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BEFORE THE ARIZONA CORPORATION COMMISSION

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AZ CORP COMMISSION
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IN THE MATTER OF THE APPLICATION OF)	DOCKET NO. E-04204A-11-0267
UNS ELECTRIC, INC. FOR APPROVAL OF ITS)	
2012 RENEWABLE ENERGY STANDARD)	REQUEST FOR EXTENSION OF
IMPLEMENTATION PLAN AND DISTRIBUTED)	TIME TO COMPLY WITH A
ENERGY ADMINSTRATIVE PLAN AND)	REQUIREMENT SET FORTH IN
REQUEST FOR RESET OF RENEWABLE)	DECISION NO. 72738 AND TO
ENERGY ADJUSTOR)	DEFER THE MATTER TO
)	ANOTHER DOCKET

On January 13, 2012, the Arizona Corporation Commission ("Commission") issued Decision No. 72738 ("Decision"), approving UNS Electric, Inc.'s ("UNS Electric" or "Company") 2012 REST Implementation Plan ("REST Plan"). The Decision requires the following:

IT IS FURTHER ORDERED that residential, small commercial, large commercial, and industrial customers who receive incentives, from the effective date of this decision, under the REST rules will pay a monthly REST charge equal to the amount they would have paid without, the renewable installation. This payment shall begin when UNS reprograms its billing system to accomplish this, or with the October 2012 billing, whichever is sooner. This shall only apply to renewable systems installed after January 1, 2012.

At the December 16 and 20, 2011 Open Meetings where this matter was discussed for UNS Electric and Tucson Electric Power Company, the Company indicated that, based on the limited information it had at the time, it believed it could reprogram its billing system by October 2012 in order to comply with the Decision.¹ While UNS Electric has worked diligently since that time to determine what upgrades to its billing system would be necessary, it has proven to be more complicated than originally anticipated to implement this change in light of the requirement that

¹ The Company supported the concept that customers who take incentives from the REST program should continue to pay their fair share of REST charges. See transcript of December 16, 2011 Open Meeting at page 119, lines 6-18. UNS Electric continues to support this concept.

1 the customer be charged an amount equal to the amount they would have paid without the
2 renewable installation. Consequently, UNS Electric is unable to meet the October 2012 billing
3 cycle compliance deadline and will require an additional nine months from the October 1, 2012
4 compliance deadline to implement the change.

5 Moreover, subsequent to the issuance of the Decision, the Commission recently issued
6 Decision No.73183 on May 24, 2012 for Arizona Public Service Company ("APS"). In this
7 decision, the Commission stated:

8 We believe that customers who benefit by receiving incentives under the REST
9 rules should provide an equitable contribution to future REST benefits for other
10 customers. We will therefore require that residential, small commercial, large
11 commercial and industrial customers who receive incentives under the REST
12 rules pay a fixed cost, the monthly REST cap. This payment shall begin when
13 APS reprograms its billing system to accomplish this, or with the March 2013
14 billing, whichever is sooner. The requirement shall only apply to renewable
15 systems installed on and after July 1, 2012.

16 In light of the Commission's recent decision in the APS matter to require customers who
17 receive incentives to pay the monthly REST cap (as opposed to the REST charge they would have
18 paid without the renewable installation as required in the UNS Electric Decision), the Commission
19 should have an opportunity to consider whether the APS requirement should also be applied to
20 UNS Electric before the Company spends additional time and resources to meet the Decision
21 requirement. UNS Electric also believes that it would be less burdensome for the Company if it
22 simply charged the REST cap, as opposed to having to calculate the bill in the manner set forth in
23 the Decision. This approach would eliminate the potential for dispute over what the calculations
24 should be.

25 Because UNS Electric will require additional time to comply with the Decision in any
26 event, and because UNS Electric will be filing its 2013 REST Implementation Plan ("2013 Plan")
27 on July 2, 2012 which should be considered by the Commission before the end of 2012, UNS
Electric requests that this matter be deferred to the 2013 Plan docket. This would provide the
Company with an opportunity to propose the APS model, as well as submit additional proposals

1 for the Commission's consideration that might negate or alter the need for the Company to comply
2 with this aspect of the Decision in the manner set forth therein.

3 For the above stated reasons, UNS Electric believes that the request for the extension of
4 time and deferral of the matter to the UNS Electric 2013 REST Implementation docket is
5 reasonable and in the public interest.

6 RESPECTFULLY SUBMITTED this 15th day of June 2012.

7 UNS ELECTRIC, INC.

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9 By 
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23 Original and 13 copies of the foregoing
24 filed this 15th day of June 2012, with:

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