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UniSourceEnergy SERVICES

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September 30, 2014

Arizona Corporation Commission
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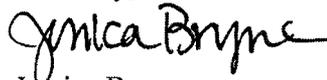
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Docket Control
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

Re: Notice of Compliance Filing – UNS Electric, Inc.’s LFCR Plan of Administration and Schedules, Docket No. E-04204A-12-0504

Pursuant to Decision No. 74694 (August 12, 2014), UNS Electric, Inc. (“UNSE”) hereby files an updated Lost Fixed Cost Recovery Mechanism (“LFCR”) Plan of Administration (“POA”) and Schedules that include a new definition, additional language and formatting changes regarding a Balancing Account.

Sincerely,



Jessica Bryne
Regulatory Services

cc: Eric Hill, ACC Staff
Compliance Section, ACC

AZ CORP COMMISSION
DOCKET CONTROL

2014 SEP 30 P 3:44

RECEIVED

UNS Electric, Inc.
Lost Fixed Cost Recovery Mechanism
Plan of Administration

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1. General Description

This document describes the plan of administration for the Lost Fixed Cost Recovery Mechanism (“LFCR”) mechanism approved for UNS Electric, Inc. (“UNS Electric” or “Company”) by the Arizona Corporation Commission (“ACC”) on December 31, 2013 in Decision No. 74235. The LFCR mechanism provides for the recovery of lost fixed costs, as measured by a reduction in non-fuel revenue, associated with the amount of energy efficiency (“EE”) savings and distributed generation (“DG”) that is authorized by the Commission and determined to have occurred. Costs to be recovered through the LFCR include the portion of transmission and distribution costs included in base rates exclusive of the Customer Charge and 50% of the demand rates in effect, plus any amount quantified in the Balancing Account.

2. Definitions

Applicable Company Revenues – The amount of revenue generated by sales to retail customers, for all applicable rate schedules, less the amount attributable to sales to those residential customers who chose the Fixed Cost Option.

Balancing Account – A mechanism to track the difference between allowed Lost Fixed Cost Revenue and actual amounts billed by the Company through the LFCR adjustment. The balancing account will be reflected in Schedule 2 of the LFCR Compliance Report and shall be calculated by taking the Total Lost Fixed Cost Revenue from Prior Period less the amount billed through the LFCR for the most recent collection period at the time of filing.

Current Period – The most recent adjustment year.

Demand Stability Factor – Fifty percent of Demand-based revenue (excluding any purchased power and fuel costs) produced by base rates.

Delivery Revenue – The amount of revenue determined at the conclusion of a rate case by multiplying each participating rate class’ adjusted test year billing determinants (kWh or kW) by their approved distribution and transmission related charges. This will be determined by reducing each class’ total retail revenue by the customer charge, generation related revenue, purchased power and fuel costs and the Demand Stability Factor.

Distributed Generation (“DG”) Savings – The amount of kWh sales reduced by DG. UNS Electric will use meter data for determining the kWh or kW lost through the implementation of DG systems. Where the meter data is not available, the lost sales will be quantified using statistical verification, output profile or other Commission-authorized methods as appropriate. Each year, UNS Electric will use actual data through December to calculate the savings. The calculation of DG savings will consist of the following by class:

1. Cumulative Verified: The total kWh or kW reduction as metered each year less the total kWh or kW reduction metered in UNS Electric’s most recent general rate case test year (July 1, 2011 through June 30, 2012). The initial Cumulative Verified term of the LFCR will begin on January 1, 2013.
2. Current Period: The annual kWh or kW produced by the cumulative total of DG installations since the end of the test year used in UNS Electric’s most recent general rate case.
3. The only DG Savings that will be excluded from the calculated Lost Fixed Cost Revenue calculation are those kWh or kW that were lost as the result of actions by customers in excluded rate classes or that chose the Fixed Cost Option.

Fixed Cost Option – The rate schedule choice for residential customers who prefer contributing to the recovery of Lost Fixed Cost Revenue in the form of an optional fixed rate added as an incremental charge to the Customer Charge in the applicable residential tariff rate. The total dollars paid as an incremental amount added to the otherwise effective Customer Charge will be accumulated over the Current Period and used to reduce the total Lost Fixed Cost Revenue recovered as part of the LFCR adjustment. The variable LFCR adjustment shall not be applied to residential customers who choose the Fixed Cost option. This rate will be reflected as an incremental addition to the customer charge on the otherwise effective tariff and made available to customers at the time of the first LFCR adjustment. Customers choosing this fixed option within the first twelve months subsequent to the initial effective date of the LFCR will be allowed to change back to the volumetric option one time without any penalties. After the initial twelve month period, customer will be required to stay on whichever option they choose for twelve full months before a change can be made.

EE Programs – Any program approved in UNS Electric’s Energy Efficiency/Demand Side Management (“EE/DSM”) implementation plan or Energy Efficiency Resource Plan.

EE Savings – The amount of sales, expressed in kWh or kW, reduced by Energy Efficiency activities as demonstrated by the Measurement, Evaluation, and Report (“MER”) conducted for UNS Electric’s EE Programs. Since this process will be a thorough review of the Company’s EE activities and will determine the total kWh or kW lost as a result of those activities. As part of this filing the Commission Staff will have the option of reviewing any portion of the filing they deem necessary to verify the filing’s accuracy. EE Savings shall be quantified based on the accumulated lost kWh or kW occurring since January 1, 2013, and shall be reset based on EE related losses as of the end of the test year in each subsequent rate case. The calculation of EE Savings will consist of the following by class:

1. Cumulative Verified: The cumulative total kWh or kW reduction as determined by the MER recognizing that the cumulative total is reset (to zero) at the end of each of UNS Electric’s most recent rate case. The first such reset will be July 1, 2012, (the

- end of the Test Year in Decision 74235, dated December 31, 2013). The initial Cumulative Verified term of the LFCR will begin on January 1, 2013.
2. Current Period: The annual EE related sales reductions (kWh or kW). Each year, UNS Electric will use actual MER data through December to calculate savings.
 3. Excluded kWh reduction: The reduction of recoverable EE Savings calculated by subtracting the amount of EE savings actually achieved by customers on Excluded Rate Schedule if included in the total reported in the annual EE/DSM filing.

Effective Period – The twelve month period beginning with July 1 of each year.

Excluded Rate Schedule – The LFCR mechanism shall not apply to the lighting rate class.

LFCR Adjustment – An amount calculated by dividing Lost Fixed Cost Revenue (As reduced by the total incremental fixed cost option dollars paid by the residential customers who have chosen the Fixed Cost Option and will be based on the incremental increase in the customer charge they have paid over the twelve-months during the Current Period.) by the Current Period retail revenue (less the estimated sales to the residential customers who chose the Fixed Cost Option) during the Effective Period for the participating rate classes. This percentage based LFCR Adjustment will be presented on the customer's bills as two separate charges. These two charges will be developed by applying the weighted average proportion of the Energy Efficiency related lost revenues and the Distributed Generation related lost revenues as a proportion of total lost revenues falling under the 1% cap referenced herein. The weighted average proportions will be as shown on Schedule 3 of this Plan of Administration. These two separate percentage adjustment rates will be applied to all customer bills, excluding those on Excluded Rate Schedules.

Lost Fixed Cost Rate – A rate determined at the conclusion of a rate case by taking the sum of allowed Delivery Revenue (which excludes the Customer Charge, the generation component in rates and purchased power and fuel) for each rate class and dividing each by their respective class adjusted test year kWh and/or kW billing determinants.

Lost Fixed Cost Revenue – The amount of fixed costs not recovered by the utility because of EE Savings and DG Savings during the measurement period. This amount is calculated by multiplying the Lost Fixed Cost Rate by Recoverable kWh Savings, by rate class.

Prior Period – The twelve months in the calendar year preceding the Current Period.

Recoverable kWh Savings – The sum of EE Savings and DG Savings by applicable rate class.

3. LFCR Annual Incremental Cap

The total LFCR Adjustment will be subject to an annual 1% year over year cap based on Applicable Company Revenues. If the annual incremental LFCR Adjustment results in a surcharge in excess of 1%, in total, of Applicable Company Revenues, any amount in excess of the 1% cap will be deferred for collection until the next year its inclusion does not result in the 1% year-over-year cap being exceeded. Any deferred amounts, plus any amount quantified in the Balancing Account, will be collected in a subsequent year or rolled into the next rate case, whichever occurs first. Where the 1% cap limits the recovery of deferrals in any program year, and thus moves their recovery to the following year, a first-in, first-out (“FIFO”) approach will

be applied. In connection therewith, the new surcharge billed in the following year will first recover any such carried-over deferrals, as well as any Balancing Account balance, and then recover new deferrals arising in that following year. The one-year Nominal Treasury Constant Maturities rate contained in the Federal Reserve Statistical Release H-15 or its successor publication will be applied annually to any deferred balance. The interest rate shall be adjusted annually and shall be that annual rate applicable to the first business day of the calendar year.

4. Filing and Procedural Deadlines

UNS Electric will file the calculated Annual LFCR Adjustments, including all Compliance Reports, with the Commission for the previous year by May 15th. Staff will use its best efforts to process the matter based on the results of the Company's annual EE/DSM and Renewable Energy Standard Tariff ("REST") filings such that the new LFCR Adjustments may go into effect by July 1st of each year. However, the new LFCR Adjustments will not go into effect until approved by the Commission.

5. Compliance Reports

UNS Electric will provide comprehensive compliance reports to Staff and the Residential Utility Consumer Office by May 15th of each year. The information contained in the Compliance Reports will consist of the following schedules:

- Schedule 1: LFCR Annual Percentage Adjustment Rate
- Schedule 2: LFCR Annual Incremental Cap Calculation
- Schedule 3: LFCR Calculation
- Schedule 4: LFCR Test Year Rate Calculation
- Schedule 5: Delivery Revenue Calculation

SCHEDULES

UNS Electric, Inc.
 Lost Fixed Cost Recovery Mechanism
 Schedule 1: LFCR Annual Percentage Adjustment Rates

Line No.	(A) Annual Percentage Adjustment	(B) Reference	(C) Totals
<u>Energy Efficiency Related Adjustment</u>			
1	Total Lost Fixed Cost Revenue for Current Period	(Sch 2, Line 15, Col C * Sch 3, Line 103, Col E)	\$ -
2	20__ Applicable Company Revenues	Schedule 2, Line 1, Column C	\$ -
3	Percentage Adjustment Applied to Customer's Bills for EE	(Line 1 / Line 2)	0.0000%
<u>Distributed Generation Related Adjustment</u>			
4	Total Lost Fixed Cost Revenue for Current Period	(Sch 2, Line 15, Col C * Sch 3, Line 104, Col E)	\$ -
5	20__ Applicable Company Revenues	Schedule 2, Line 1, Column C	\$ -
6	Percentage Adjustment Applied to Customer's Bills for DG	(Line 4 / Line 5)	0.0000%

UNS Electric, Inc.
 Lost Fixed Cost Recovery Mechanism
 Schedule 2: LFCR Annual Incremental Cap Calculation

Line No.	(A) LFCR Annual Incremental Cap Calculation	(B) Reference	(C) Totals
1	20__ Applicable Company Revenues		\$ -
2	Allowed Cap %		1.00%
3	Maximum Allowed Incremental Recovery	(Line 1 * Line 2)	\$ -
4	Total Lost Fixed Cost Revenue	Schedule 3, Line 105, Column C	\$ -
5	Total Deferred Balance from Previous Period	Previous Filing, Schedule 2, Line 13, Column C	\$ -
6	Annual Interest Rate		0.00%
7	Interest Accrued on Deferred Balance	(Line 5 * Line 6)	\$ -
8	Total Lost Fixed Cost Revenue Current Period	(Line 4 + Line 5 + Line 7)	\$ -
9	Lost Fixed Cost Revenue from Prior Period	Previous Filing, Schedule 2, Line 15, Column C	\$ -
10	Lost Fixed Cost Revenue - Billed ¹		\$ -
11	LFCR Balancing Account	(Line 9 - Line 10)	\$ -
12	Total Incremental Lost Fixed Cost Revenue for Current Year	(Line 8 - Line 9 + Line 11)	\$ -
13	Amount in Excess of Cap to Defer	(Line 12 - Line 3)	\$ -
14	Incremental Period Adjustment as %	[(Line 12 - Line 13) / Line 1]	0.0000%
15	Total Lost Fixed Cost Revenue for Current Period	(Line 8 + Line 11 - Line 13)	\$ -

¹ Amount billed to customers for the collection period of 20__

UNS Electric, Inc.
Lost Fixed Cost Recovery Mechanism
Schedule 3: LFCR Calculation

Line No.	(A) LFCR Fixed Cost Revenue Calculation	(B) Reference	(C) Totals	(D) Units	(E) Weighting
Residential					
Energy Efficiency Savings					
1	Current Period		-	kWh	
2	% of Residential Customers choosing fixed-option		0.0%		
3	Excluded kWh reduction	(Line 1 * Line 2)	-	kWh	
4	Net - Current Period	(Line 1 - Line 3)	-	kWh	
5	Prior Period kWh EE losses	Previous Filing, Schedule 3, Line 6, Column C	-	kWh	
6	Cumulative Recoverable kWh savings	(Previous Filing, Schedule 3, Line 6, Column C + Line 4)	-	kWh	
7	Total Recoverable EE Savings	Line 6	-	kWh	
8	Residential - Lost Fixed Cost Rate	Schedule 4, Line 3, Column C	\$ 0.0212	\$/kWh	
9	Residential - Lost Fixed Cost Revenue Relating to EE	(Line 7 * Line 8)	\$ -		
Distributed Generation					
10	Current Period		-	kWh	
11	% of Residential Customers choosing fixed-option		0.0%		
12	Excluded kWh reduction	(Line 10 * Line 11)	-	kWh	
13	Net - Current Period	(Line 10 - Line 12)	-	kWh	
14	Prior Period kWh DG losses	Previous Filing, Schedule 3, Line 15, Column C	-	kWh	
15	Cumulative Recoverable kWh savings	(Previous Filing, Schedule 3, Line 15, Column C + Line 13)	-	kWh	
16	Total Recoverable DG Savings	Line 15	-	kWh	
17	Residential - Lost Fixed Cost Rate	Schedule 4, Line 3, Column C	\$ 0.0212	\$/kWh	
18	Residential - Lost Fixed Cost Revenue Relating to DG	(Line 16 * Line 17)	\$ -		
Small General Service					
Energy Efficiency Savings					
19	Current Period		-	kWh	
20	Prior Period kWh EE losses	Previous Filing, Schedule 3, Line 21, Column C	-	kWh	
21	Cumulative Recoverable kWh savings	(Previous Filing, Schedule 3, Line 21, Column C + Line 19)	-	kWh	
22	Total Recoverable EE Savings	Line 21	-	kWh	
23	Small General Service - Lost Fixed Cost Rate	Schedule 4, Line 6, Column C	\$ 0.0280	\$/kWh	
24	Small General Service - Lost Fixed Cost Revenue Relating to EE	(Line 22 * Line 23)	\$ -		
Distributed Generation					
25	Current Period		-	kWh	
26	Prior Period kWh DG losses	Previous Filing, Schedule 3, Line 27, Column C	-	kWh	
27	Cumulative Recoverable kWh savings	(Previous Filing, Schedule 3, Line 27, Column C + Line 25)	-	kWh	
28	Total Recoverable DG Savings	Line 27	-	kWh	
29	Small General Service - Lost Fixed Cost Rate	Schedule 4, Line 6, Column C	\$ 0.0280	\$/kWh	
30	Small General Service - Lost Fixed Cost Revenue Relating to DG	(Line 28 * Line 29)	\$ -		
Large General Service - Delivery Revenue - Demand					
Energy Efficiency Savings					
31	Current Period		-	kW	
32	Prior Period kW EE losses	Previous Filing, Schedule 3, Line 33, Column C	-	kW	
33	Cumulative Recoverable kW savings	(Previous Filing, Schedule 3, Line 33, Column C + Line 31)	-	kW	
34	Total Recoverable EE Savings	Line 33	-	kW	
35	Large General Service - Lost Fixed Cost Rate	Schedule 4, Line 12, Column C	\$ 4.8600	\$/kW	
36	Large General Service - Lost Fixed Cost Revenue Relating to EE	(Line 34 * Line 35)	\$ -		

UNS Electric, Inc.
Lost Fixed Cost Recovery Mechanism
Schedule 3: LFCR Calculation

Line No.	(A) LFCR Fixed Cost Revenue Calculation	(B) Reference	(C) Totals	(D) Units	(E) Weighting
<u>Distributed Generation</u>					
37	Current Period		-	kW	
38	Prior Period kW DG losses	Previous Filing, Schedule 3, Line 39, Column C	-	kW	
39	Cumulative Recoverable kW savings	(Previous Filing, Schedule 3, Line 39, Column C + Line 37)	-	kW	
40	Total Recoverable DG Savings	Line 39	-	kW	
41	Large General Service - Lost Fixed Cost Rate	Schedule 4, Line 12, Column C	\$ 4.8600	\$/kW	
42	Large General Service - Lost Fixed Cost Revenue Relating to DG	(Line 40 * Line 41)	\$ -		
<u>Large General Service - Delivery Revenue</u>					
<u>Energy Efficiency Savings</u>					
43	Current Period		-	kWh	
44	Prior Period kWh EE losses	Previous Filing, Schedule 3, Line 45, Column C	-	kWh	
45	Cumulative Recoverable kWh savings	(Previous Filing, Schedule 3, Line 45, Column C + Line 43)	-	kWh	
46	Total Recoverable EE Savings	Line 45	-	kWh	
47	Large General Service - Lost Fixed Cost Rate	Schedule 4, Line 9, Column C	\$ 0.0031	\$/kWh	
48	Large General Service - Lost Fixed Cost Revenue Relating to EE	(Line 46 * Line 47)	\$ -		
<u>Distributed Generation</u>					
49	Current Period		-	kWh	
50	Prior Period kWh DG losses	Previous Filing, Schedule 3, Line 51, Column C	-	kWh	
51	Cumulative Recoverable kWh savings	(Previous Filing, Schedule 3, Line 51, Column C + Line 49)	-	kWh	
52	Total Recoverable DG Savings	Line 51	-	kWh	
53	Large General Service - Lost Fixed Cost Rate	Schedule 4, Line 9, Column C	\$ 0.0031	\$/kWh	
54	Large General Service - Lost Fixed Cost Revenue Relating to DG	(Line 52 * Line 53)	\$ -		
<u>Interruptible Power Service - Delivery Revenue - Demand</u>					
<u>Energy Efficiency Savings</u>					
55	Current Period		-	kW	
56	Prior Period kW EE losses	Previous Filing, Schedule 3, Line 57, Column C	-	kW	
57	Cumulative Recoverable kW savings	(Previous Filing, Schedule 3, Line 57, Column C + Line 55)	-	kW	
58	Total Recoverable EE Savings	Line 57	-	kW	
59	Interruptible - Lost Fixed Cost Rate	Schedule 4, Line 18, Column C	\$ 2.2350	\$/kW	
60	Interruptible - Lost Fixed Cost Revenue Relating to EE	(Line 58 * Line 59)	\$ -		
<u>Distributed Generation</u>					
61	Current Period			kW	
62	Prior Period kW DG losses	Previous Filing, Schedule 3, Line 63, Column C	-	kW	
63	Cumulative Recoverable kW savings	(Previous Filing, Schedule 3, Line 63, Column C + Line 61)	-	kW	
64	Total Recoverable DG Savings	Line 63	-	kW	
65	Interruptible - Lost Fixed Cost Rate	Schedule 4, Line 18, Column C	\$ 2.2350	\$/kW	
66	Interruptible - Lost Fixed Cost Revenue Relating to DG	(Line 64 * Line 65)	\$ -		
<u>Interruptible Power Service - Delivery Revenue</u>					
<u>Energy Efficiency Savings</u>					
67	Current Period		-	kWh	
68	Prior Period kWh EE losses	Previous Filing, Schedule 3, Line 69, Column C	-	kWh	
69	Cumulative Recoverable kWh savings	(Previous Filing, Schedule 3, Line 69, Column C + Line 67)	-	kWh	
70	Total Recoverable EE Savings	Line 69	-	kWh	
71	Interruptible - Lost Fixed Cost Rate	Schedule 4, Line 15, Column C	\$ 0.0156	\$/kWh	
72	Interruptible - Lost Fixed Cost Revenue Relating to EE	(Line 70 * Line 71)	\$ -		

UNS Electric, Inc.
Lost Fixed Cost Recovery Mechanism
Schedule 3: LFCR Calculation

Line No.	(A) LFCR Fixed Cost Revenue Calculation	(B) Reference	(C) Totals	(D) Units	(E) Weighting
<u>Distributed Generation</u>					
73	Current Period		-	kWh	
74	Prior Period kWh DG losses	Previous Filing, Schedule 3, Line 75, Column C	-	kWh	
75	Cumulative Recoverable kWh savings	(Previous Filing, Schedule 3, Line 75, Column C + Line 73)	-	kWh	
76	Total Recoverable DG Savings	Line 75	-	kWh	
77	Interruptible - Lost Fixed Cost Rate	Schedule 4, Line 15, Column C	\$ 0.0156	\$/kWh	
78	Interruptible - Lost Fixed Cost Revenue Relating to DG	(Line 76 * Line 77)	\$ -		
<u>Large Power Service - Delivery Revenue - Demand</u>					
<u>Energy Efficiency Savings</u>					
79	Current Period			kW	
80	Prior Period kW EE losses	Previous Filing, Schedule 3, Line 81, Column C	-	kW	
81	Cumulative Recoverable kW savings	(Previous Filing, Schedule 3, Line 81, Column C + Line 79)	-	kW	
82	Total Recoverable EE Savings	Line 81	-	kW	
83	Large Power Service - Lost Fixed Cost Rate	Schedule 4, Line 24, Column C	\$ 8.5037	\$/kW	
84	Large Power Service - Lost Fixed Cost Revenue Relating to EE	(Line 82 * Line 83)	\$ -		
<u>Distributed Generation</u>					
85	Current Period		-	kW	
86	Prior Period kW DG losses	Previous Filing, Schedule 3, Line 87, Column C	-	kW	
87	Cumulative Recoverable kW savings	(Previous Filing, Schedule 3, Line 87, Column C + Line 85)	-	kW	
88	Total Recoverable DG Savings	Line 87	-	kW	
89	Large Power Service - Lost Fixed Cost Rate	Schedule 4, Line 24, Column C	\$ 8.5037	\$/kW	
90	Large Power Service - Lost Fixed Cost Revenue Relating to DG	(Line 88 * Line 89)	\$ -		
<u>Large Power Service - Delivery Revenue</u>					
<u>Energy Efficiency Savings</u>					
91	Current Period		-	kWh	
92	Prior Period kWh EE losses	Previous Filing, Schedule 3, Line 93, Column C	-	kWh	
93	Cumulative Recoverable kWh savings	(Previous Filing, Schedule 3, Line 93, Column C + Line 91)	-	kWh	
94	Total Recoverable EE Savings	Line 93	-	kWh	
95	Large Power Service - Lost Fixed Cost Rate	Schedule 4, Line 21, Column C	\$ 0.0004	\$/kWh	
96	Large Power Service - Lost Fixed Cost Revenue Relating to EE	(Line 94 * Line 95)	\$ -		
<u>Distributed Generation</u>					
97	Current Period		-	kWh	
98	Prior Period kWh DG losses	Previous Filing, Schedule 3, Line 99, Column C	-	kWh	
99	Cumulative Recoverable kWh savings	(Previous Filing, Schedule 3, Line 99, Column C + Line 97)	-	kWh	
100	Total Recoverable DG Savings	Line 99	-	kWh	
101	Large Power Service - Lost Fixed Cost Rate	Schedule 4, Line 21, Column C	\$ 0.0004	\$/kWh	
102	Large Power Service - Lost Fixed Cost Revenue Relating to DG	(Line 100 * Line 101)	\$ -		
103	Total Lost Fixed Cost Revenue Related to Energy Efficiency	Sum Line 9 + 24 + 36 + 48 + 60 + 72 + 84 + 96	\$ -		Percent of Total 0.00% (Line 103 / Line 105)
104	Total Lost Fixed Cost Revenue Related to Distributed Generation	Sum Line 18 + 30 + 42 + 54 + 66 + 78 + 90 + 102	\$ -		0.00% (Line 104 / Line 105)
105	Total Lost Fixed Cost Revenue	(Line 103 + Line 104)	\$ -		

UNS Electric, Inc.
Lost Fixed Cost Recovery Mechanism
Schedule 4: LFCR Test Year Rate Calculation

Line No.	(A) LFCR Fixed Cost Calculation	(B) Reference	(C) Totals
Residential Customers			
1	Delivery Revenue	Schedule 5, Line 4, Column F	\$ 17,809,359.73
2	kWh Billed	Schedule 5, Line 4, Column B	840,557,630
3	Lost Fixed Cost Rate	(Line 1 / Line 2)	\$ 0.0212
Small General Service			
4	Delivery Revenue	Schedule 5, Line 8, Column F	\$ 3,304,275.12
5	kWh Billed	Schedule 5, Line 8, Column B	117,999,247
6	Lost Fixed Cost Rate	(Line 4 / Line 5)	\$ 0.0280
Large General Service			
7	Delivery Revenue	Schedule 5, Line 12, Column F	\$ 1,344,840.67
8	kWh Billed	Schedule 5, Line 12, Column B	437,204,380
9	Lost Fixed Cost Rate	(Line 7 / Line 8)	\$ 0.0031
Large General Service			
10	Delivery Revenue - Demand	Schedule 5, Line 22, Column F	\$ 7,131,625.89
11	kWh Billed	Schedule 5, Line 22, Column B	1,467,413
12	Lost Fixed Cost Rate	(Line 10 / Line 11)	\$ 4.8600
Interruptible Power Service			
13	Delivery Revenue	Schedule 5, Line 14, Column F	\$ 644,645.73
14	kWh Billed	Schedule 5, Line 14, Column B	41,411,045
15	Lost Fixed Cost Rate	(Line 13 / Line 14)	\$ 0.0156
Interruptible Power Service			
16	Delivery Revenue - Demand	Schedule 5, Line 24, Column F	\$ 281,623.36
17	kWh Billed	Schedule 5, Line 24, Column B	126,006
18	Lost Fixed Cost Rate	(Line 16 / Line 17)	\$ 2.2350
Large Power Service			
19	Delivery Revenue	Schedule 5, Line 17, Column F	\$ 108,778.51
20	kWh Billed	Schedule 5, Line 17, Column B	300,493,132
21	Lost Fixed Cost Rate	(Line 19 / Line 20)	\$ 0.0004
Large Power Service			
22	Delivery Revenue - Demand	Schedule 5, Line 27, Column F	\$ 5,031,499.98
23	kWh Billed	Schedule 5, Line 27, Column B	591,683
24	Lost Fixed Cost Rate	(Line 22 / Line 23)	\$ 8.5037

UNS Electric, Inc.
Lost Fixed Cost Recovery Mechanism
Schedule 5: Delivery Revenue Calculation

(A)	(B)	(C)	(D)	(E)	(F) B x D x E	
Line No.	Rate Schedule	Adjusted Test Year Billing Determinants	Units	Delivery Charge	Demand Stability Factor	Total Delivery Revenue
1	Residential Service (R-01)	768,641,945	kWh	\$ 0.0213	100%	\$ 16,355,164.81
2	Residential Service (R-01 TOU)	1,743,170	kWh	\$ 0.0220	100%	\$ 38,393.33
3	Residential Service (R-01 CARES)	70,172,515	kWh	\$ 0.0202	100%	\$ 1,415,801.59
4	Subtotal - kWh	840,557,630	kWh			\$ 17,809,359.73
5	Small General Service (SGS-10)	117,918,148	kWh	\$ 0.0280	100%	\$ 3,302,043.86
6	Small General Service (SGS-10 TOU)	81,099	kWh	\$ 0.0275	100%	\$ 2,231.25
7	Small General Service (SGS-10 TOU-S)	-	kWh	-	100%	-
8	Subtotal - kWh	117,999,247	kWh			\$ 3,304,275.12
	<u>kWh related</u>					
9	Large General Service (LGS)	437,204,380	kWh	\$ 0.0031	100%	\$ 1,344,840.67
10	Large General Service (LGS-TOU)	-	kWh	-	100%	-
11	Large General Service (LGS-TOU-S)	-	kWh	-	100%	-
12	Subtotal - kWh	437,204,380	kWh			\$ 1,344,840.67
13	Interruptible Power Service (IPS)	41,411,045	kWh	\$ 0.0156	100%	\$ 644,645.73
14	Subtotal - kWh	41,411,045	kWh			\$ 644,645.73
15	Large Power Service (LPS)	151,873,990	kWh	\$ 0.0004	100%	\$ 54,978.38
16	Large Power Service (LPS-TOU)	148,619,142	kWh	\$ 0.0004	100%	\$ 53,800.13
17	Subtotal - kWh	300,493,132	kWh			\$ 108,778.51
18	Total kWh	1,737,665,434	kWh			\$ 23,211,899.77
	<u>kW related</u>					
19	Large General Service (LGS)	1,467,413	kW	\$ 9.7200	50%	\$ 7,131,625.89
20	Large General Service (LGS-TOU)	-	kW	-	50%	-
21	Large General Service (LGS-TOU-S)	-	kW	-	50%	-
22	Subtotal - kW	1,467,413	kW			\$ 7,131,625.89
23	Interruptible Power Service (IPS)	126,006	kW	\$ 4.4700	50%	\$ 281,623.36
24	Subtotal - kW	126,006	kW			\$ 281,623.36
25	Large Power Service (LPS)	245,834	kW	\$ 19.9300	50%	\$ 2,449,733.42
26	Large Power Service (LPS-TOU)	345,850	kW	\$ 14.9300	50%	\$ 2,581,766.56
27	Subtotal - kW	591,683	kW			\$ 5,031,499.98
28	Total kW	2,185,102	kW			\$ 12,444,749.23