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BEFORE THE ARIZONA CORPORATION COMMISSION
RECEIVED

COMMISSIONERS

GARY PIERCE - CHAIRMAN
BOB STUMP
SANDRA D. KENNEDY
PAUL NEWMAN
BRENDA BURNS

2011 JUL -1 P 3:52
AZ CORP COMMISSION
DOCKET CONTROL

IN THE MATTER OF THE APPLICATION OF) DOCKET NO. E-04204A-09-0206
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.)

**NOTICE OF
COMPLIANCE FILING**

UNS Electric, Inc. ("UNS Electric" or "Company"), through undersigned counsel, hereby provides notice that it is providing the attached bill insert notice regarding Black Mountain Generating Station to its customers in the current billing cycle in compliance with Decision Nos. 71914 and 72213. Commission Staff has reviewed the notice to customers and has found it to be acceptable.

RESPECTFULLY SUBMITTED this 1st day of July 2011.

UNS Electric, Inc.

By

Philip J. Dion
Melody Gilkey
UniSource Energy Services
One South Church Avenue
Tucson, Arizona 85702

Arizona Corporation Commission
DOCKETED

JUL -1 2011

DOCKETED BY

and
Michael W. Patten
Jason D. Gellman
ROSHKA DEWULF & PATTEN, PLC.
One Arizona Center
400 East Van Buren Street, Suite 800
Phoenix, Arizona 85004
Attorneys for UNS Electric, Inc.

1 Original and thirteen copies of the foregoing
filed this 1st day of July 2011, with:

2 Docket Control
3 Arizona Corporation Commission
4 1200 West Washington Street
Phoenix, Arizona 85007

5 Copy of the foregoing hand-delivered
this 1st day of July 2011, to:

6 Brian Bozzo
7 Compliance Section, Utilities Division
8 Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

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11 By Mary Appelt

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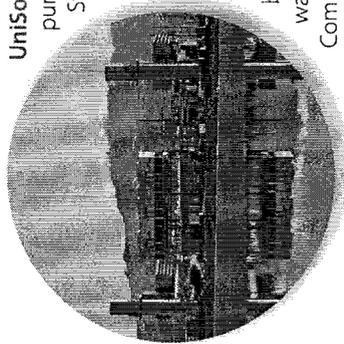
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Important Information About Your Electric Bill

UniSource Energy Services (UES) has purchased the Black Mountain Generating Station, a natural gas-fired power plant in Mohave County that has been serving UES customers since May 2008.



UES had been buying the plant's output from its sister company, UniSource Energy Development (UED), which built the facility. The purchase, which was approved by the Arizona Corporation Commission (ACC) and the Federal Energy Regulatory Commission (FERC), will ensure the future availability of a valuable generating resource for our customers.

The purchase of the Black Mountain Generating Station will not increase the overall revenue that UES collects from its electric operations. The transaction has simply changed the way the plant's costs are reflected on customers' bills.

The Base Power Supply Charge has been reduced because UES will no longer have to purchase the plant's output. For residential customers, that charge has dropped from \$0.074812 to \$0.067445 per kilowatt-hour (kWh). Meanwhile, the cost of owning and operating the plant is reflected in higher Delivery Charges. For residential customers, the Delivery Charge for the first 400 kWh used each month has increased from \$0.014507 to \$0.019370 per kWh, while the charge for usage in excess of 400 kWh has increased from \$0.027414 to \$0.036605 per kWh.

These offsetting changes are expected to have only a modest impact on customers' bills that will vary with usage. Customers with below average usage may experience a slight increase – less than 1 percent – while customers with average or higher usage may experience a comparable decrease.

If you have further questions about how these changes may affect you, please feel free to contact us at 1-877-837-4968.

UniSourceEnergy
SERVICES