

ORIGINAL

STUMP PROPOSED AMENDMENT NO. 1



0000123149

TIME/DATE PREPARED:

COMPANY: UNS Electric, Inc.

AGENDA ITEM NO.: U-9

DOCKET NO.: E-04204A-09-0206

OPEN MEETING DATE: February 17, 2011

Page 3, Line 17, **INSERT**

“12. In its exceptions, UNSE stated that the ordering paragraphs would have the unintended consequences of raising concerns about the Commission’s willingness to include BMGS in rate base. These concerns would: (1) jeopardize FERC’s approval of the transfer of BMGS from UED to UNS Electric; (ii) interfere with UNSE’s ability to finance its acquisition of BMGS; and (iii) preclude UNS Electric from being able to acquire BMGS. The Company also stated that Commission has already decided to include BMGS in rate base upon completion of six prerequisites, but those prerequisites did not require the Commission to issue another order after FERC approval of the transfer of BMGS to UNS Electric, UNS Electric’s acquisition of BMGS and completion of customer notice of the revenue neutral reclassification.

13. Based on the Staff’s evaluation of BMGS, we confirm that BMGS should be included in UNS Electric’s rate base. The rate base treatment of BMGS and the related rate reclassification shall be effective upon UNS Electric filing notice of: (1) FERC’s approval of UNS Electric’s acquisition of BMGS from UED; (2) confirmation of the completion of acquisition of BMGS from UED, including the date of the closing of the transaction; and (3) UNS Electric’s completion of customer notice of the revenue neutral reclassification in a manner acceptable to Commission Staff.”

DELETE Ordering Paragraph on page 3, line 25 through page 4, line 3 and **REPLACE WITH:**

IT IS FURTHER ORDERED confirming that Black Mountain Generating Station should be included in UNS Electric’s rate base, without further order of the Commission. The rate base treatment of Black Mountain Generating Station and the related reclassification shall be effective upon UNS Electric filing notice of: (1) FERC’s approval of UNS Electric’s acquisition of BMGS from UED; (2) confirmation of the completion of acquisition of BMGS from UED, including the date of the closing of the transaction; and (3) UNS Electric’s completion of customer notice of the revenue neutral reclassification in a manner acceptable to Commission Staff.

Arizona Corporation Commission

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FEB 16 2011

AZ CORP COMMISSION
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2011 FEB 16 A 10:15

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THIS AMENDMENT RECEIVED

<input type="checkbox"/> Passed	<input type="checkbox"/> Passed as amended by _____
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	<input type="checkbox"/> Withdrawn