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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

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AUG 13 2010

**COMMISSIONERS**

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SANDRA D. KENNEDY

BOB STUMP

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ARIZONA CORPORATION COMMISSION  
DOCKET CONTROL

DOCKETED BY

IN THE MATTER OF THE APPLICATION OF )  
UNS GAS, INC. FOR THE ESTABLISHMENT OF )  
JUST AND REASONABLE RATES AND )  
CHARGES DESIGNED TO REALIZE A )  
REASONABLE RATE OF RETURN ON THE )  
FAIR VALUE OF THE PROPERTIES OF UNS )  
GAS, INC. DEVOTED TO ITS OPERATIONS )  
THROUGHOUT THE STATE OF ARIZONA. )

DOCKET NO. G-04204A-08-0571

**NOTICE OF FILING CARES  
PROGRAM COMPLIANCE**

UNS Gas, Inc. (“UNS Gas” or “Company”), through undersigned counsel, hereby files, in compliance with Arizona Corporation Commission (“Commission”) Decision No. 71623 (April 14, 2010), its recommendations regarding its Customer Assistance Residential Energy Support (“CARES”) Program.

**I. INTRODUCTION.**

In Decision No. 71623, the Commission addressed both CARES customer deposits and eligibility for enrollment in the CARES program. With respect to CARES deposits, the Commission inquired as to whether UNS Gas needed to modify its deposit policies for CARES customers to allow for waivers of deposits, reduced deposits, and payment of deposits over multiple billing cycles. UNS Gas was instructed to meet with interested stakeholders and the parties in this case to address both CARES eligibility issues and deposit policies within 90 days of April 14, 2010. The Commission also requested that UNS Gas investigate whether its current policy for enrolling non-Low-Income Home Energy Assistance Program (“LIHEAP”)-qualified customers at the 150% standard should be expanded to include customers that fall within the 150% to 200% increment. The Commission directed the Company to submit any revisions to the Program and its deposit policies by August 13, 2010.

1 **II. DISCUSSION.**

2 **A. Deposit Policy.**

3 UNS Gas's Rules and Regulations Section 3.B.1 states "[t]he Company may require from  
4 any present or prospective Customer a security deposit to guarantee payment of all bills." This  
5 policy allows the Company to determine when to assess a deposit. As part of the Company's  
6 efforts to evaluate this policy with interested stakeholders, UNS Gas met with Julie McNeely-  
7 Kirwan on behalf of Commission Staff and Cynthia Zwick of the Arizona Community Action  
8 Association on June 11, 2010. During that meeting, Ms. Zwick requested that UNS Gas waive all  
9 applicable deposit requirements for customers in the CARES Program. UNS Gas agreed to do so  
10 *except* in cases where the customer: (1) has previously accrued an unpaid debt; or (2) appears to  
11 have had fraudulent activity on his or her account.

12 This approach is consistent with current Company practices and benefits the vast majority  
13 of CARES Program customers. The Company currently serves 9,089 CARES customers; of  
14 those, only 1,850 have a deposit. UNS Gas is responsible for all of its customers, and must take  
15 care to not exempt those customers who have a history of delinquency. As Company witness  
16 Dave Hutchens testified in this case, "we're stewards of our entire customer base," and it is for  
17 this reason that UNS Gas is unwilling to exempt the entire CARES customer base from deposits.  
18 (Tr. 85-86.) Doing so would harm those customers who are not delinquent and do not have a  
19 history of fraudulent activity. That said, the Company's practice in this area clearly shows that it  
20 is appropriate to exempt the vast majority of CARES customers from a deposit.

21 **B. CARES Eligibility.**

22 UNS Gas has investigated expanding CARES eligibility to formally include non-  
23 LIHEAP-qualified customers who fall between 150% and 200% of the Federal Poverty Level.  
24 The Company automatically enrolls all LIHEAP qualified customers in CARES, and LIHEAP is  
25 currently using the 200% Federal poverty level to qualify people for assistance. Moreover,  
26 customers who receive aid from any agency are automatically enrolled in CARES (e.g., the  
27 Salvation Army, the Northern Arizona Council of Governments, the Western Arizona Council of

1 Governments, and Coconino County Community Services).<sup>1</sup> Therefore, the Company does not  
2 believe a change to its CARES Program is necessary.

3 During stakeholder meetings, Ms. Zwick voiced concern over lack of participation in the  
4 Program, but the Company is aggressively marketing CARES. The Company mails all  
5 customers four (4) CARES bill inserts a year – in February, May, August, and November. The  
6 Company also promotes the Program by sending out CARES brochures to the agencies it is  
7 involved with, as well as those that work with the Home Energy Assistance Fund.

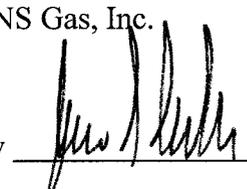
8 **III. CONCLUSION.**

9 The Company will continue to work with low-income advocates and Commission Staff in  
10 regards to making appropriate changes to its CARES Program. UNS Gas believes that the  
11 current language in its Rules and Regulations is appropriate, and that the vast majority of  
12 CARES customers should not be required to pay a deposit. The Company does not believe it  
13 needs to expand CARES eligibility because all LIHEAP-qualified customers, which includes  
14 customers with income levels up to 200% of federal poverty level, are automatically enrolled.  
15 The Company continues to encourage eligible customers to participate, will continue to mail bill  
16 inserts four times a year, and will continue to notify customers on the availability of the CARES  
17 Program.

18 Therefore, UNS Gas believes that it has satisfied the CARES-related compliance  
19 requirements in Decision No. 71623.

20 RESPECTFULLY SUBMITTED this 13<sup>th</sup> day of August, 2010.

21 UNS Gas, Inc.

22  
23 By  \_\_\_\_\_

24 Melody Gilkey  
25 UniSource Energy Services  
26 One South Church Avenue  
Tucson, Arizona 85701

27 \_\_\_\_\_  
<sup>1</sup> For an example list of agencies, please see Attachment 1.

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and

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Attorneys for UNS Gas, Inc.

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

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

Copy of the foregoing hand-delivered/mailed  
this 13<sup>th</sup> day of August, 2010, to:

Jodi Jerich  
Residential Utility Consumer Office  
1110 West Washington, Suite 220  
Phoenix, Arizona 85007

Cynthia Zwick  
1940 East Luke Avenue  
Phoenix, AZ 85016

Steve Olea  
Director, Utilities Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

Compliance Section  
Utilities Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

By



# ATTACHMENT

"1"

**Example List of Agencies:**

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- ❖ Western Arizona Council of Governments (WACOG)
- ❖ Coconino County Community Service
- ❖ Northern Arizona Council of Governments (NACOG)
- ❖ Catholic Charities
- ❖ The Salvation Army
- ❖ St. Vincent de Paul
- ❖ Southeastern Arizona Community Action program (SEACAP)
- ❖ Open Door
- ❖ Department of Economic Security (DES)
- ❖ Mohave County
- ❖ Northland
- ❖ Parenting AZ
- ❖ Adult Protective Services
- ❖ White Mountain Catholic Charities
- ❖ Holbrook Senior Center