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**BEFORE THE ARIZONA
CORPORATION COMMISSION**

Docket No. G-04204A-11-0158

IN THE MATTER OF THE
APPLICATION OF UNS GAS, INC.
FOR THE ESTABLISHMENT OF JUST
AND REASONABLE RATES AND
CHARGES DESIGNED TO REALIZE
A REASONABLE RATE OF RETURN
ON THE FAIR VALUE OF ITS
ARIZONA PROPERTIES.

**IBEW LOCAL 1116'S NOTICE OF
FILING SUMMARY OF
TESTIMONY OF FRANK
GRIJALVA**

Pursuant to the Administrative Law Judge's Procedural Order (p. 5) dated June 2, 2011, Intervenor Local Union 1116, International Brotherhood of Electrical Workers, AFL-CIO, CLC ("IBEW Local 1116"), by and through undersigned counsel, hereby provides notice of its filing of the attached Summary of Testimony of Frank Grijalva in this docket.

RESPECTFULLY SUBMITTED this 6th day of February, 2012.

LUBIN & ENOCH, P.C.

Nicholas J. Enoch, Esq.
Jarrett J. Haskovec, Esq.
Attorney for Intervenor

FEB 6 2012

1 Original and thirteen (13) copies
2 of IBEW Local 1116's Notice filed
3 this 6th day of February, 2012, with:

3 Arizona Corporation Commission
4 Docket Control Center
5 1200 West Washington Street
6 Phoenix, Arizona 85007-2996

7 Copies of the foregoing
8 transmitted electronically and
9 mailed this same date to:

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2 **TESTIMONY SUMMARY OF FRANK GRIJALVA**
3 **ON BEHALF OF IBEW LOCAL 1116**

4 **UNS Gas Rate Case**
5 **Docket No. G-04204A-11-0158**

6 Mr. Frank Grijalva, Business Manager/Financial Secretary of Intervenor IBEW
7 Local 1116, submitted direct testimony on November 10, 2011.

8 In his direct testimony, Mr. Grijalva expresses IBEW Local 1116's support for
9 UNS Gas's application for rate relief. He notes that IBEW Local 1116 represents
10 approximately 100 employees of UNS Gas, 10 bargaining unit employees less than was
11 the case in June 2009. Mr. Grijalva states that the relationship between the Company and
12 the Union is mature and stable, and such a relationship benefits customers, the Company,
13 and its employees.

14 Mr. Grijalva identifies an "aging workforce" as a challenge UNS Gas will face in
15 the short- and mid-term that could have implications for the Company's ability to provide
16 safe and reliable service to customers. The "aging workforce" problem refers to the
17 reality that a substantial share of employees in particular positions will be eligible to retire
18 within the coming decade and to the difficulties and concerns associated with losing such
19 seasoned employees with extensive institutional knowledge and having to replace them.
20 Mr. Grijalva illustrates the concern by citing the example of service technicians and
21 noting that it takes one to two years of training to become a qualified technician.
22 Therefore, Mr. Grijalva concludes that UNS Gas must give considerable thought to
23 succession planning within bargaining unit positions and must take a proactive approach
24 to recruiting and hiring new employees well ahead of impending retirements in order to
25 ensure continuity of service in such positions as well as the continued provision of safe
26 and reliable service to customers.

27 Finally, Mr. Grijalva indicates that IBEW Local 1116 supports the Company's
28 recovery of a greater share of its fixed costs through a higher fixed monthly charge.