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MAYES PROPOSED AMENDMENT 2

TIME/DATE PREPARED: November 19, 2010

COMPANY: UNS Electric, Inc

ORIGINAL

AGENDA ITEM NO. U-35

DOCKET NO. E-04204A-07-0365

OPEN MEETING DATE: Nov. 22, 2010

Page 14, Line 17.5 INSERT: "The Commission believes a financing mechanism could help the customers of the Company adopt energy efficiency measures in a more timely, broad-based manner. Additionally, financing mechanisms enhance the ability of the Company to meet its EES requirements. The Commission notes that similar programs have been developed at other Arizona utilities.

We believe that under such a program, customers of UNS Electric, Inc. could be given the opportunity to receive loans for the up-front costs associated with implementing energy efficiency measures such as efficient air conditioning or ductwork, and could pay off these loans through the savings they achieve on their electric bills created by the energy efficiency measures that have been installed. The financing program could be launched through the DSM adjustor mechanism, or through the DSM adjustor in combination with a partnership between UNS Electric and a bank, or potentially in partnership with the state Energy Office, and could then be replenished by the loans that are paid off by customers. Given the interest among customers in UNS Electric's service territory in implementing energy efficiency measures, and the need to deploy energy efficiency as widely as possible to assist as many customers as possible in keeping their bills low, we believe it is in the public interest to require UNS Electric to file, by March 30, 2011, a proposed financing program for Commission consideration. The Company should investigate the possibility of partnering with a bank in addressing how the financing program would be initiated. Additionally, we believe that UNS Electric should craft its proposal for a financing program in conjunction with interested community groups in the Company's service territory."

Page 16, Line 3.5 INSERT New Ordering Paragraphs: "IT IS FURTHER ORDERED that UNS Electric Inc. shall file for Commission consideration, by March 30, 2011, a proposed energy efficiency financing program for energy efficiency measures such as ductwork and efficient air conditioning, and shall work with interested community groups in UNS Electric's service territory in the crafting of the proposal. The proposal shall include a description of the steps UNS Electric took to work with local community groups in the formation of the proposal.

IT IS FURTHER ORDERED that UNS Electric Inc. shall seek out participation in the fund by the State Energy Office, and shall investigate the possibility of partnering with a bank in addressing how the financing program will be initiated.

IT IS FURTHER ORDERED that UNS Electric Inc. shall craft its proposal for an energy efficiency revolving loan fund in conjunction with interested community groups in the Company's service territory."

Make all conforming changes.

AZ CORP COMMISSION
DOCKET CONTROL

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Arizona Corporation Commission

DOCKETED

NOV 19 2010
Passed

THIS AMENDMENT:
Passed as amended by _____

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Not Offered

Withdrawn