

LUBIN & ENOCH, P.C. OPEN MEETING AGENDA ITEM

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Stanley Lubin
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2010 SEP 20 P 4: 15

AZ CORP COMMISSION
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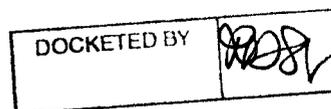
(602) 234-0008
Fax (602) 626-3586

September 17, 2010

**Original and thirteen (13) copies
of IBEW Local 769's Comments filed
this day with Docket Control with Copies
Sent Via Email to:**

Arizona Corporation Commissioners:
Kristin K. Mayes - Chairman, kmayes@azcc.gov
Gary Pierce, gpierce@azcc.gov
Paul Newman, pnewman@azcc.gov
Sandra D. Kennedy, skennedy@azcc.gov
Bob Stump, bstump@azcc.gov

Arizona Corporation Commission
DOCKETED
SEP 20 2010



**Re: In the Matter of the Application of UNS Electric, Inc. for the Establishment
of Just and Reasonable Rates and Charges Designed to Realize a Reasonable
Rate of Return on the Fair Value of the Properties of UNS Electric, Inc.
Devoted to its Operations Throughout the State of Arizona.
ACC Docket No. E-04204A-09-0206
Our File No. 1451-038**

Dear Chairman Mayes and Honorable Members of the Commission:

On behalf of my client, Local Union 769, International Brotherhood of Electrical Workers, AFL-CIO, CLC ("IBEW Local 769"), I am writing in response to the Residential Utility Consumer Office's ("RUCO") exceptions objecting to the inclusion of the 2010 payroll increase in rates. Though IBEW Local 769 did not intervene in the above-referenced case, we have been monitoring this case closely.

We believe that RUCO's recommendation is without merit and is contrary to well-established Commission precedent and regulatory rate making. As the certified representative of a large number of the employees of the Mohave County Electric Operations of UNS Electric, Inc. - *see generally* www.ibew769.com/members/unisource.pdf - IBEW Local 769 believes that Judge Lyn A. Farmer correctly determined, and the record clearly established, that the pay increase in question is a prudent expenditure that is "known and measurable." Indeed, the Union payroll increases were dictated by the Union contract with UNS Electric. These pay levels are now in effect and should be included under the new rates.

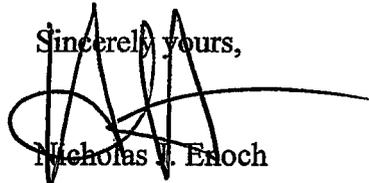
Arizona Corporation Commissioners
Docket No. E-04204A-09-0206
September 17, 2010
Page 2

My client understands the state of the economy as well as anyone, especially since it negotiated its most recent contract with UNS Electric during this depressed economy. However, IBEW Local 769's multi year contract with UNS Electric provides stability for the Company and ensures that the skilled workforce is there when it is needed. Our employees do specialized and dangerous work every day to serve UNS Electric's customers. Without our specialization, the Company could not provide the service and electricity that it does.

UNS Electric's pay increases to IBEW 769 are limited, necessary, and fair. If the Company cannot recover its prudently incurred costs, they will have to cut costs elsewhere, including, quite possibly, laying off employees. Moreover, this same sort of pay increase was recently approved by the Commission in UNS Gas's most recent Rate Case [Decision No. 71623 (April 14, 2010)]. We agree with Judge Farmer's recommendations in the Recommended Opinion and Order, which are consistent with how the Commission has treated this issue in the past.

We thank you in advance for your thoughtful consideration of IBEW Local 769's views in this regard.

Sincerely yours,



Nicholas J. Enoch

NJE:dv

cc via e-mail:

Joel D. Bell
Lyn A. Farmer, Chief ALJ
Philip J. Dion III, Esq.
Michael W. Patten, Esq.
Maureen A. Scott, Esq.
Wesley C. Van Cleve, Esq.
Steven M. Olea
Daniel W. Pozefsky, Esq.
Timothy M. Hogan, Esq.

Katherine Nutt

From: Cristina Arzaga-Williams
Sent: Monday, September 20, 2010 4:07 PM
To: Katherine Nutt
Cc: 'sksandra@aol.com'
Subject: FW: ACC Docket No. E-04204A-09-0206
Attachments: Letter to ACC.pdf

please make sure this is docketed (email and attachment)

From: Karen Kruse [mailto:kkruse@veridusaz.com]
Sent: Monday, September 20, 2010 1:08 PM
To: Cristina Arzaga-Williams
Subject: FW: ACC Docket No. E-04204A-09-0206

Cris, as promised attached is the IBEW letter you'll be receiving in your office in the coming days. As I explained in my voicemail, it is in response to RUCO's exceptions objecting to pay raises for our employees in the UNS Electric rate case. If you have any questions, please don't hesitate to contact me.

Karen Kruse
Veridus

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