

ORIGINAL

Arizona Corporation Commission

Passed _____ Passed as amended by _____
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MAYES PROPOSED AMENDMENT 1 TO STUMP PROPOSED AMENDMENT 1

DOCKET CONTROL

TIME/DATE PREPARED: September 21, 2010

COMPANY: UNS Electric, Inc.

AGENDA ITEM NO. 19

DOCKET NO. E-04204A-09-0206

OPEN MEETING DATE: 9-21-10

MAYES PROPOSED AMENDMENT #1 to Stump Proposed Amendment #1

Page 66, line 5, DELETE “except that we believe that free footage should be reinstated as discussed below” and INSERT: “except that we believe that a line extension policy should be adopted that grants a reasonable dollar allowance for line extensions based on the amount of revenue that is anticipated to be generated by the customer, as has been implemented in several other states.”

Page 66, line 7, DELETE the second paragraph in the proposed new Finding of Fact and INSERT: “The Commission remains concerned about the rate impacts associated with growth, and the upward pressure on rates that occurs when free line extensions are granted, as occurred in Arizona during this decade. We believe that a line extension policy that grants free footage, without a cap on the amount of money that can be granted per line extension is likely to result in future rate increases that will have to be borne by all customers, regardless of where they live in the service territory or whether they themselves ever benefited from a line extension. Further, we do not believe that a line extension policy based on free footage would allow for proper planning either on the part of the utility, the customer making the request, or local officials responsible for land use planning. However, we are sensitive to the concerns raised by customers in the UNS Electric Service territory, which is more rural in character than some other service areas, and which has been hard hit by the slow-down in the construction industry and by the continued decline in the economy. Additionally, we are aware that some other states, such as Louisiana, Florida, Georgia, Indiana, and Kentucky, while not allowing free line extensions, have adopted a policy under which customers are granted an allowance for line extensions that is based on a multiple of the estimated annual revenue that will result from the customer requesting the line extension. We believe this is a fair compromise under the facts of this case and will require UNS Electric to file a line extension tariff that permits a dollar-figure allowance for line extensions that is based on two years of expected revenue from the customer requesting the line extension, or two and a half years of revenue if the home or building under construction is deemed by the utility to be Energy Star compliant.”

Page 74, line 11, strike Proposed New Finding of Fact.

Page 75, line 17, Strike Proposed New Conclusion of Law.

Page 76, line 9, Strike Proposed New Ordering Paragraph. INSERT: “IT IS FURTHER ORDERED THAT UNS Electric shall file a line extension tariff in this docket within 30 days of the effective date of this Order that complies with the modifications described herein.”

Make all conforming changes as necessary.