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BEFORE THE ARIZONA CORPORATION COMMISSION RECEIVED

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ARIZONA CORPORATION COMMISSION DOCKET CONTROL

Arizona Corporation Commission

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JAN 27 2011

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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.)

DOCKET NO. E-04204A-09-0206

NOTICE OF FILING CARES PROGRAM COMPLIANCE

UNS Electric, Inc. ("UNS Electric" or "Company"), through undersigned counsel, hereby files, in compliance with Arizona Corporation Commission ("Commission") Decision No. 71914 (September 30, 2010), its recommendations regarding the Customer Assistance Residential Energy Support ("CARES") Program.

I. INTRODUCTION

In Decision No. 71914, the Commission addressed expanding eligibility requirements for enrollment in the CARES program. As part of Decision No. 71914, UNS Electric was instructed to meet with interested stakeholders and the parties to the case to address CARES program eligibility within 60 days of September 30, 2010. The Commission further directed the Company to submit any recommendations for the CARES program by January 27, 2011.

II. COMPLIANCE WITH DECISION NO. 71914

In compliance with Decision No. 71914, UNS Electric met with Julie McNeely-Kirwan on behalf of Commission Staff and Cynthia Zwick of the Arizona Community Action Association on November 10, 2010. During this stakeholder meeting, UNS Electric explained

1 the benefits that its CARES customers received in the most recent rate case (Decision No.
2 71914). Those benefits include:

- 3 • a 53.33% decrease in the Customer Charge from \$7.50 to \$3.50¹;
- 4 • a 8.12% decrease in the Base Power Supply Charge from \$0.077993 to \$0.071660²;
- 5 and
- 6 • an overall rate decrease of 4.78³%.

7 Moreover, UNS Electric, like its sister company UNS Gas, Inc., automatically enrolls all Low-
8 Income Home Energy Assistance Program (“LIHEAP”) qualified customers in CARES, and
9 LIHEAP is currently using the 200% Federal poverty level to qualify people for assistance.
10 Additionally, UNS Electric customers who receive aid from any agency are automatically
11 enrolled in CARES (e.g., the Salvation Army, the Northern Arizona Council of Governments, the
12 Western Arizona Council of Governments, and Coconino County Community Services).⁴

13 Because of aggressive enrollment policies like these, UNS Electric has increased
14 participation in the CARES program by 22% from January 2009 to November 2010. This was
15 explained during the stakeholder meeting, as was the Company’s efforts to notify appropriate
16 agencies and customers of the CARES program. UNS Electric mails all customers four (4)
17 CARES bill inserts a year – in February, May, August, and November. The Company also
18 promotes CARES by sending brochures to appropriate agencies as well as those agencies that
19 work with the Home Energy Assistance Fund. Given the success that UNS Electric has
20 experienced without formally increasing eligibility standards, the Company does not believe that
21 any benefit would come from formally expanding its CARES program eligibility requirements at
22 this time.

26 ¹ This decrease does not include the monthly discount that is applied monthly.

27 ² This decrease does not include the monthly discount that is applied monthly.

³ This decrease does not include the monthly discount that is applied monthly.

⁴ For an example list of agencies, please see Attachment 1.

1 **III. CONCLUSION**

2 UNS Electric believes that it has complied with Decision No. 71914 with regards to its
3 CARES program. The Company will continue to work with low-income advocates and
4 Commission Staff in regards to making appropriate changes to the CARES Program. The
5 Company does not believe a formal revision to the eligibility requirements is necessary at this
6 time because the Company already enrolls customers with income levels up to 200% of Federal
7 poverty level. The Company will continue to aggressively notify and encourage all eligible UNS
8 Electric customers to participate in the CARES program. As such, UNS Electric believes that no
9 changes to the CARES Program are necessary at this time.

10 RESPECTFULLY SUBMITTED this 21st day of January, 2011.

11 UNS Electric, Inc.

12
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25 Original and 13 copies of the foregoing
filed this 21st day of January, 2011, with:

26 Docket Control
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1 Copy of the foregoing hand-delivered
This 21st day of January, 2011, to:

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13 By Jessica Payne
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Attachment 1

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Example List of Agencies:

- ❖ Western Arizona Council of Governments (WACOG)
- ❖ Coconino County Community Service
- ❖ Northern Arizona Council of Governments (NACOG)
- ❖ Catholic Charities
- ❖ The Salvation Army
- ❖ St. Vincent de Paul
- ❖ Southeastern Arizona Community Action program (SEACAP)
- ❖ Open Door
- ❖ Department of Economic Security (DES)
- ❖ Mohave County
- ❖ Northland
- ❖ Parenting AZ
- ❖ Adult Protective Services
- ❖ White Mountain Catholic Charities
- ❖ Holbrook Senior Center