

ORIGINAL

NEWMAN PROPOSED AMENDMENT NO. 6



TIME/DATE PREPARED: November 22, 2010

COMPANY: Tucson Electric Power Company

AGENDA ITEM NO. 34

DOCKET NO(S). E-01933A-10-0266

OPEN MEETING DATE: 11-23-10

Page 15, line 21, INSERT New Finding of Fact: "The Commission is concerned with the impact that the large Davis-Monthan project will have on the rest of the commercial DG market. We are further concerned with the size of the reduction in the information systems budget line item. We therefore propose to add \$1,501,610 to the commercial UFI budget and \$453,375 to the commercial PBI budget to hold those budgets neutral to the Davis-Monthan project. We further propose to add \$75,000 to the budget to bring the information systems budget line item up to the \$500,000 level. This results in a total budget increase of \$2,029,985 for 2011.

These additional funds will be recovered through an increased monthly cap on the industrial/mining customer class to \$13,090.00.

We note that industrial mining class will consume 19.4% of the projected kWh sales by customer class (see staff report dated 11/09/10, page 9), yet the REST cost recovery for the industrial/mining class is 3-5% of kWh sales. We believe the mines in Arizona should increase their contribution from 3-5% to a more reasonable estimated 10% of kWh sales.

Page 17, line 9, INSERT New Ordering Paragraphs: "IT IS FURTHER ORDERED THAT Tucson Electric Power shall increase the commercial up-front incentive budget by \$1,501,610, to a total of \$5,270,840 for 2011; the commercial performance-based incentive budget by \$453,375, to a total of \$6,206,750 for 2011; and the information systems budget line item by \$75,000, to a total of \$500,000 for 2011.

IT IS FURTHER ORDERED THAT for 2011 the monthly cap on the industrial/mining customer class to \$13,090.00."

Make all conforming changes.

Arizona Corporation Commission  
**DOCKETED**  
NOV 22 2010  
DOCKETED BY *[Signature]*

RECEIVED  
2010 NOV 22 P 4: 46  
ARIZONA CORPORATION  
DOCKET CONTROL

<b>THIS AMENDMENT:</b>			
_____ Passed _____	Passed as amended by _____		
_____ Failed _____	_____ Not Offered _____	_____ Withdrawn _____	