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COMMISSIONERS

DOUG LITTLE - CHAIRMAN
BOB STUMP
BOB BURNS
TOM FORESE
ANDY TOBIN

IN THE MATTER OF THE APPLICATION OF)	DOCKET NO. E-04204A-15-0142
UNS ELECTRIC, INC. FOR THE)	
ESTABLISHMENT OF JUST AND)	
REASONABLE RATES AND CHARGES)	NOTICE OF FILING LATE-FILED
DESIGNED TO REALIZE A REASONABLE)	EXHIBIT UNSE-48 (REVENUE
RATE OF RETURN ON THE FAIR VALUE OF)	REQUIREMENT SPREADSHEET)
THE PROPERTIES OF UNS ELECTRIC, INC.)	
DEVOTED TO ITS OPERATIONS)	
THROUGHOUT THE STATE OF ARIZONA)	
AND FOR RELATED APPROVALS.)	

UNS Electric, Inc. ("UNS Electric"), through undersigned counsel, hereby files Late-Filed Exhibit UNSE-48, which is a spreadsheet that reflects the adjustments to UNS Electric's initial non-fuel revenue requirement increase of \$22.6 million that resulted in the now-proposed \$15.1 million non-fuel revenue requirement increase. More detailed information regarding the adjustments also appear in Exhibit DJL-RJ-1 to the Rejoinder Testimony of David J. Lewis (Exhibit UNSE-13).

RESPECTFULLY SUBMITTED this 4th day of April 2016.

UNS ELECTRIC, INC.

By Bradley S. Carroll

for

Bradley S. Carroll
UNS Electric, Inc.
88 East Broadway, MS HQE910
P.O. Box 711
Tucson, Arizona 85702

Arizona Corporation Commission

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Michael W. Patten
Jason D. Gellman
Snell & Wilmer L.L.P.
One Arizona Center
400 East Van Buren Street
Phoenix, Arizona 85004

Attorneys for UNS Electric, Inc.

**Original and 13 copies of the foregoing
filed this 4th day of April 2016, with:**

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

**Copies of the foregoing hand-delivered
this 4th day of April 2016, to:**

Jane Rodda, Administrative Law Judge
Hearing Division
Arizona Corporation Commission
400 West Congress
Tucson, Arizona 85701

Brian E. Smith
Bridget A. Humphrey
Legal Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Thomas Broderick, Director
Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

**Copy of the foregoing mailed and/or emailed
this 4th day of April 2016, to:**

Daniel Pozefsky
Residential Utility Consumer Office
1110 West Washington Street, Ste. 220
Phoenix, Arizona 85007
dpozefsky@azruco.com

Consented To Service By Email

1 Nucor Steel Kingman LLC
c/o Doug Adams
3000 W. Old Hwy 66
2 Kingman, Arizona 86413

3 Eric J. Lacey
Stone Mattheis Xenopoulos & Brew, PC
4 1025 Thomas Jefferson Street, NW
8th Floor, West Tower
5 Washington DC 20007-5201
EJL@smxblaw.com

6 **Consented To Service By Email**

7 Robert J. Metli
Munger Chadwick PLC
8 2398 East Camelback Road, Suite 240
Phoenix, Arizona 85016
9 rjmetli@mungerchadwick.com

10 **Consented To Service By Email**

11 Lawrence V. Robertson, Jr.
P.O. Box 1448
12 Tubac, Arizona 85646
tubaclawyer@aol.com

13 Court S. Rich
Rose Law Group pc
14 7144 E. Stetson Drive, Suite 300
Scottsdale, Arizona 85251
15 crich@roselawgroup.com

16 **Consented To Service By Email**

17 Thomas A. Loquvam
Melissa M. Krueger
Pinnacle West Capital Corporation
18 P.O. Box 53999, MS 8695
Phoenix, Arizona 85072-3999
19 Thomas.loquvam@pinnaclewest.com
Melissa.Krueger@pinnaclewest.com

20 **Consented To Service By Email**

21 Gregory Bernosky
Arizona Public Service Company
22 P.O. Box 53999, MS 9712
Phoenix, Arizona 85072-3999
23 gregory.bernosky@aps.com

24 Rick Gilliam
Director of Research and Analysis
25 The Vote Solar Initiative
1120 Pearl Street, Suite 200
26 Boulder, Colorado 80302
rick@votesolar.com

27 **Consented To Service By Email**

1 Briana Kobor, Program Director
Vote Solar
360 22nd Street, Suite 730
2 Oakland, CA 94612
briana@votesolar.com

3 **Consented To Service By Email**

4 Jill Tauber
Chinyere A. Osula
5 Earthjustice Washington, DC Office
1625 Massachusetts Avenue, NW, Suite 702
6 Washington, DC 20036-2212
jtauber@earthjustice.org

7 **Consented To Service By Email**

8 Ken Wilson
Western Resource Advocates
9 2260 Baseline Road, Suite 200
Boulder, Colorado 80302
10 ken.wilson@westernresources.org

11 **Consented To Service By Email**

12 Scott Wakefield
Hienton & Curry, P.L.L.C.
5045 N. 12th Street, Suite 110
13 Phoenix, Arizona 85014-3302

14 Steve W. Chriss
Senior Manager, Energy Regulatory Analysis
15 Wal-Mart Stores, Inc.
2011 S.E. 10th Street
16 Bentonville, AR 72716-0550
Stephen.Chriss@wal-mart.com

17 Timothy M. Hogan
18 Arizona Center for Law in the Public Interest
514 W. Roosevelt Street
19 Phoenix, Arizona 85003
thogan@aclpi.org

20 **Consented To Service By Email**

21 Michael Alan Hiatt
Katie Dittelberger
22 Earthjustice
633 17th Street, Suite 1600
23 Denver, Colorado 80202
mhiatt@earthjustice.com
kdittelberger@earthjustice.com

24 **Consented To Service By Email**

25 Jeff Schlegel
26 SWEEP Arizona Representative
1167 W. Samalayuca Dr.
27 Tucson, Arizona 85704
schlegelj@aol.com

1 Ellen Zuckerman
2 SWEEP Senior Associate
3 4231 E. Catalina Dr.
4 Phoenix, Arizona 85018
5 ezuckerman@swenergy.org

6 C. Webb Crockett
7 Patrick Black
8 Fennemore Craig, PC
9 2394 East Camelback Road, Suite 600
10 Phoenix, Arizona 85016
11 wcrockett@fclaw.com
12 pblack@fclaw.com
13 **Consented To Service By Email**

14 Kevin Higgins
15 Energy Strategies, LLC
16 215 South State Street, Suite 200
17 Salt Lake City, Utah 84111
18 khiggins@energystrat.com

19 Meghan H. Grabel
20 Osborn Maladon, PA
21 2929 North Central Avenue
22 Phoenix, Arizona 85012
23 mgrabel@omlaw.com
24 **Consented To Service By Email**

25 Gary Yaquinto, President & CEO
26 Arizona Investment Council
27 2100 North Central Avenue, Suite 210
28 Phoenix, Arizona 85004
29 gyaquinto@arizonaaic.org
30 **Consented To Service By Email**

31 Cynthia Zwick
32 Arizona Community Action Association
33 2700 North 3rd Street, Suite 3040
34 Phoenix, Arizona 85004
35 czwick@azcaa.org
36 **Consented To Service By Email**

37 Craig A. Marks
38 Craig A. Marks, PLC
39 10645 N. Tatum Blvd., Suite 200-676
40 Phoenix, Arizona 85028
41 craig.marks@azbar.org
42 **Consented To Service By Email**

43 Pat Quinn
44 Arizona Utility Ratepayer Alliance
45 5521 E. Cholla Street
46 Scottsdale, Arizona 85254
47 patt.quinn47474@gmail.com

1 Jeffrey W. Crockett
2 Crockett Law Group PLLC
3 2198 East Camelback Road, Suite 305
4 Phoenix, Arizona 85016
5 jeff@jeffcrockettlaw.com
6 **Consented To Service By Email**

7 Kirby Chapman, CPA
8 Chief Financial and Administrative Officer
9 Sulphur Springs Valley Electric Cooperative, Inc.
10 311 E. Wilcox
11 Sierra Vista, Arizona 85650
12 kchapman@ssvec.com
13 **Consented To Service By Email**

14 Tom Harris, Chairman
15 Arizona Solar Energy Industries Association
16 2122 W. Lone Cactus Dr., Suite 2
17 Phoenix, Arizona 85027
18 tom.harris@ariseia.com
19 **Consented To Service By Email**

20 Garry D. Hays
21 Law Offices of Garry D. Hays, PC
22 2198 East Camelback Road, Suite 305
23 Phoenix, Arizona 85016
24 ghays@lawgdh.com

25 Vincent Nitido
26 Trico Electric Cooperative, Inc.
27 8600 West Tangerine Road
Marana, Arizona 85653
vnitido@trico.coop

Jason Y. Moyes
Jay I. Moyes
Moyes Sellers & Hendricks
1850 N. Central Ave., Suite 1100
Phoenix, Arizona 85004
jasonmoyes@law-msh.com
kes@drsaline.com
jimoyes@law-msh.com
Consented To Service By Email

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24 By 

Exhibit UNSE-48

UNS Electric
Proposed Non-Fuel Revenue Increase
(Thousands of Dollars)

UNS Electric Increase in Non-Fuel Revenues	\$22,621
<u>Rate Base Adjustment</u>	
Gila River Deferred Cost	(\$218) Agree to Staff's Adjustment
Cash Working Capital	31 Conforming Changes
Subtotal of Adjustments	<u>(\$187)</u>
<u>Rate Of Return Adjustments</u>	
Reduced Allowed ROE From 10.35% to 9.5%	(\$1,970) Compromise Position
Reduced ROR on FV Increment of Rate Base from 1.5% to .5%	(1,347) Compromise Position
Subtotal of Adjustments	<u>(\$3,317)</u>
<u>Revenue & Expense Adjustments</u>	
Bad Debt	(\$132) Agree to Staff's Adjustment
Injuries & Damages	(320) Agree to Staff's Adjustment
Incentive Compensation	(155) Agree to Staff's Adjustment
D&O Liability	(20) Agree to Staff's Adjustment
Gila River Deferred Costs	(3,100) Agree to Staff's Adjustment
OATT	(20) Agree to Staff's Adjustment
Other	(10)
Staff's Surrebuttal Position	<u>15,360</u>
Medical and Dental Insurance	(181) Agree to RUCO Adjustment
Wellness Incentive Programs & Spot Awards	(47) Agree to RUCO Adjustment
EEL Dues	(16) Agree to RUCO Adjustment
Rate Case Expense	(17) Agree to RUCO Adjustment
Other	1 Agree to RUCO Adjustment
Subtotal of Adjustments	<u>(\$260)</u>
Adjusted Non-Fuel Revenue Increase	<u><u>\$15,100</u></u>

