

ORIGINAL

NEW APPLICATION



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BEFORE THE ARIZONA CORPORATION COMMISSION

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

Arizona Corporation Commission

DOCKETED

APR 01 2016

G-04204A-16-0114

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AZ CORP COMMISSION
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IN THE MATTER OF THE APPLICATION OF)
UN S GAS, INC. FOR APPROVAL TO REDUCE)
ITS DEMAND SIDE MANAGEMENT)
SURCHARGE.)

DOCKET NO. G-04204A-16-0114

APPLICATION

Expedited Approval Requested

UN S Gas, Inc. ("UN S Gas") hereby requests approval of a reduction of its Demand Side Management ("DSM") surcharge from \$0.0005 per therm to \$0.000 per therm. Even with the reduction of the DSM surcharge to zero, UN S Gas will still be able to continue to fund approved energy efficiency programs for a significant period of time, depending on the level of future participation in those programs.

UN S Gas's current DSM surcharge of \$0.0005 per therm was set in Decision No. 74558 (June 20, 2014) in an effort to reduce an over-collected balance of DSM funds and to reflect the elimination of two energy efficiency programs.¹ However, due to continued low natural gas prices and a leveling off of participation in both the commercial/industrial and residential energy efficiency programs as a result of market and economic conditions, UN S Gas's over-collected balance of DSM funds remains significant (approximately \$900,000). Rather than refund the over-collected balance, UN S Gas proposes to use the balance to fund the existing approved cost effective energy efficiency programs. When the over-collected balance is close to exhaustion, UN S Gas will submit a request that seeks an adjustment to the surcharge that will fund then-

¹ As instructed in Decision No. 73939 (June 27, 2013), UN S Gas is currently not filing annual or bi-annual Gas Energy Efficiency Implementation Plans. Because UN S Gas would otherwise request modifications of the DSM surcharge in such Implementation Plans, UN S Gas has sought adjustment of its DSM surcharge through separate application as necessary.

1 existing levels of program participation (assuming the UNS Gas has not been requested by the
2 Commission to submit a new implementation plan before that time).

3 If approved, the proposed surcharge would reduce the average DSM surcharge paid by
4 residential customers from \$0.021 per month to \$0.00 per month.² Table 1 outlines UNSG's
5 requested 2016 DSM surcharge and collection calculations:

6 **Table 1 – UNSG 2016 & 2017 Surcharge Calculations**

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Proposed DSMS per therm	\$0.0000
Current DSMS per therm	\$0.0005
Average Monthly Residential therm use	42
Average Monthly Residential charge (current DSMS)	\$0.021
Average Monthly Residential charge (proposed DSMS)	\$0.000
Average Monthly Residential Reduction	\$0.021

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12 Wherefore, UNS Gas requests that the Commission approve a reduction of UNS Gas'
13 DSM surcharge from \$0.0005 per therm to \$0.0000 per therm as expeditiously as possible.

14 RESPECTFULLY SUBMITTED this 1st day of April 2016.

15 UNS GAS, Inc.

16 By 

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² Pursuant to discussions between UNS Gas and Commission Staff, the line item for the DSM surcharge would still be reflected on customer bills.

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Original and 13 copies of the foregoing
filed this 1st day of April 2016, with:

Docket Control
Arizona Corporation Commission
1200 West Washington Street
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Copies of the foregoing hand-delivered/mailed
this 1st day of April 2016, to:

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By Jackie Howard