

ORIGINAL



P.O. Box 711  
Tucson, Arizona 85702-0711

**UniSourceEnergy**  
**SERVICES**

RECEIVED

2015 MAY -1 P 4:20

AZ CORP COMMISSION  
DOCKET CONTROL

May 1, 2015

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

Re: UNS Gas, Inc.'s Request for Approval of Rider R-6 Lost Fixed Cost Recovery Tariff  
Docket No. G-04204A-11-0158, Decision No. 73142 (May 2, 2012)

Pursuant to Decision No. 73142 (May 1, 2012) and Section 4 of UNS Gas, Inc.'s ("UNS Gas") approved Plan of Administration for Lost Fixed Cost Recovery ("LFCR"), UNS Gas hereby files the calculated annual LFCR adjustment, and supporting Schedules consisting of the following: 1) LFCR Annual Adjustment Percentage; 2) LFCR Annual Incremental Cap Calculation; 3) LFCR Calculation; 4) LFCR Test Year Rate Calculation; and 5) Delivery Revenue Calculation. Also attached is a clean and redlined copy of the UNS Gas Rider R-6 Tariff

UNS Gas respectfully requests that the Commission approve the LFCR rate of 0.01032% for implementation of the rate by July 1, 2015.

If you have any questions, please contact me at (520) 884-3680.

Best regards,

Melissa Morales  
Regulatory Services

cc: Barbara Keene, ACC  
Compliance Section, ACC

Arizona Corporation Commission  
**DOCKETED**

MAY 01 2015

DOCKETED BY

**LFCR**  
**SCHEDULES**

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

| Line No. | (A)<br>Annual Percentage Adjustment               | (B)<br>Reference              | (C)<br>Totals  |
|----------|---|-------------------------------|----------------|
| 1        | Total Lost Fixed Cost Revenue for Current Period  | Schedule 2, Line 15, Column C | \$ 103,210     |
| 2        | 2014 Applicable Company Revenues                  | Schedule 2, Line 1, Column C  | \$ 100,017,724 |
| 3        | Percentage Adjustment Applied to Customer's Bills | (Line 1 / Line 2)             | 0.1032%        |

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

| Line No. | (A)<br>LFCR Annual Incremental Cap Calculation             | (B)<br>Reference                                  | (C)<br>Totals  |
|----------|--|---|----------------|
| 1        | 2014 Applicable Company Revenues                           |   | \$ 100,017,724 |
| 2        | Allowed Cap %  |   | 1.00%          |
| 3        | Maximum Allowed Incremental Recovery                       | (Line 1 * Line 2)                                 | \$ 1,000,177   |
| 4        | Total Lost Fixed Cost Revenue                              | Schedule 3, Line 18, Column C                     | \$ 94,026      |
| 5        | Total Deferred Balance from Previous Period                | Previous Filing, Schedule 2, Line 13,<br>Column C | \$ -           |
| 6        | Annual Interest Rate                                       |   |                |
| 7        | Interest Accrued on Deferred Balance                       | (Line 5 * Line 6)                                 | \$ -           |
| 8        | Total Lost Fixed Cost Revenue Current Period               | (Line 4 + Line 5 + Line 7)                        | \$ 94,026      |
| 9        | Lost Fixed Cost Revenue from Prior Period                  | Previous Filing, Schedule 2, Line 15,<br>Column C | \$ 76,356      |
| 10       | Lost Fixed Cost Revenue - Billed <sup>1</sup>              |   | \$ 67,172      |
| 11       | LFCR Balancing Account                                     | (Line 9 - Line 10)                                | \$ 9,184       |
| 12       | Total Incremental Lost Fixed Cost Revenue for Current Year | (Line 8 - Line 9 + Line 11)                       | \$ 26,854      |
| 13       | Amount in Excess of Cap to Defer                           | (Line 12 - Line 3)                                | \$ -           |
| 14       | Incremental Period Adjustment as %                         | ((Line 12 - Line 13) / Line 1)                    | 0.0268%        |
| 15       | Total Lost Fixed Cost Revenue for Current Period           | (Line 8 + Line 11 - Line 13)                      | \$ 103,210     |

<sup>1</sup> Amount billed to customers for the collection period of August 2014 through June 2015. Collections for March 2015 through June 2015 are estimated based on 2014 revenues during those same months.

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

| Line No.  | (A)<br>LFCR Fixed Cost Revenue Calculation | (B)<br>Reference   | (C)<br>Totals | (D)<br>Units |
|---|--|--|---------------|--------------|
| <b>Residential</b>                                      |  |  |               |              |
| <u>Energy Efficiency Savings</u>                        |  |  |               |              |
| 1   | Current Period                             |  | 53,644        | therms       |
| 2   | % of Residential Customers on Opt-Out      |  | 0.0%          |              |
| 3   | Excluded therms reduction                  | (Line 1 * Line 2)  | -             | therms       |
| 4   | Net - Current Period                       | (Line 1 - Line 3)  | 53,644        | therms       |
| 5   | Prior Period                               | Previous Filing, Schedule 3, Line 6, Column C<br>(Previous Filing, Schedule 3, Line 6, Column C              | 169,340       | therms       |
| 6   | Cumulative Verified                        | + Line 4)  | 222,984       | therms       |
| 7   | Total Recoverable EE Savings               | Line 6   | 222,984       | therms       |
| 8   | Residential - Lost Fixed Cost Rate         | Schedule 4, Line 3, Column C   | \$ 0.3361     | \$/therm     |
| 9   | Residential - Lost Fixed Cost Revenue      | (Line 7 * Line 8)  | \$ 74,945.08  |              |
| <b>Small Volume (Commercial &amp; Public Authority)</b> |  |  |               |              |
| <u>Energy Efficiency Savings</u>                        |  |  |               |              |
| 10  | Current Period                             |  | 33,138        | therms       |
| 11  | Excluded therms reduction                  |  | -             | therms       |
| 12  | Net - Current Period                       | (Line 10 - Line 11)  | 33,138        | therms       |
| 13  | Prior Period                               | Previous Filing, Schedule 3, Line 14, Column C<br>(Previous Filing, Schedule 3, Line 14, Column C + Line 12) | 34,095        | therms       |
| 14  | Cumulative Verified                        | C + Line 12)   | 67,234        | therms       |
| 15  | Total Recoverable EE Savings               | Line 14  | 67,234        | therms       |
| 16  | Small Volume - Lost Fixed Cost Rate        | Schedule 4, Line 6, Column C   | \$ 0.2838     | \$/therm     |
| 17  | Small Volume - Lost Fixed Cost Revenue     | (Line 15 * Line 16)  | \$ 19,080.88  |              |
| 18  | Total Lost Fixed Cost Revenue              | (Line 9 + Line 17)   | \$ 94,025.95  |              |

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

| Line No. | (A)<br>LFCR Fixed Cost Calculation | (B)<br>Reference             | (C)<br>Totals |
|----------|------------------------------------|------------------------------|---------------|
|          | <b>Residential Customers</b>       |                              |               |
| 1        | Delivery Revenue                   | Schedule 5, Line 3, Column E | \$ 24,047,052 |
| 2        | therms Billed                      | Schedule 5, Line 3, Column B | 71,539,376    |
| 3        | Lost Fixed Cost Rate               | (Line 1 / Line 2)            | \$ 0.3361     |
|          | <b>Small Volume</b>                |                              |               |
| 4        | Delivery Revenue                   | Schedule 5, Line 6, Column E | \$ 9,429,053  |
| 5        | therms Billed                      | Schedule 5, Line 6, Column B | 33,228,683    |
| 6        | Lost Fixed Cost Rate               | (Line 4 / Line 5)            | \$ 0.2838     |

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

| (A)      | (B)                                   | (C)  | (D)    | (E)                |                                    |
|----------|---------------------------------------|--|--------|--------------------|------------------------------------|
| Line No. | Rate Schedule                         | Adjusted Test Year Billing<br>Determinants | Units  | Delivery<br>Charge | B x D<br>Total Delivery<br>Revenue |
| 1        | Residential Service (R-10)            | 66,743,461                                 | therms | \$ 0.3434          | \$ 22,919,705                      |
| 2        | Residential Service (R-12)            | 4,795,915                                  | therms | \$ 0.2351          | \$ 1,127,348                       |
| 3        | Subtotal                              | 71,539,376                                 | therms | \$                 | 24,047,052                         |
| 4        | Small Volume Commercial (C-20)        | 28,038,968                                 | therms | \$ 0.2837          | \$ 7,954,655                       |
| 5        | Small Volume Public Authority (PA-40) | 5,189,714                                  | therms | \$ 0.2841          | \$ 1,474,398                       |
| 6        | Subtotal                              | 33,228,683                                 | therms | \$                 | 9,429,053                          |

Note: Delivery charge for rate R-12 is the weighted average of 1,332,117 therms at \$0.3434 and 3,463,797 therms at \$0.1934

**CLEAN**



**UNS Gas, Inc.**

Second Revised Sheet No.: 706

Superseding First Revised Sheet No.: 706

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**Rider R-6  
Lost Fixed Cost Recovery (LFCR)**

APPLICABILITY

The Lost Fixed Cost Recovery (LFCR) will be applied to all customers taking service from the Company on the following Standard Offer tariffs and as defined in the Company LFCR Plan of Administration. In the event a residential customer chooses to opt-out of this program, the monthly Customer Charge specified on the appropriate Standard Offer tariff will be charged in lieu of the following per therm rate.

|                                      |   |
|--------------------------------------|---|
| Residential Service R-10             | Customer Assistance Residential Energy Support (CARES) R-12 |
| Small Volume Commercial Service C-20 | Small Public Authority Service PA-40                        |

CHANGE IN RATE

The LFCR recovers a portion of the authorized margin approved in the Company's most recent rate case that has been lost as the result of implementing Commission mandated Energy Efficiency programs. A percentage charge will be placed in effect and charged to the participating rate classes for a 12-month period the LFCR adjustment is applicable. The total year-on-year adjustment cannot exceed 1% of the Company's most recent Calendar Year Revenues for the participating Rate classes.

An LFCR charge of 0.1032% will be applied to all monthly net bills.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this rate.

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Filed By: Kentton C. Grant  
Title: Vice President of Finance and Rates  
District: Entire UNS Gas Service Area

Rate: R-6  
Effective: Pending  
Decision No.: Pending

**REDLINE**



**UNS Gas, Inc.**

Second ~~First~~ Revised Sheet No.: \_\_\_\_\_  
706

Superseding ~~First Revised~~ Original Sheet No.: \_\_\_\_\_  
706

**Rider R-6  
Lost Fixed Cost Recovery (LFCR)**

APPLICABILITY

The Lost Fixed Cost Recovery (LFCR) will be applied to all customers taking service from the Company on the following Standard Offer tariffs and as defined in the Company LFCR Plan of Administration. In the event a residential customer chooses to opt-out of this program, the monthly Customer Charge specified on the appropriate Standard Offer tariff will be charged in lieu of the following per therm rate.

Residential Service R-10                      Customer Assistance Residential Energy Support (CARES) R-12  
Small Volume Commercial Service C-20      Small Public Authority Service PA-40

CHANGE IN RATE

The LFCR recovers a portion of the authorized margin approved in the Company's most recent rate case that has been lost as the result of implementing Commission mandated Energy Efficiency programs. A percentage charge will be placed in effect and charged to the participating rate classes for a 12-month period the LFCR adjustment is applicable. The total year-on-year adjustment cannot exceed 1% of the Company's most recent Calendar Year Revenues for the participating Rate classes.

An LFCR charge of 0.~~0695~~1032% will be applied to all monthly net bills.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this rate.

Filed By:        Kentton C. Grant  
Title:            Vice President of Finance and Rates  
District:        Entire UNS Gas Service Area

Rate:            R-6  
Effective:       August 1, 2014 Pending  
Decision No.:   74613 Pending