

OPEN MEETING ITEM



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

ORIGINAL



ARIZONA CORPORATION COMMISSION

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2011 DEC 15 A 11: 15

DATE: DECEMBER 15, 2011

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

AZ CORP COMMISSION  
DOCKET CONTROL

TO ALL PARTIES:

Enclosed please find the recommendation of Administrative Law Judge Lyn Farmer. The recommendation has been filed in the form of an Order on:

UNS ELECTRIC, INC.  
(EXTENSION OF TIME DEADLINE CONTAINED  
IN DECISION NO. 71914)

Pursuant to A.A.C. R14-3-110(B), you may file exceptions to the recommendation of the Administrative Law Judge by filing an original and thirteen (13) copies of the exceptions with the Commission's Docket Control at the address listed below by **4:00** p.m. on or before:

DECEMBER 27, 2011

The enclosed is NOT an order of the Commission, but a recommendation of the Administrative Law Judge to the Commissioners. Consideration of this matter has tentatively been scheduled for the Commission's Open Meeting to be held on:

JANUARY 10, 2012 and JANUARY 11, 2012

For more information, you may contact Docket Control at (602)542-3477 or the Hearing Division at (602)542-4250. For information about the Open Meeting, contact the Executive Director's Office at (602) 542-3931.

Arizona Corporation Commission  
DOCKETED

DEC 15 2011

DOCKETED BY

ERNEST G. JOHNSON  
EXECUTIVE DIRECTOR

1200 WEST WASHINGTON STREET, PHOENIX, ARIZONA 85007-2927 / 400 WEST CONGRESS STREET, TUCSON, ARIZONA 85701-1347

[www.azcc.gov](http://www.azcc.gov)

This document is available in alternative formats by contacting Shaylin Bernal, ADA Coordinator, voice phone number 602-542-3931, E-mail SABernal@azcc.gov

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 COMMISSIONERS

3 GARY PIERCE – Chairman  
4 BOB STUMP  
5 SANDRA D. KENNEDY  
6 PAUL NEWMAN  
7 BRENDA BURNS

8 IN THE MATTER OF THE APPLICATION OF  
9 UNS ELECTRIC, INC. FOR THE  
10 ESTABLISHMENT OF JUST AND  
11 REASONABLE RATES AND CHARGES  
12 DESIGNED TO REALIZE A REASONABLE  
13 RATE OF RETURN ON THE FAIR VALUE OF  
14 THE PROPERTIES OF UNS ELECTRIC, INC.  
15 DEVOTED TO ITS OPERATIONS  
16 THROUGHOUT THE STATE OF ARIZONA.

DOCKET NO. E-04204A-09-0206

DECISION NO. \_\_\_\_\_

**ORDER GRANTING AN  
EXTENSION OF FILING DEADLINE  
CONTAINED IN DECISION NO.  
71914 (SEPTEMBER 30, 2010)**

17 Open Meeting  
18 January 10 and 11, 2012  
19 Phoenix, Arizona

20 **BY THE COMMISSION:**

21 Having considered the entire record herein and being fully advised in the premises, the  
22 Arizona Corporation Commission (“Commission”) finds, concludes, and orders that:

23 **FINDINGS OF FACT**

24 1. On April 30, 2009, UNS Electric, Inc. (“Company” or “Applicant”) filed with Arizona  
25 Corporation Commission (“Commission”) an application for an increase in its permanent rates and  
26 charges.

27 2. On September 30, 2010, the Commission issued Decision No. 71914 which granted  
28 the Company a rate increase and authorized rate base treatment of the Black Mountain Generating  
Station (“BMGS”) and a related rate reclassification upon the Company completing certain specified  
steps.

3 Pursuant to Decision No. 71914, the Company was also ordered to file, no later than  
12 months after any rate reclassification, a rate application using a twelve month test year with data  
reflecting BMGS in rate base for no less than six months in the test year.

4. In Decision No. 72213 (March 3, 2011), the Commission found that BMGS was in

1 good operating order, confirmed that BMGS should be in rate base, and found that the rate base  
2 treatment and rate reclassification should be effective upon the Company filing notice of: (1)  
3 FERC's approval of the Company's acquisition of BMGS; (2) confirmation of the completion of the  
4 acquisition of BMGS, including the date of the closing of the transaction; and (3) the Company's  
5 completion of customer notice of the revenue neutral reclassification in a manner acceptable to  
6 Commission Staff.

7 5. On June 20, 2011, and July 1, 2011, the Company made the required notice filings,  
8 and pursuant to Decision Nos. 71914 and 72213, BMGS was placed into rate base and the revenue  
9 neutral rate reclassification was implemented.

10 6. On November 10, 2011, the Company filed a request for an extension of time until  
11 December 31, 2012, in which to file its rate application.<sup>1</sup> The Company believes that a six month  
12 extension in the filing deadline is "warranted because it will: (i) allow UNS Electric to use a test year  
13 that includes a full year of data with BMGS in rate base and (ii) provide some temporal separation  
14 between the rate case to be filed by UNS Electric and the rate case to be filed by UNS Electric's  
15 sister company, Tucson Electric Power Company ("TEP"), on June 30, 2012."

16 7. On December 13, 2011, Staff filed a memorandum stating that the Company's request  
17 is reasonable and that Staff has no objections to extending the time for filing the rate application.  
18 Staff recommended approval of a six month extension, until December 31, 2012, for the Company to  
19 file its rate application.

20 8. No party has filed objections to the Company's requested extension of time to file its  
21 rate application.

22 9. The Company's request for an extension of time to file its rate application is  
23 reasonable and should be granted.

#### 24 CONCLUSIONS OF LAW

25 1. Applicant is a public service corporation within the meaning of Article XV of the  
26 Arizona Constitution and A.R.S. §§40-250 and 40-251.

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28 <sup>1</sup> Pursuant to Decision No. 71914, the current rate application filing deadline is July 1, 2012.

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2. The Commission has jurisdiction over Applicant and the subject matter of the request for an extension of time to file the rate application required by Commission Decision No. 71914.

3. The request for extension of time to file its rate application is reasonable and should be granted.

**ORDER**

IT IS THEREFORE ORDERED that UNS Electric, Inc. is granted an extension of time until December 31, 2012, to file its rate application required by Decision No. 71914.

IT IS FURTHER ORDERED that this Decision shall become effective immediately.

BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

CHAIRMAN \_\_\_\_\_ COMMISSIONER \_\_\_\_\_

COMMISSIONER \_\_\_\_\_ COMMISSIONER \_\_\_\_\_ COMMISSIONER \_\_\_\_\_

IN WITNESS WHEREOF, I, ERNEST G. JOHNSON, Executive Director of the Arizona Corporation Commission, have hereunto set my hand and caused the official seal of the Commission to be affixed at the Capitol, in the City of Phoenix, this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

\_\_\_\_\_  
ERNEST G. JOHNSON  
EXECUTIVE DIRECTOR

DISSENT \_\_\_\_\_

DISSENT \_\_\_\_\_

1 SERVICE LIST FOR: UNS ELECTRIC, INC.

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

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