

Sheila Stoeller

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From: Tom Broderick [tbbflag@npgcable.com]
 Sent: Wednesday, December 15, 2010 6:34 AM
 To: Kristin Mayes
 Cc: Giancarlo Estrada; Sheila Stoeller; Rom Coles
 Subject: UES financing hearing today
 Attachments: Various program loan amts, impacts 12-15-10 ACC.xlsx
 Importance: High

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2010 DEC 15 A 11: 25

3A-09-0343

Chairman Mayes:

Here is a table we developed last night that shows both the extent and costs of a more robust program that we are advocating. We will have copies also at today's meeting for the Commission, UES, Staff and the other parties, but wanted to get this into your hands ahead of time, so it can be docketed and shared with interested parties through the mechanisms you have for that.

We believe that the impact on the non-participating customers of the \$10 million program is on par with a cup of coffee per month, while the impact might reasonably get to the needed customers, those with low efficiency homes, over a 10 year period. As I will emphasize today, we are proposing a "ramp-up" approach, where the program is authorized at this level, but only goes to that level as demand dictates, with the surcharge growing with the demand. Helping generate that demand is what our group, in cooperation with UES, is taking on.

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Arizona Corporation Commission
DOCKETED
 DEC 15 2010

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Homes Served and Financial Impacts of Various Loan Funding Levels

ACC Open Meeting
December 15, 2010

	Loans/yr (\$million)	Homes Served	% of total UNS Gas homes	Cost (\$thousand)	Surcharge All customers	Annual cost 1000 therms/yr	Monthly cost
UES proposed	\$1.00	344	0.26%	\$394	\$0.003780	\$3.78	\$0.32
Mayer Amendmt	\$2.56	881	0.68%	\$700	\$0.006716	\$6.72	\$0.56
Intermediate	\$5.00	1720	1.32%	\$1,178	\$0.011302	\$11.30	\$0.94
SEDI	\$10.00	3440	2.65%	\$2,158	\$0.020704	\$20.70	\$1.73

From Option II: 2% Interest Rate Buy-down, page 5 of ACC Staff report of December 6, 2010

UNS Gas residential customers over 130,000

SEDI