purchased gas adjustment for the billing month computed in accordance with the provisions of Rider RR-1.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this pricing plan.

Filed By: Raymond S. Heyman  
 Title: Senior Vice President, General Counsel  
 District: Entire Gas Service Area

Tariff No.: I-32  
 Effective: April 1, 2010  
 Page No.: 1 of 1



UNS Gas, Inc.  
Pricing Plan PA-40  
Small Volume Public Authority Service

AVAILABILITY

In all territories served by Company at all points where facilities for gas service are available to the premise served.

APPLICABILITY

To all facilities owned or operated by governmental agencies whose primary business activity at the location served is not provided for under any other pricing plan or special contract, whose usage does not exceed 120,000 therms per year when all service is supplied at one point of delivery and gas is metered through one meter.

RATE

A monthly net bill at the following rate plus any adjustments incorporated in this pricing plan:

	Minimum Customer Charge per month @	\$ <u>15.503.50</u>
	Delivery Charge per therm @	\$ <u>0.27822503</u>

Cost of Natural Gas Charge ("CNGC"): This charge recovers the cost of natural gas purchased by UES on behalf of its customer. The CNGC shall be subject to increases or decreases by the amount of the purchased gas adjustment for the billing month computed in accordance with the provisions of Rider RR-1.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this pricing plan.

Filed By: Raymond S. Heyman  
Title: Senior Vice President, General Counsel  
District: Entire Gas Service Area

Tariff No.: PA-40  
Effective: April 1, 2010  
Page No.: 1 of 1



UNS Gas, Inc.  
Pricing Plan PA-42  
Large Volume Public Authority Service

AVAILABILITY

In all territories served by Company at all points where facilities for gas service are available to the premise served.

APPLICABILITY

To all facilities owned or operated by governmental agencies whose primary business activity at the location served is not provided for under any other pricing plan or special contract. Under this pricing plan, usage over the preceding twelve (12) months must exceed 120,000 therms when all service is supplied at one point of delivery and gas is metered through one meter unless the Company, at its sole discretion, chooses to provide service through multiple meters.

For new customers, their expected usage must exceed 120,000 therms per year.

Any customer transferring from this pricing plan may not return for a period of twelve (12) billing months.

RATE

A monthly net bill at the following rate plus any adjustments incorporated in this pricing plan:

	Minimum Customer Charge per month @	\$ <u>10500.00</u>
	Delivery Charge per therm @	\$ <u>0.12951408</u>

Cost of Natural Gas Charge ("CNGC"): This charge recovers the cost of natural gas purchased by UES on behalf of its customer. The CNGC shall be subject to increases or decreases by the amount of the purchased gas adjustment for the billing month computed in accordance with the provisions of Rider RR-1.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this pricing plan.

Filed By: Raymond S. Heyman  
Title: Senior Vice President, General Counsel  
District: Entire Gas Service Area

Tariff No.: PA-42  
Effective: April 1, 2010  
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UNS Gas, Inc.  
Pricing Plan PA-44  
Special Gas Light Service

AVAILABILITY

In all territories served by Company at all points where facilities for gas service are available to the facilities served.

APPLICABILITY

To all public authority customers for the operation by the Company of gas lights for streets in which gas distribution facilities are located.

RATE

A monthly net bill at the following rates plus any adjustments incorporated in this pricing plan:

Single Orifice @	\$19,5623.72
Double Orifice @	\$39,1230.63
Triple Orifice @	\$58,6854.86
Quadruple Orifice @	\$78,2471.16

Cost of Natural Gas Charge ("CNGC"): This charge recovers the cost of natural gas purchased by UES on behalf of its customer. -The CNGC shall be subject to increases or decreases by the amount of the purchased gas adjustment for the billing month computed in accordance with the provisions of Rider RR-1.

Lake Havasu City

Lighting Group A per light per month @	\$15.17
Lighting Group B per light per month @	\$18.20
(Lighting Groups defined below)	

CONDITIONS

1. The following definitions shall apply for Lake Havasu City Gas Lights:

- a. Lighting Group A includes those 14 lights on McCullough Boulevard between Smoketree and Lake Havasu Avenue and those 62 lights in the Lake Havasu Mobile Trailer Park;
- b. Lighting Group B includes those 316 lights on the Country Club Golf Course;

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Tariff No.: PA-44  
Effective: April 1, 2010  
Page No.: 1 of 2



UNS Gas, Inc.  
Pricing Plan PA-44  
Special Gas Light Service

PRICING PLAN PA-44 (continued)

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- 21. Contracts for gas lighting service under this pricing plan must be for a minimum term of five (5) years.
- 23. The cost of relocation of any gas light that is requested by the customer will be reimbursed to the Company by the customer.
- 34. The customer is not authorized to make any connections to gas lines serving individual gas lights or make any alteration of such lights.
- 45. The Company will use diligence in maintaining gas lighting service and monthly bills will not be reduced because of any gas light outage.
- 56. Any special contracts for public authority lighting will be based on an analysis of costs of operation, maintenance, and investment. Any contracts pursuant to this pricing plan, which provide for higher rates than set forth in this pricing plan, will be filed with the Arizona Corporation Commission for approval.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this pricing plan.

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District: Entire Gas Service Area

Tariff No.: PA-44  
Effective: April 1, 2010  
Page No.: 2 of 2



**UNS Gas, Inc.  
Pricing Plan IR-60  
Irrigation Service**

AVAILABILITY

In all territories served by Company at all points where facilities for gas service are available to the premise served.

APPLICABILITY

To all irrigation customers whose primary business activity at the location served is not provided for under any other pricing plan, who operates one or more gas-fueled engines, and gas is metered through one meter.

The Company may require that gas for engine use be separately metered and billed if necessary to prevent abuse or inequity in the application of this rate.

RATE

A monthly net bill at the following rate plus any adjustments incorporated in this pricing plan:

	Minimum Customer Charge per month @	\$15.503.50
	Delivery Charge per therm @	\$0.3442192

Cost of Natural Gas Charge ("CNGC"): This charge recovers the cost of natural gas purchased by UES on behalf of its customer. The CNGC shall be subject to increases or decreases by the amount of the purchased gas adjustment for the billing month computed in accordance with the provisions of Rider RR-1.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this pricing plan.

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District: Entire Gas Service Area

Tariff No.: IR-60  
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UNS Gas, Inc.  
Pricing Plan T-1 Supplementary Information  
Transportation of Customer-Secured Natural Gas

Transportation customers procure their own gas and UNS Gas, Inc. ("Company") transports it from the connection with the interstate pipeline (at the city gate) over the Company's pipeline system to the customer's facility. To qualify, customers must use a minimum of 120,000 therms per year.

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The rates per therm for transportation service from the city gate to the customer's facility are as follows:

Large Volume Commercial	\$0.18571718 per therm
Large Volume Industrial	\$0.10290952 per therm
Large Volume Public Authority	\$0.12951198 per therm

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Customers must also pay for the following items:

1. Charges for lost and unaccounted for gas in accordance with Pricing Plan T-1 (Transportation of Customer-Secured Natural Gas);
2. A minimum Customer Charge of \$105,000 per month;
3. Telemetering equipment and a telephone line; and
4. The costs for delivery of gas to the city gate.

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UNS Gas, Inc.  
Pricing Plan T-1  
Transportation of Customer-Secured Natural Gas

AVAILABILITY

This pricing plan is available to any qualifying Customer for transportation of natural gas by the Company from existing interconnects between the Company and upstream pipelines (herein called Receipt Point) to the Delivery Point(s) on the Company's system throughout its certificated Arizona Gas Service Area under the following conditions:

1. The Company has available capacity to render the requested service without construction of any additional facilities, except as provided by ~~Section 8~~ of this pricing plan under Facility Additions.
2. The Customer has demonstrated to the Company's satisfaction the assurance of natural gas supplies and third-party transportation agreements with quantities, and for a term compatible with the service being requested from the Company.
3. The Customer and the Company have executed a Transportation Agreement, and the Customer is to be the End-User.
4. The Customer's gas to be transported is greater than 120,000 therms per year. A Customer receiving service from the Company at multiple locations may aggregate meters with annual consumption of no less than 50,000 therms per meter to qualify for this service provided that all meter locations are served under a single entity. In addition, the annual consumption of customers that are aggregated must be greater than 120,000 therms per year.

APPLICABILITY

This pricing plan shall apply to gas transported by the Company for Customer pursuant to the executed service agreement.

1. The basic transportation service rendered under this pricing plan shall consist of:
  - (a) The receipt by the Company for the account of the Customer of the Customer's gas at the Receipt Point;
  - (b) The transportation of gas through the Company's gas system for the account of the Customer; and
  - (c) The delivery of gas after transportation by the Company for the account of the Customer at the Delivery Point(s).
2. Transportation: Service is firm and uninterrupted except for the following:
  - (a) Curtailment in accordance with the Company's curtailment priority procedures;
  - (b) When the Company determines it has insufficient capacity on its system or from its upstream pipeline; or
  - (c) Customer's gas supply to the Company is insufficient to meet its requirement.

Filed By: Raymond S. Heyman  
Title: Senior Vice President, General Counsel  
District: Entire Gas Service Area

Tariff No.: T-1  
Effective: April 1, 2010  
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UNS Gas, Inc.  
Pricing Plan T-1  
Transportation of Customer-Secured Natural Gas

- 3. Any Customer served under this pricing plan that requests service under a sales pricing plan is ineligible to return to transportation service for a period of not less than twelve (12) months.

**RATES**

A discount from the following rates may be offered at the sole discretion of the Company if such discount is in the best interest of the Company and its ratepayers. The maximum amount that the Customer shall pay the Company monthly will be the sum of the following charges:

Customer Charge per Month: \$1050.00 per meter

Volume Charge: An amount equal to the applicable unit transportation rate for each therm of Customer-secured gas metered and delivered to the Customer. The unit rates shall be as set forth in the currently effective Pricing Plan Summary. The volume charge will consist of the following:

- (a) An amount equal to the applicable unit sales margin for each therm as set forth in the Customer's otherwise applicable sales pricing plan for each meter. This volume charge will cover the Company's Delivery Charge as specified in the currently effective gas sales pricing plan but not including the base cost of gas specified therein.

~~In no event will the minimum charge be less than that set forth in Section 4.1 below.~~

- (a)(b) An amount to reflect lost and unaccounted for gas as determined by the differential between the gas costs on a sales basis and gas costs on a purchase basis determined in the development of the currently effective, Purchased Gas Adjustment ("PGA"), Rate Rider No. RR-1. The Company, at its sole option, may allow lost and unaccounted for gas to be paid in kind.

- (b)(c) Any applicable imbalance charges as specified in Payment For Excess Quantities ~~Section 7~~ of this pricing plan.

- (e)(d) Any charges from upstream pipeline transporters or suppliers which have been incurred by the Company in excess of those specified in section (c) above and are deemed by the Company to be applicable to the transportation service rendered for the Customer under these pricing plans.

Minimum Charge: The minimum charge will be the Basic Customer Charge per Month plus \$0.005 per therm.

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District: Entire Gas Service Area

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Effective: April 1, 2010  
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UNS Gas, Inc.  
Pricing Plan T-1  
Transportation of Customer-Secured Natural Gas

ADMINISTRATIVE PROCEDURES

1. Processing Requests for Transportation Service: Requests for transportation hereunder shall be made by, and shall be deemed to be complete upon, the Customer providing the following information to the Company:
  - (a) Gas Quantities: The Maximum Daily Quantity applicable to the receipt point and the Maximum Daily Quantity applicable to each delivery point and estimated total quantities to be received and transported monthly over the delivery period should be stated individually in therms for each receipt point.
  - (b) Delivery Point(s): Point(s) of delivery by the Company to the Customer.
  - (c) Term of Service:
    - i. Date of service requested to commence;
    - ii. Date service requested to terminate, if known; and
    - iii. Minimum term for transportation service shall be twelve (12) months.
  - (d) Performance: A statement from the Customer certifying that the Customer has or will have title to the gas to be delivered to the Company for transportation and has entered into or will enter into those arrangements necessary to assure all upstream transportation will be in place prior to the commencement of service under a Transportation Agreement. The Customer's Agent, if any, must be named.

Upon receipt of all of the information specified above, the Company shall prepare and tender to the Customer for execution a Transportation Agreement. If the Customer fails to execute the Transportation Agreement within thirty (30) days of the date tendered, the Customer's request shall be deemed null and void.

OPERATING PROCEDURES

1. Nominating and Scheduling of Gas Receipts and Deliveries: The Customer shall be responsible for contacting the upstream pipelines to arrange for the nominating and scheduling of receipts and deliveries hereunder, provided, that the Customer may designate one (1) other party to serve as his agent for such purpose.

The Customer or Customer's Agent shall be responsible for submitting nominations to the upstream pipeline and notifying the Company's designated representative in writing no later than one (1) hour prior to the upstream pipeline's nomination deadlines set forth in their FERC approved tariff. Such communication shall occur prior to the first of the month and within the month if there are changes to the nominations. The Customer is responsible for confirming the timely receipt of this information by the Company. The Company will confirm whether it has sufficient operational capacity to deliver all or a portion of the Customer's gas.

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District: Entire Gas Service Area

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UNS Gas, Inc.  
Pricing Plan T-1  
Transportation of Customer-Secured Natural Gas

2. Operating Information and Estimates: Upon request of the Company, the Customer shall from time to time submit its best estimates of the daily, monthly and annual volumes of gas to be transported; including peak day requirements, together with such other operating data as the Company may require in order to schedule its operations.

The Company may require large Customers whose contractually allowed maximum daily quantity exceeds 10,000 therms per day, whose usage is not predictable based on weather, and whose ratio of high to low daily usage exceeds ten (10) to inform the Company within 2 hours of any initiation or termination of gas usage exceeding an hourly rate of 1,000 therms per hour.

3. Quantities: All quantities referred to under in-Operating Procedures of this pricing plan Section 6 shall be provided as dekatherms ("DTH") (one million British Thermal Units).

4. Deliverability: The Company shall not be liable for its failure to deliver gas when such failure is due to unavailability of gas supply or interruption of third party transportation services.

5. Other Operating Procedures: The Company may require additional information or enforce other operating procedures as deemed necessary in the Company's sole judgment, in order to coordinate gas volumes and the movement of gas through the upstream pipeline system to the Company's Arizona Gas Service Area. These additional operating procedures may be enforced upon verbal notice to each Customer or the Customer's Agent with twenty-four (24) hour notice of implementation.

6. Balancing: Balancing of thermally equivalent volumes of gas received and delivered shall be achieved as nearly as feasible on a daily basis, taking into account the Customer's right, subject to prior Company approval, to vary receipts and deliveries across the Company Distribution System. Customer monthly imbalances are defined as the difference between the Customer's total monthly metered quantities and the Customer's total scheduled transportation quantity. Customers are provided a monthly operating window, under which the Customer's cumulative imbalances must be within plus or minus 5 percent (+/- 5%) of the month's total of daily scheduled transportation quantities, plus any Company-approved imbalance adjustment quantity, or 1,500,000 therms, whichever is greater. Imbalances established in excess of the applicable monthly operating window will be subject to imbalance charges as specified in Payment for Excess Quantities Section 7 of this pricing plan. However, if the Customer has an imbalance outside this limit and contacts the Company before the end of the last business day of the month, the Customer will have a "cure period" of an additional 30 days to bring its imbalance within the limits before any imbalance charges specified in Payment for Excess Quantities Section 7 are applied. Customer is then ineligible for a "cure period" for the following month. If in the Company's sole good faith judgment and operating conditions permit, the Company will increase the monthly operating window. Any imbalance (plus or minus) carried forward shall be considered first through the meter during the next daily or monthly period, as applicable.

Upon Customer request, the Company will permit electronic read-only access to the telemetering facilities described in Facility Additions of this pricing plan Section 8 or provide daily meter reads each calendar day.

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District: Entire Gas Service Area

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Effective: April 1, 2010  
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UNS Gas, Inc.  
Pricing Plan T-1  
Transportation of Customer-Secured Natural Gas

7. Adjustments: Periodically, volume adjustments may be made by the upstream pipelines or the Customer's agent. Therefore, actual daily volumes invoiced will be compared with daily nominated volumes. Should adjustments to the nominated volumes become necessary, such adjustments will be applied to the nomination for the month in which the volumes were delivered to the Customer for the purposes of determining the applicability of the provisions of this pricing plan.
8. Customer Default: The Company shall not be required to perform or continue service on behalf of any Customer that fails to comply with the terms contained in this pricing plan and the terms of the Customer's Transportation Service Agreement with the Company. The Company shall have the right to waive any one or more specific defaults by any Customer under any provision of this pricing plan or the service agreement, provided, however, that no such waiver shall operate or be construed as a waiver of any other existing or future default or defaults, whether of a like or different character.
9. Operational Curtailment: The Company reserves the right to impose, at any time, any reasonable operating conditions upon the transportation of the Customer's gas which the Company, in its sole good faith judgment, deems necessary to maintain safe and efficient operation of its distribution system, or to make the operating terms and conditions of service hereunder compatible with those of its upstream pipelines. Under such circumstances, the following conditions shall apply:
  - (a) Any Customer that does not comply with a notice of operational curtailment shall be subject to, in addition to any otherwise applicable charges, a penalty of \$10.00 per DTH for all unauthorized quantities during the curtailment period.
  - (b) The Company shall endeavor to provide notice of such operational curtailment forty-eight (48) hours prior to the commencement of the delivery of gas.
  - (c) Notwithstanding condition (b), the Company may impose an operational curtailment on the current gas day. In the event an operational curtailment is imposed on the current gas day, a minimum one-hour grace period will be allowed before penalties begin to apply.

PAYMENT FOR EXCESS QUANTITIES

1. Customers will be assessed imbalance charges if an imbalance exists in excess of the applicable monthly operating window under the conditions set forth in Balancing described as part of Operating Procedures Section 6.6 herein. The portion of any imbalance quantity established by a Customer in excess of the applicable monthly operating window is defined as an excess imbalance quantity. The imbalance charge will be based on the Company's short term purchases, where short term purchases are defined as gas for which the price is determined in the calendar month of use. In addition to the charges payable under this pricing plan, any monthly excess quantity shall be billed as follows:

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Title: Senior Vice President, General Counsel  
District: Entire Gas Service Area

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UNS Gas, Inc.  
Pricing Plan T-1  
Transportation of Customer-Secured Natural Gas

- (a) Positive Excess Imbalance  
A positive excess imbalance exists when the Customer's scheduled transportation quantity exceeds the Customer's metered quantity by more than the applicable monthly operating window. The excess imbalance shall be retained by the Company and eliminated after the Customer's bill is credited as follows:
- (i) The price of the positive imbalance gas for the applicable month shall be calculated as the weighted average cost per therm of the Company's least expensive short term purchases (including all upstream pipeline fuel and variable costs) for the aggregate positive imbalance volume associated with all T-1 customers. This weighted average cost per therm will be multiplied by the Customer's positive imbalance volume and the percentage associated with the Customer's "Percentage Excess Imbalance" in the "Positive" column in Table 1 below.
- (b) Negative Excess Imbalance  
A negative excess imbalance exists when the sum of the Customer's scheduled transportation quantity is less than the metered quantity by more than the applicable monthly operating window. The excess imbalance shall be eliminated after the Customer is billed as follows:
- (i) The price of the negative imbalance gas for the applicable month shall be calculated as the weighted average cost per therm of the Company's most expensive short term purchases (including all upstream pipeline fuel, variable and capacity costs, at a 100% load factor) for the aggregate negative imbalance volume associated with all T-1 customers. This weighted average cost per therm will be multiplied by the Customer's negative imbalance volume and the percentage associated with the Customer's "Percentage Excess Imbalance" in the "Negative" column in Table 1 below.

Table 1

Percentage Excess Imbalance	Positive	Negative
Equal to or less than 5%	100%	100%
Over 5% and less than or equal to 15%	90%	110%
Over 15% and less than or equal to 20%	80%	120%
Over 20% and less than or equal to 30%	70%	130%
Over 30%	60%	140%

2. Should the Customer cease to utilize transportation service under this pricing plan, the entire remaining imbalance shall be settled pursuant to section Payment For Excess Quantities herein Section 7.1. For purposes of this settlement, no operating window applies.

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Title: Senior Vice President, General Counsel  
District: Entire Gas Service Area

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UNS Gas, Inc.  
Pricing Plan T-1  
Transportation of Customer-Secured Natural Gas

3. Under no circumstances shall ~~the Section Payment For Excess Quantities 7.1~~ above be considered as giving the Customer any right to take excess quantity gas, other than as provided in ~~Operating Procedures by Section 6.6~~ hereof, nor shall ~~the Section Payment For Excess Quantities 7.1~~ or payment thereunder be considered as a substitute for any other remedy available to the Company against the offending Customer for failure to respect its obligation to stay within its authorized quantities.

FACILITY ADDITIONS

Any facilities which must be installed by the Company to serve the Customer will be constructed in accordance with the Rules and Regulations as approved from time to time by the Arizona Corporation Commission. Telemetering facilities on each meter will be installed at the Customer's expense. Customers requiring telemetering facilities shall provide, at the Customer's expense, a dedicated telephone line for the Company's use in communicating with the telemetering facilities and will pay any and all costs associated with that phone line. Further, any existing special surcharges or minimum bill provisions designed to recover the cost of facilities for any Customer shall remain in effect and may serve to increase maximum allowable transportation rate levels pursuant to this pricing plan.

THIRD PARTY CHARGES

The Customer shall reimburse the Company for any charges rendered or billed to the Company by its upstream pipelines and by any other upstream transporter and gas gatherers, either before or after termination of the Transportation Agreement, which the Company, in its sole good faith judgment, determines have been incurred because of the transportation of Customer's gas hereunder and should, therefore, appropriately be borne by the Customer. Such charges, whether levied in dollars or gas, may include, but shall not be limited to, standby charges or reservation fees, prepayments, applicable taxes, applicable fuel reimbursement, shrinkage, lost and unaccounted for volumes, Gas Research Institute surcharges, penalty charges and filing fees.

The Customer will reimburse the Company for all such charges incurred by the Company as rendered, irrespective of the actual quantities of natural gas delivered to the Customer.

CONDITIONS FOR CONVERTING TO T-1 SERVICE

Any qualified Customer converting from gas sales service to service under this pricing plan is subject to the following conditions and requirements:

1. T-1 service will commence at the beginning of the first calendar month following the end of five (5) days after receipt of the customer service change request.
2. Customer will be billed or credited the Customer's pro rata share of the balance in the Company's PGA bank, calculated as follows:

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Title: Senior Vice President, General Counsel  
District: Entire Gas Service Area

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UNS Gas, Inc.  
Pricing Plan T-1  
Transportation of Customer-Secured Natural Gas

- (a) Starting from the later of the month of initiation of gas sales service by the Customer, or the date of initiation of the current PGA bank, through the last month of sales service, the Customer's actual therm usage will be multiplied, on a month-by-month basis, by the difference between the Company's actual commodity cost per therm and the Gas Cost component of the Basic Cost of Service Rate adjusted for any PGA and PGA Surcharge that may be in effect from time to time;
  - (b) The sum of these monthly calculated values equals the Customer's charge or credit due for conversion to service under this pricing plan;
  - (c) Customer charge or credit will be paid in twelve (12) equal monthly payments, including interest equal to the carrying charge rate applicable to the PGA bank at the time of conversion to service under this pricing plan.
3. If a Customer converts back to a pricing plan for gas sales service while the PGA Surcharge existing at the time of the switch to T-1 service is still in effect, such Surcharge will not be applicable to the Customer's billed usage for the period it remains in effect. However, any future PGA Surcharge that may be put into effect will be applicable to the Customer's billed usage.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this pricing plan.

CONDITIONS

1. Transportation of Customer-owned natural gas hereunder shall be limited to natural gas of equal or higher quality than natural gas currently available from the Company's supplier(s). All gas delivered by the Company to the Customer shall be deemed to be the same quality as that gas received by the Company for transportation.

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District: Entire Gas Service Area

Tariff No.: T-1  
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**UNS Gas, Inc.  
Pricing Plan T-1  
Transportation of Customer-Secured Natural Gas**

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2. With respect to the Company's capacity to deliver gas at any particular time, the curtailment priority of any Customer served under this pricing plan shall be the same as the curtailment priority established for other Customers served pursuant to the Company's pricing plan which would otherwise be available to such Customer.

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Title: Senior Vice President, General Counsel  
District: Entire Gas Service Area

Tariff No.: T-1  
Effective: April 1, 2010  
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**UNS Gas, Inc.  
Pricing Plan T-2  
Transportation Service Using Dedicated  
Transmission Facilities**

**AVAILABILITY**

This pricing plan is only available to any qualifying Customer for transportation of natural gas by the Company from dedicated interconnects between the Company and upstream pipelines (herein called Receipt Point) to the Delivery Point(s) on the Company's transmission system throughout its certificated Arizona Gas Service Area under the following conditions:

1. The Company has or will have available capacity to render the requested service utilizing facilities dedicated to the requirements of the Customer, except as provided under Facility Additions by Section 8 hereof;
2. The Customer has demonstrated to the Company's satisfaction the assurance of natural gas supplies and third-party transportation agreements with quantities and for a term compatible with the service being requested from the Company;
3. The Customer and the Company have executed a Transportation Agreement, and the Customer is to be the End-User;
4. The Customer's requirement for gas to be transported is greater than 1,000 therms per day or 120,000 therms per year; and
5. The Customer is not taking service through dedicated facilities under the provisions of a special contract approved by the Arizona Corporation Commission ("ACC").
6. The Customer is classified as a utility that produces electricity.

**APPLICABILITY**

This pricing plan shall apply to gas transported by the Company for Customer pursuant to the executed service agreement.

1. The basic transportation service rendered under this pricing plan shall consist of:
  - (a) The receipt by the Company for the account of the Customer of the Customer's gas at the Receipt Point;
  - (b) The transportation of gas through the Company's gas system for the account of the Customer; and
  - (c) The delivery of gas after transportation by the Company for the account of the Customer at the Delivery Point(s).
2. Transportation: Service is firm and uninterrupted except for the following:
  - (a) Curtailment in accordance with the Company's curtailment priority procedures;
  - (b) When the Company determines it has insufficient capacity on its system or from its upstream pipeline; or

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UNS Gas, Inc.  
Pricing Plan T-2  
Transportation Service Using Dedicated  
Transmission Facilities

- (c) Customer's gas supply to the Company is insufficient to meet its requirement.
3. Any Customer served under this pricing plan is ineligible to obtain sales service without executing a special contract approved by the ACC.

**RATES**

A monthly net bill at the following rates plus any adjustments incorporated in this pricing plan:

Customer Charge per month: \$1059.00 per meter

Volume Charge: An amount equal to the applicable unit transportation rate for each therm of Customer-secured gas metered and delivered to the Customer. The unit rates shall be as set forth in the currently effective Pricing Plan Summary. The volume charge will consist of the following:

- (a) An amount to fund the Company's low income rate program equal to the portion of the applicable unit sales margin for each therm included in rates as set forth in the Customer's otherwise applicable sales pricing plan for each meter.
- (b) An amount to reflect lost and unaccounted for gas as determined by the differential between the gas cost on a sales basis and gas cost on a purchase basis determined in the development of the currently effective Purchased Gas Adjustment ("PGA"), Rate Rider No. RR-1. The Company at its sole option may allow lost and unaccounted for gas to be paid in kind.
- (c) Any applicable imbalance charges as specified in Payment For Excess Quantities Section 7 of this pricing plan.
- (d) Any charges from upstream pipeline transporters or suppliers which have been incurred by the Company in excess of those specified in section (c) above and are deemed by the Company to be applicable to the transportation service rendered for the Customer under this pricing plan.

Reservation Charge: An annual charge to be billed in twelve (12) equal monthly installments equal to the fully allocated costs to provide the dedicated facilities necessary to serve the Customer as described more fully in Rates of this pricing plan ~~Section 3.2~~ below.

Determined on the basis of a fully allocated cost study filed with and approved by the ACC in the context of a general rate case except when the request for service is non-coincident with a rate filing. In the latter case, the Reservation Charge will be computed by the Company including the following elements:

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UNS Gas, Inc.  
Pricing Plan T-2  
Transportation Service Using Dedicated  
Transmission Facilities

- (a) Return and income taxes at the rate of return approved by the ACC in the Company's last general rate case computed on the basis of the installed costs of the dedicated facilities plus an allocation of other rate base items including, as appropriate: intangible, general and common plant investment, less any applicable accumulated depreciation and deferred taxes, an allowance for working capital and materials and supplies;
- (b) Operations expense including all operating and maintenance expenses, depreciation and amortization expense, taxes other than income related to the dedicated facilities and allocated rate base;
- (c) Allocated indirect expense including an appropriate portion of customer accounting, sales and information, and administrative and general expenses; and
- (d) Any other allocated costs incurred either directly or indirectly to provide the requested service.

Special Surcharge: An annual charge to be computed on the basis of the twelve (12) months ending September of the prior year and billed beginning in January in equal monthly installments, computed as the sum of the following charges:

- (a) The revenue requirements for any additional investments required to provide the service requested by Customer subsequent to the establishment of the currently effective Reservation Charge,
- (b) Any *non-recurring* operating and maintenance expenses associated with the facilities dedicated to the Customer in the previous year, and
- (c) Any extraordinary expenses incurred by the Company on behalf of the Customer not included in (a) or (b) above.

Minimum Charge: The minimum charge will be the sum of the Basic Customer Charge per Month, the monthly Reservation Charge and any monthly Special Surcharge.

ADMINISTRATIVE PROCEDURES

1. Processing Requests for Transportation Service: Requests for transportation hereunder shall be made by, and shall be deemed to be complete upon, the Customer providing the following information to the Company:
  - (a) Gas Quantities: The Maximum Daily Quantity applicable to the receipt point and the Maximum Daily Quantity applicable to each delivery point, and estimated total quantities to be received and transported monthly over the delivery period should be stated individually in therms for each receipt point.

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UNS Gas, Inc.  
Pricing Plan T-2  
Transportation Service Using Dedicated  
Transmission Facilities

- (b) Delivery Point(s): Point(s) of delivery by the Company to the Customer.
- (c) Term of Service:
- i. Date service requested to commence;
  - ii. Date service requested to terminate, if known; and
  - iii. Minimum term for transportation service shall be twelve (12) months.
- (d) Performance: A statement from the Customer certifying that the Customer has or will have title to the gas to be delivered to the Company for transportation and has entered into or will enter into those arrangements necessary to assure all upstream transportation will be in place prior to the commencement of service under a Transportation Agreement. The Customer's Agent, if any, must be named.

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Upon receipt of all of the information specified above, the Company shall prepare and tender to the Customer for execution a Transportation Agreement. If the Customer fails to execute the Transportation Agreement within thirty (30) days of the date tendered, the Customer's request shall be deemed null and void.

2. Construction Requirements: In the event that the Customer's request for service requires the construction of additional transmission facilities not otherwise addressed in section Payment For Excess Quantities herof, Section 7, Extension of Lines, in the Company's current Rules and Regulations, the following additional provisions may apply:

- (a) The Company may request an advance for engineering and design services based on the Company's estimate of the anticipated costs related to the requested dedicated facilities;
- (b) Any advance for engineering and design will be refunded to the Customer on commencement of service;
- (c) Actual engineering and design costs will be included in the dedicated facilities' costs and recovered as a part of the Reservation Charge;
- (d) If the dedicated facilities are not placed in service for any reason, the Company may retain the advance;
- (e) Prior to the initiation of construction of the dedicated facilities, the Company will provide an estimate of the total costs and resulting annual costs to Customer;
- (f) The Company shall not be liable for any differences between actual construction costs and estimated costs;
- (g) Customer may withdraw the request for service prior to initiation of construction; and

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UNS Gas, Inc.  
Pricing Plan T-2  
Transportation Service Using Dedicated  
Transmission Facilities

- (h) The Customer may request that construction cease prior to completion. However, if the dedicated facilities are not completed or placed in service, the Customer is liable for service under the terms of this pricing plan as if the facilities had been completed, based on the total construction costs expended on behalf of the Customer.

OPERATING PROCEDURES

1. Nominating and Scheduling of Gas Receipts and Deliveries: The Customer shall be responsible for contacting the upstream pipelines to arrange for the nominating and scheduling of receipts and deliveries hereunder, provided, that the Customer may designate one (1) other party to serve as his agent for such purpose.

The Customer or Customer's Agent shall be responsible for submitting nominations to the upstream pipeline and notifying the Company's designated representative in writing no later than one (1) hour prior to the upstream pipeline's nomination deadlines set forth in their FERC approved tariff. Such communication shall occur prior to the first of the month and within the month if there are changes to the nominations. The Customer is responsible for confirming the timely receipt of this information by the Company. The Company will confirm whether it has sufficient operational capacity to deliver all or a portion of the Customer's gas.

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2. Operating Information and Estimates: Upon request of the Company, the Customer shall from time to time submit its best estimates of the daily, monthly and annual volumes of gas to be transported; including peak day requirements, together with such other operating data as the Company may require in order to schedule its operations.

3. The Company may require large Customers whose contractually allowed maximum daily quantity exceeds 10,000 therms per day, whose usage is not predictable based on weather, and whose ratio of high to low daily usage exceeds ten (10) to inform the Company within 2 hours of any initiation or termination of gas usage exceeding an hourly rate of 1,000 therms per hour.

4. Quantities: All quantities referred to under Operating Procedures in ~~Section 6~~ shall be provided as dekatherms ("DTH") (one million British Thermal Units).

5. Deliverability: The Company shall not be liable for its failure to deliver gas when such failure is due to unavailability of gas supply or interruption of third party transportation services.

6. Other Operating Procedures: The Company may require additional information or enforce other operating procedures as deemed necessary in the Company's sole judgment, in order to coordinate gas volumes and the movement of gas through the upstream pipeline system to the Company's Arizona Gas Service Area. These additional operating procedures may be enforced upon verbal notice to each Customer or the Customer's Agent with twenty-four (24) hour notice of implementation.

7. (f) Balancing: Balancing of thermally equivalent volumes of gas received and delivered shall be achieved as nearly as feasible on a daily basis, taking into account the Customer's right, subject to prior Company approval, to

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UNS Gas, Inc.  
Pricing Plan T-2  
Transportation Service Using Dedicated  
Transmission Facilities

vary receipts and deliveries across the Company Distribution System. Customer monthly imbalances are defined as the difference between the Customer's total monthly metered quantities and the Customer's total scheduled transportation quantity. Customers are provided a monthly operating window, under which the Customer's cumulative imbalances must be within plus or minus 5 percent (+/- 5%) of the month's total of daily scheduled transportation quantities, plus any Company-approved imbalance adjustment quantity, or 1,500,000 therms, whichever is greater. Imbalances established in excess of the applicable monthly operating window will be subject to imbalance charges as specified under Payment For Excess Quantities in Section 7 of this pricing plan. However, if the Customer has an imbalance outside this limit and contacts the Company before the end of the last business day of the month, the Customer will have a "cure period" of an additional 30 days to bring its imbalance within the limits before any imbalance charges specified under Payment For Excess Quantities in Section 7 are applied. Customer is then ineligible for a "cure period" for the following month. If in the Company's sole good faith judgment and operating conditions permit, the Company will increase the monthly operating window. Any imbalance (plus or minus) carried forward shall be considered first through the meter during the next daily or monthly period, as applicable.

8. Upon Customer request, the Company will permit electronic read-only access to the telemetering facilities described under Facility Additions in Section 8 or provide daily meter reads each calendar day.

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8.9. (g) Adjustments: Periodically, volume adjustments may be made by the upstream pipelines or the Customer's agent. Therefore, actual daily volumes invoiced will be compared with daily nominated volumes. Should adjustments to the nominated volumes become necessary, such adjustments will be applied to the nomination for the month in which the volumes were delivered to the Customer for the purposes of determining the applicability of the provisions of this pricing plan.

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9.10. (h) Customer Default: The Company shall not be required to perform or continue service on behalf of any Customer that fails to comply with the terms contained in this pricing plan and the terms of the Customer's Transportation Service Agreement with the Company. The Company shall have the right to waive any one or more specific defaults by any Customer under any provision of this pricing plan or the service agreement, provided, however, that no such waiver shall operate or be construed as a waiver of any other existing or future default or defaults, whether of a like or different character.

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10.11. (i) Operational Curtailment: The Company reserves the right to impose, at any time, any reasonable operating conditions upon the transportation of the Customer's gas which the Company, in its sole good faith judgment, deems necessary to maintain safe and efficient operation of its distribution system, or to make the operating terms and conditions of service hereunder compatible with those of its upstream pipelines. Under such circumstances, the following conditions shall apply:

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12. Any Customer that does not comply with a notice of operational curtailment shall be subject to, in addition to any otherwise applicable charges, a penalty of \$10.00 per DTH for all unauthorized quantities during the curtailment period.

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UNS Gas, Inc.  
Pricing Plan T-2  
Transportation Service Using Dedicated  
Transmission Facilities

(b)13. The Company shall endeavor to provide notice of such operational curtailment forty-eight (48) hours prior to the commencement of the delivery of gas.

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(e)14. Notwithstanding condition (b), the Company may impose an operational curtailment on the current gas day. In the event an operational curtailment is imposed on the current gas day, a minimum one-hour grace period will be allowed before penalties begin to apply.

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PAYMENT FOR EXCESS QUANTITIES

1. Customers will be assessed imbalance charges if an imbalance exists in excess of the applicable monthly operating window under the conditions set forth under Balancing described as part of Operating Procedures in Section 6.6 herein. The portion of any imbalance quantity established by a Customer in excess of the applicable monthly operating window is defined as an excess imbalance quantity. The imbalance charge will be based on the Company's short term purchases, where short term purchases are defined as gas for which the price is determined in the calendar month of use. In addition to the charges payable under this pricing plan, any monthly excess quantity shall be billed as follows:

(a) Positive Excess Imbalance

A positive excess imbalance exists when the Customer's scheduled transportation quantity exceeds the Customer's metered quantity by more than the applicable monthly operating window. The excess imbalance shall be retained by the Company and eliminated after the Customer's bill is credited as follows:

(i) The price of the positive imbalance gas for the applicable month shall be calculated as the weighted average cost per therm of the Company's least expensive short term purchases (including all upstream pipeline fuel and variable costs) for the aggregate positive imbalance volume associated with all T-2 customers. This weighted average cost per therm will be multiplied by the Customer's positive imbalance volume and the percentage associated with the Customer's "Percentage Excess Imbalance" in the "Positive" column in Table 1 below.

(b) Negative Excess Imbalance

A negative excess imbalance exists when the sum of the Customer's scheduled transportation quantity is less than the metered quantity by more than the applicable monthly operating window. The excess imbalance shall be eliminated after the Customer is billed as follows:

(i) The price of the negative imbalance gas for the applicable month shall be calculated as the weighted average cost per therm of the Company's most expensive short term purchases (including all upstream pipeline fuel, variable and capacity costs, at a 100% load factor) for the

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UNS Gas, Inc.  
Pricing Plan T-2  
Transportation Service Using Dedicated  
Transmission Facilities

aggregate negative imbalance volume associated with all T-2 customers. This weighted average cost per therm will be multiplied by the Customer's negative imbalance volume and the percentage associated with the Customer's "Percentage Excess Imbalance" in the "Negative" column in Table 1 below.

Table 1

Percentage Excess Imbalance	Positive	Negative
Equal to or less than 5%	100%	100%
Over 5% and less than or equal to 15%	90%	110%
Over 15% and less than or equal to 20%	80%	120%
Over 20% and less than or equal to 30%	70%	130%
Over 30%	60%	140%

2. Should the Customer cease to utilize transportation service under this pricing plan, the entire remaining imbalance shall be settled pursuant to section Payment For Excess Quantities herein. For purposes of this settlement, no operating window applies.
3. Under no circumstances shall the section Payment For Excess Quantities above be considered as giving the Customer any right to take excess quantity gas, other than as provided in Operating Procedures hereof, nor shall the section Payment For Excess Quantities or payment thereunder be considered as a substitute for any other remedy available to the Company against the offending Customer for failure to respect its obligation to stay within its authorized quantities.

**FACILITY ADDITIONS**

Any facilities which must be installed by the Company to serve the Customer will be constructed in accordance with the Rules of Service as approved from time to time by the ACC. Telemetering facilities on each meter will be installed at the Customer's expense. Customers requiring telemetering facilities shall provide, at the Customer's expense, a dedicated telephone line for the Company's use in communicating with the telemetering facilities and will pay any and all costs associated with that phone line. Further, any existing special surcharges or minimum bill provisions designed to recover the cost of facilities for any Customer shall remain in effect and may serve to increase maximum allowable transportation rate levels pursuant to this pricing plan.

**THIRD PARTY CHARGES**

The Customer shall reimburse the Company for any charges rendered or billed to the Company by its upstream pipelines and by any other upstream transporter and gas gatherers, either before or after termination of the Transportation Agreement, which the Company, in its sole good faith judgment, determines have been incurred because of the transportation of Customer's gas hereunder and should, therefore, appropriately be borne by the Customer. Such charges,

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**UNS Gas, Inc.  
Pricing Plan T-2  
Transportation Service Using Dedicated  
Transmission Facilities**

whether levied in dollars or gas, may include, but shall not be limited to, standby charges or reservation fees, prepayments, applicable taxes, applicable fuel reimbursement, shrinkage, lost and unaccounted for volumes, Gas Research Institute surcharges, penalty charges, and filing fees.

The Customer will reimburse the Company for all such charges incurred by the Company as rendered, irrespective of the actual quantities of natural gas delivered to the Customer.

**CONDITIONS FOR CONVERTING TO T-2 SERVICE**

Any qualified Customer converting from gas sales service to service under this pricing plan is subject to the following conditions and requirements:

1. T-2 service will commence at the beginning of the first calendar month following the end of five (5) days after receipt of the customer service change request or completion of any required facilities, whichever is later.
2. Customer will be billed or credited the Customer's pro rata share of the balance in the PGA bank accumulated while served under the Company's sales pricing plan, calculated as follows:
  - (a) Starting from the later of the month of initiation of gas sales service by the Customer, or the date of initiation of the current PGA bank, through the Customer's last month of sales service, the Customer's actual therm usage will be multiplied, on a month-by-month basis, by the difference between the Company's actual commodity cost per therm and the Gas Cost component of the Base Cost of Service Rate adjusted for any PGA and PGA Surcharge that may be in effect from time-to-time;
  - (b) The sum of these monthly calculated values equals the Customer's charge or credit due for conversion to service under this pricing plan;
  - (c) Customer charge or credit will be paid in twelve (12) equal monthly payments, including interest equal to the carrying charge rate applicable to the PGA bank at the time of conversion to service under this pricing plan.

**TAX CLAUSE**

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company.

**RULES AND REGULATIONS**

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this pricing plan.

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District: Entire Gas Service Area

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**UNS Gas, Inc.  
Pricing Plan T-2  
Transportation Service Using Dedicated  
Transmission Facilities**

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**CONDITIONS**

1. Transportation of Customer owned natural gas hereunder shall be limited to natural gas of equal or higher quality than natural gas currently available from the Company's supplier(s). All gas delivered by the Company to the Customer shall be deemed to be the same quality as that gas received by the Company for transportation.
2. With respect to the Company's capacity to deliver gas at any particular time, the curtailment priority of any Customer served under this pricing plan shall be the same as the curtailment priority established for other Customers served pursuant to the Company's pricing plan, which would otherwise be applicable to such Customer.

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**UNS Gas, Inc.  
Pricing Plan NSP-1  
Negotiated Sales Program**

**AVAILABILITY**

In all territories served by Company at all points where facilities for gas service are available to the premise served.

**APPLICABILITY**

Available to all customers who receive service under the Company's T-1 pricing plan (Transportation of Customer-Secured Natural Gas), T-2 pricing plan (Transportation Service Using Dedicated Transmission Facilities), or special gas supply agreements approved by the Arizona Corporation Commission ("ACC") that meet the minimum transportation requirements under the T-1 or T-2 pricing plans.

Service under the Negotiated Sales Program ("NSP") will be the sale of natural gas to a transportation customer who has negotiated with the Company for the delivery of natural gas to the interconnection of the Company's distribution system and an upstream pipeline at the City Gate. NSP service will be interruptible service at the election of the Customer.

**RATE**

The rates to be charged for this service shall be those negotiated between the Company and each Customer.

**CONDITIONS**

NSP service shall be provided subject to the provision of this pricing plan, the T-1 pricing plan, the T-2 pricing plan, or special gas supply agreements approved by the ACC, as applicable.

**TAX CLAUSE**

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company.

**RULES AND REGULATIONS**

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this pricing plan.

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Tariff No.: NSP-1  
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UNS Gas, Inc.  
Pricing Plan MISC-1  
Miscellaneous Service Fees  
**(DELETE – ALL SERVICE FEES ARE LOCATED IN THE RULES  
AND REGULATIONS – SEE STATEMENT OF ADDITIONAL  
CHARGES**

In addition to the Pricing Plans on file and approved by the Arizona Corporation Commission for natural gas service, the following fees are also approved for the respective services listed:

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Service Transfer Fee

Transfer of service from one customer to another, when meter is not turned off, per occurrence @ \$15.00

Collection Fee

When overdue payment is collected by a Company representative at the customer's premises, per occurrence @ \$20.00

Special Call Out

When a special call-out is required, the minimum charge shall be for one hour at the Company's then prevailing after hours rate for service work on the customer's premises.

Establishment of Service

During regular working hours, per occurrence @ \$25.00

When performed outside of regular working hours, per occurrence @ \$35.00

Re-establishment, Reconnection of Service for Non-Payment

During regular working hours, per occurrence @ \$45.00

When performed outside of regular working hours, occurrence @ \$55.00

Re-establishment, Reconnection of Service for Other Reasons

During regular working hours, per occurrence @ \$35.00

When performed outside of regular working hours, per occurrence @ \$45.00

Customer Requested Meter Re-Reads

When reading is correct, per occurrence @ \$15.00

Customer Requested Meter Test

When meter tests are accurate within +/- 3%, per occurrence @ \$65.00

Insufficient Funds Check (NSF)

Insufficient funds, per occurrence @ \$15.00

Multiple Attempts to Connect

When more than one failed attempt to establish service due to customer not home or facilities not ready, per occurrence @ \$15.00

Regular working hours are defined as non-holiday weekdays from 8:30 AM to 4:30 PM.

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# **PROOF OF REVENUE**

UNS GAS, INC.  
RATES AND REVENUE PROOF  
EFFECTIVE APRIL 1, 2010

Line No.	Class of Service	Existing Rates as of Dec 1, 2007	Adjusted Billing units	TY Adjusted Revenues	Proposed Increase	Total Revenue Requirement	New Rates	Total Revenue Requirement	Percentage Increase
<b>Residential Service (R10)</b>									
1	Customer Charge	\$8.50	1,507,223	\$12,811,396			\$10.00	\$15,072,230	17.65%
2	Distribution Margin Therms	\$0.3270	68,729,996	\$22,474,709			\$0.3270	\$22,474,709	
3	<b>TOTAL R10</b>			<u>\$35,286,104</u>	<u>\$2,260,835</u>	<u>\$37,546,939</u>		<u>\$37,546,939</u>	6.41%
<b>Residential Service Cares (R12)</b>									
4	Customer Charge	\$7.00	80,938	\$566,568			\$7.00	\$566,566	0.00%
5	Distribution Margin Therms - Summer	\$0.3270	614,997	\$201,104			\$0.3270	\$201,104	
6	Distribution Margin Therms - Winter	\$0.3270	386,887	\$126,512			\$0.3270	\$126,512	
7	Distribution Margin Therms - Winter	\$0.1770	2,376,593	\$420,657			\$0.1770	\$420,657	
	<b>TOTAL R12</b>			<u>\$1,314,839</u>	<u>\$0</u>	<u>\$1,314,839</u>		<u>\$1,314,839</u>	0.00%
<b>Small Volume Commercial Service (C20)</b>									
8	Customer Charge	\$13.50	137,081	\$1,850,594			\$15.50	\$2,124,756	14.81%
9	Distribution Margin Therms	\$0.2638	29,562,033	\$7,798,464			\$0.2806	\$8,295,106	
10	<b>TOTAL R20</b>			<u>\$9,649,058</u>	<u>\$769,215</u>	<u>\$10,418,273</u>		<u>\$10,419,862</u>	7.99%
<b>Large Volume Commercial Service (C22)</b>									
11	Customer Charge	\$100.00	182	\$18,200			\$105.00	\$19,110	5.00%
12	Distribution Margin Therms	\$0.1718	1,416,892	\$243,422			\$0.1857	\$263,117	
13	<b>TOTAL R22</b>			<u>\$261,622</u>	<u>\$20,856</u>	<u>\$282,478</u>		<u>\$282,227</u>	7.88%
<b>Large Volume Commercial Transportation Service (C22)</b>									
14	Customer Charge	\$100.00	125	\$12,500			\$105.00	\$13,125	5.00%
15	Distribution Margin Therms	\$0.1718	3,344,634	\$574,608			\$0.1857	\$621,099	
16	<b>TOTAL R22</b>			<u>\$587,108</u>	<u>\$46,804</u>	<u>\$633,912</u>		<u>\$634,224</u>	8.02%
<b>Small Volume Industrial Service (I-30)</b>									
16	Customer Charge	\$13.50	212	\$2,862			\$15.50	\$3,286	14.81%
17	Distribution Margin Therms	\$0.2356	502,579	\$118,408			\$0.2540	\$127,655	
18	<b>TOTAL I30</b>			<u>\$121,270</u>	<u>\$9,668</u>	<u>\$130,937</u>		<u>\$130,941</u>	7.98%
<b>Large Volume Industrial Service (I-32)</b>									
19	Customer Charge	\$100.00	68	\$6,800			\$105.00	\$7,140	5.00%
20	Distribution Margin Therms	\$0.0952	1,246,247	\$118,643			\$0.1029	\$128,177	
21	<b>TOTAL I32</b>			<u>\$125,443</u>	<u>\$10,000</u>	<u>\$135,443</u>		<u>\$135,317</u>	7.87%
<b>Large Volume Industrial Transportation Service (I-32)</b>									
22	Customer Charge	\$100.00	141	\$14,100			\$105.00	\$14,805	5.00%
23	Distribution Margin Therms	\$0.0952	11,443,573	\$1,089,428			\$0.1029	\$1,176,971	
24	<b>TOTAL I32</b>			<u>\$1,103,528</u>	<u>\$87,972</u>	<u>\$1,191,500</u>		<u>\$1,191,776</u>	8.00%
<b>Small Volume Public Authority (PA-40)</b>									
25	Customer Charge	\$13.50	12,747	\$172,085			\$15.50	\$197,579	14.81%
26	Customer Charge - CNG	\$30.00	82	\$2,460			\$15.50	\$1,271	-48.33%
27	Distribution Margin Therms	\$0.2593	5,610,320	\$1,454,756			\$0.2782	\$1,560,791	7.29%
28	<b>TOTAL PA40</b>			<u>\$1,629,301</u>	<u>\$129,886</u>	<u>\$1,759,187</u>		<u>\$1,759,641</u>	8.00%
<b>Large Volume Public Authority (PA-42)</b>									
29	Customer Charge	\$100.00	60	\$6,000			\$105.00	\$6,300	
30	Distribution Margin Therms	\$0.1198	1,192,130	\$142,817			\$0.1295	\$154,381	
31	<b>TOTAL PA42</b>			<u>\$148,817</u>	<u>\$11,864</u>	<u>\$160,681</u>		<u>\$160,681</u>	7.97%
<b>Large Volume Public Authority Transportation Service (PA-42)</b>									
32	Customer Charge	\$100.00	86	\$8,600			\$105.00	\$9,030	5.00%
33	Distribution Margin Therms	\$0.1198	5,127,210	\$614,240			\$0.1295	\$663,974	
34	<b>TOTAL PA42</b>			<u>\$622,840</u>	<u>\$49,652</u>	<u>\$672,492</u>		<u>\$673,004</u>	8.05%
<b>Special Gas Light Service (PA-44)</b>									
35	Customer Charge Lighting Group A	\$15.17	108	\$1,638			\$19.56	\$2,112	28.94%
36	Customer Charge Lighting Group B	\$18.20	3,588	\$65,302			\$19.56	\$70,181	7.47%
37	<b>TOTAL PA44</b>		145,406	<u>\$66,940</u>	<u>\$5,354</u>	<u>\$72,294</u>		<u>\$72,294</u>	8.00%
<b>Irrigation Service (IR-60)</b>									
38	Customer Charge	\$13.50	60	\$810			\$15.50	\$930	14.81%
39	Distribution Margin Therms	\$0.3192	103,554	\$33,055			\$0.3442	\$35,643	
40	<b>TOTAL IR60</b>		0	<u>\$33,865</u>	<u>\$2,700</u>	<u>\$36,564</u>		<u>\$36,573</u>	8.00%
<b>T1 Contract Customers</b>									
41	Customer Charge	\$100.00	36	\$3,600			\$105.00	\$3,780	5.00%
42	Distribution Margin Therms	\$0.0867	7,564,291	\$655,582			\$0.0936	\$708,018	
43	<b>TOTAL I32</b>			<u>\$659,182</u>	<u>\$52,549</u>	<u>\$711,731</u>		<u>\$711,798</u>	7.98%
<b>T2 - Contract Customer</b>									
44	Customer Charge	\$100.00	12	\$1,200			\$105.00	\$1,260	5.00%
45	Distribution Margin Therms	\$0.0544	1,151,133	\$62,652			\$0.0588	\$67,687	
46	<b>TOTAL IR60</b>			<u>\$63,852</u>	<u>\$5,090</u>	<u>\$68,942</u>		<u>\$68,947</u>	7.98%
\$5									