0000170060

UNS Electric, Inc.

88 East Broadway Blvd., P.O. Box 711
HQE910
Tucson, AZ 85702-1720

Melissa Morales
Regulatory Coordinator

(520) 884-3680
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2016 MAY -2 P 4: 31

AZ CORP COMMISSION
DOCKET CONTROL

ORIGINAL

May 2, 2016

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

Re: Notice of Filing – UNS Electric, Inc.'s Transmission Cost Adjustor
Docket No. E-04204A-12-0504

Pursuant to Decision No. 74235 (December 31, 2013) and the Plan of Administration for UNS Electric, Inc.'s ("UNS Electric") Transmission Cost Adjustor ("TCA"), UNS Electric hereby files its TCA rate and supporting calculation as Exhibits 1 and 2. Also attached is a clean and redlined UNS Electric Statement of Charges Sheet No. 801-2 reflecting the new rate.

The new TCA rate for non-demand customers will be $0.00288 per kWh. For demand customers, the new TCA rate will be set at $1.3075 per kW. The rate will become effective with the first billing cycle in June (without proration), unless Staff requests Commission review or otherwise ordered by the Commission.

If you have questions or comments please contact me at (520) 884-3680.

Sincerely,

Melissa Morales
Regulatory Services

Arizona Corporation Commission
DOCKETED
MAY 02 2016
DOCKETED BY KK

cc: Barbara Keene
Compliance Section, ACC

EXHIBIT 1

UNS Electric, Inc.
Rates for Transmission Cost Adjustor For June 1, 2016 Through May 31, 2017
Data For Period Ending December 31, 2015

Line	Service Type		
		$/kWh	$/kW
		(A)	(B)
1	Transmission Rate	$0.00879	$3.60965
2	Scheduling	N/A	N/A
3	Regulation and Frequency	N/A	N/A
4	Energy Imbalance	N/A	N/A
5	Spinning Reserve	N/A	N/A
6	Supplemental Reserve	N/A	N/A
7	Total	$0.00879	$3.6097
8	Included in Retail Base Rates per OATT	$0.00591	$2.3022
9	TCA (Line 7) – (Line 8)	$0.00288	$1.3075

Exhibit 2

UNS, ELECTRIC, INC.
TRANSMISSION EXPENSE SUMMARY
TEST PERIOD ENDING DECEMBER 31, 2015

Item	Description	$	$/kWh
T	TRANSMISSION	$14,831,186	$0.00879
All Demand Customers		$ 6,523,693	$3.60965

UNS ELECTRIC, INC.
TRANSMISSION EXPENSE
AS APPROVED IN ACC DECISION NO. 74235

				ACTUALS			
Month	Residential	SGS	LIGHT	MGS/LGS	LPS	Mining	
Non-Coincident Peak							
1/1/2014	1.54	1.82	0.28	109,590	14,149	-	
2/1/2014	1.55	1.91	0.27	131,986	14,342	-	
3/1/2014	1.17	2.08	0.28	140,894	14,457	-	
4/1/2014	1.51	2.37	0.28	140,485	14,457	-	
5/1/2014	2.26	2.90	0.28	153,317	14,457	-	
6/1/2014	2.84	3.14	0.28	141,652	14,296	-	
7/1/2014	3.13	3.20	0.28	149,512	14,282	-	
8/1/2014	2.87	2.99	0.27	152,058	14,429	-	
9/1/2014	2.73	2.92	0.28	140,031	14,378	-	
10/1/2014	1.81	2.39	0.28	143,853	14,252	-	
11/1/2014	1.34	4.13	0.26	136,939	14,224	-	
12/1/2014	2.07	1.78	0.27	95,025	14,224	-	
1-CP Max	3.1	4.1	0.3	153,317.3	14,457.2	-	
4-CP Max	3.1	3.2	0.3	152,057.8	14,429.2	-	
Adjusted Customers							
1/1/2014	81,237	8,758.0	2,388	1,387	4	-	
2/1/2014	81,237	8,758.0	2,388	1,387	4	-	
3/1/2014	81,237	8,758.0	2,388	1,387	4	-	
4/1/2014	81,237	8,758.0	2,388	1,387	4	-	
5/1/2014	81,237	8,758.0	2,388	1,387	4	-	
6/1/2014	81,237	8,758.0	2,388	1,387	4	-	
7/1/2014	81,237	8,758.0	2,388	1,387	4	-	
8/1/2014	81,237	8,758.0	2,388	1,387	4	-	
9/1/2014	81,237	8,758.0	2,388	1,387	4	-	
10/1/2014	81,237	8,758.0	2,388	1,387	4	-	
11/1/2014	81,237	8,758.0	2,388	1,387	4	-	
12/1/2014	81,237	8,758.0	2,388	1,387	4	-	
	974,840	105,096	28,657	16,644	48	-	
Adjusted Sales							
1/1/2014	70,309,011	7,360,094.7	248,399	38,751,325	7,837,873	-	
2/1/2014	52,536,608	8,436,130.8	228,865	39,994,802	7,091,435	-	
3/1/2014	46,423,484	8,830,544.1	246,723	43,602,943	8,069,547	-	
4/1/2014	48,501,791	8,581,099.4	233,558	44,673,643	7,670,084	-	
5/1/2014	59,255,997	10,208,168.6	214,753	51,649,446	8,592,013	-	
6/1/2014	84,104,492	11,088,903.7	192,984	53,150,584	7,655,492	-	
7/1/2014	110,603,239	12,676,288.7	197,354	56,148,220	8,165,177	-	
8/1/2014	103,418,191	12,548,119.4	203,161	54,637,269	7,965,069	-	
9/1/2014	79,575,579	11,252,516.7	231,442	50,078,813	8,158,526	-	
10/1/2014	53,472,332	9,286,994.1	238,825	44,006,413	8,144,703	-	
11/1/2014	46,306,822	9,238,116.9	262,533	43,218,487	7,118,771	-	
12/1/2014	69,445,652	9,176,819.2	328,654	42,667,717	6,296,583	-	
	823,953,198	118,683,796	2,827,250	562,579,661	92,765,274	-	1,600,809,180
	-	-	-	-	-		

Tucson Electric Power - Transmission Expense Calculation

Load Factor (Mo.)

1/1/2014	75%	62%	51%	48%	74%	
2/1/2014	62%	75%	52%	45%	74%	
3/1/2014	66%	65%	50%	42%	75%	
4/1/2014	55%	57%	49%	44%	74%	
5/1/2014	43%	54%	44%	45%	80%	
6/1/2014	51%	56%	41%	52%	74%	
7/1/2014	58%	61%	40%	50%	77%	
8/1/2014	60%	64%	42%	48%	74%	
9/1/2014	50%	61%	49%	50%	79%	
10/1/2014	49%	60%	48%	41%	77%	
11/1/2014	59%	35%	59%	44%	70%	
12/1/2014	55%	79%	68%	60%	59%	

Hours

1/1/2014	744	744	744	744	744	744	
2/1/2014	672	672	672	672	672	672	
3/1/2014	744	744	744	744	744	744	
4/1/2014	720	720	720	720	720	720	
5/1/2014	744	744	744	744	744	744	
6/1/2014	720	720	720	720	720	720	
7/1/2014	744	744	744	744	744	744	
8/1/2014	744	744	744	744	744	744	
9/1/2014	720	720	720	720	720	720	
10/1/2014	744	744	744	744	744	744	
11/1/2014	720	720	720	720	720	720	
12/1/2014	744	744	744	744	744	744	

Billing kW for FERC rates

1/1/2014	125,453	15,959	660	109,590	14,149		
2/1/2014	125,750	16,762	650	131,986	14,342		
3/1/2014	94,806	18,175	682	140,894	14,457		
4/1/2014	122,733	20,734	664	140,485	14,457		
5/1/2014	183,354	25,432	689	153,317	14,457		
6/1/2014	230,364	27,499	682	141,652	14,296		
7/1/2014	254,573	28,062	667	149,512	14,282		
8/1/2014	233,146	26,188	653	152,058	14,429		
9/1/2014	221,488	25,605	658	140,031	14,378	-	
10/1/2014	147,275	20,907	663	143,853	14,252	-	
11/1/2014	109,167	36,178	620	136,939	14,224	-	
12/1/2014	168,412	15,581	654	95,025	14,224		
	2,016,521	277,072	7,872	1,635,341	171,949	-	4,108,755

Billing determinants for FERC rates

1/1/2014	70,309,011	7,360,095	248,399	109,590	14,149	-
2/1/2014	52,536,608	8,436,131	228,865	131,986	14,342	-
3/1/2014	46,423,484	8,830,544	246,723	140,894	14,457	-
4/1/2014	48,501,791	8,581,099	233,558	140,485	14,457	-
5/1/2014	59,255,997	10,208,169	214,753	153,317	14,457	-
6/1/2014	84,104,492	11,088,904	192,984	141,652	14,296	-
7/1/2014	110,603,239	12,676,289	197,354	149,512	14,282	-
8/1/2014	103,418,191	12,548,119	203,161	152,058	14,429	-
9/1/2014	79,575,579	11,252,517	231,442	140,031	14,378	-
10/1/2014	53,472,332	9,286,994	238,825	143,853	14,252	-
11/1/2014	46,306,822	9,238,117	262,533	136,939	14,224	-
12/1/2014	69,445,652	9,176,819	328,654	95,025	14,224	-
	823,953,198	118,683,796	2,827,250	1,635,341	171,949	-

Demand+Losses	2,117,750	290,981	8,267	1,717,435	180,581	4,315,015
Allocated Rev. Req	$ 7,278,942.85	$ 1,000,134.86	$ 28,414.78	$ 5,903,016.70	$ 620,676.43	$

FERC RATE:	$/kWh	$/kW						
Rev Req	$ 8,307,492.40	$ 6,523,693.13						
kWh Billing Det	945,464,245							OATT Rev Req
Average 12 CP		150,607.53						$14,831,186
	0.008787	3.61		0.00	0.31	0.04		
	$130,316.89	$53,535,451.51		$12,332.09	$4,565,258.69	$632,726.57		
Charge to Bill:	$0.000158	$0.451076		$0.004362	$2.79	$3.68	kWh	
Jan-14	$617,782	$64,671		$2,189	$395,582	$51,073	$0	
Feb-14	$461,622	$74,126		$2,011	$476,423	$51,770	$0	
Mar-14	$407,908	$77,591		$2,168	$508,578	$52,185	$0	
Apr-14	$426,170	$75,399		$2,052	$507,101	$52,185	$0	
May-14	$520,664	$89,696		$1,887	$553,422	$52,185	$0	
Jun-14	$738,999	$97,435		$1,636	$511,319	$51,604	$0	
Jul-14	$971,835	$111,368		$1,734	$539,608	$51,554	$0	
Aug-14	$908,703	$110,256		$1,765	$546,876	$52,084	$0	
Sep-14	$889,205	$98,672		$2,034	$507,464	$51,900	$0	
Oct-14	$489,844	$81,602		$2,098	$519,259	$51,446	$0	
Nov-14	$406,883	$83,172		$2,307	$494,301	$51,344	$0	$6,523,693
Dec-14	$610,197	$80,634		$2,888	$343,007	$51,344	$0	$8,307,492
tot	$7,239,814	$1,042,837		$24,642	$5,908,017	$620,676	$ -	$ 14,831,186
kWh	823,953,198	118,683,796		2,827,250	1,635,341	171,949		947,271,536
	$0.0088	$0.0088		$0.0088	$3.6097	$3.6097		
			$/kWh		$0.00879			
			$/kW	$	3.60965			

		Distribution	Transmission
1			
2	Loss Factor	5.02%	1.41%

EXHIBIT 3

UNS Electric, Inc.
Rates for Transmission Service For June 1, 2016 Through May 31, 2017
Data For Period Ending December 31, 2015

Line		Santa Cruz Division		Mohave Division		Total Company
1	2016 Revenue Requirements	$5,498,670	1b	$9,332,516	1a&c	$14,831,186
2	2016 Average of 12CP (MW)	56.7	9a	246.7	9b	303.3
3	Rates ($/kW) :					
4	Annual	97.04		37.84		48.90
5	Monthly	8.0863		3.1530		4.0747
6	Weekly	1.8661		0.7276		0.9403
7	Daily	0.3732		0.1455		0.1881
8	Hourly	0.0233		0.0091		0.0118

UNS Electric, Inc.
Rates for Transmission Service
For Period Ending December 31, 2015

Line		Mohave				Santa Cruz			
1	**Rate Base:**								
2	Plant In Service -								
3	Direct	$76,766,949	2a			$45,785,652	2h		
4	Allocated	818,941	2b			837,074	2i		
5	Capital Leases -								
6	Allocated	-	2c			-			
7	Comp. Const. Not Classified -								
8	Allocated	72,853	2d	77,658,743		23,269	2j	46,645,995	
9	Less: Accumulated Depreciation -								
10	Direct	(23,645,002)	2e			(14,102,447)	2k		
11	Allocated	(345,258)	2f	(23,990,260)		(464,759)	2l	(14,567,206)	
12	Less: Accumulated Amortization -								
13	Allocated	(81,818)	2.1a	(81,818)		-	2.1e	-	
14	Net Plant in Service			53,586,665				32,078,789	
15	Less: A.D.I.T. -								
16	Direct Plant	4,335,126	2.1b			2,585,573	2.1f		
17	Allocated Plant	50,361	2.1c	(4,385,487)		48,585	2.1g	(2,634,158)	
18	Material & Supplies - Transmission			236,550	2.1d			193,673	2.1h
19	Cash Working Capital (1/8 O&M Exp.)			63,026	2.3a			21,044	2.3g
20	Total Rate Base			49,500,754				29,659,348	
21	**Return (ACC Decision No. 59951 - 1/97):**								
22	L-T Debt (Rate Base X .31% wtd cost)	153,452				91,944			
23	S-T Debt(Rate Base X 3.11%)	1,539,473	c			922,406	e		
24	Common (Rate Base X 5.46%)	2,702,741	d	4,395,667		1,619,400	f	2,633,750	
25	**Operating Expenses:**								
26	Transmission O&M			348,178	2.3b			57,723	2.3h
27	A&G Exp. Allocated to Transmission			156,031	2.3c			110,633	2.3i
28	Depreciation & Amortization Expense -								
29	Directly Assigned -	2,186,788	2.2a			1,304,253	2.2d		
30	Allocated	40,262	2.2b	2,227,050		42,155	2.2e	1,346,408	
31	Property Taxes - Directly Assigned	564,877	2.2c			363,074	2.2f		
32	- Allocated	6,562	2.3d	571,439		6,822	2.3j	369,897	
33	Payroll Taxes - Directly Assigned	5,075	2.3e			3,549	2.3k		
34	- Allocated	1,233	2.3f	6,308		454	2.3l	4,004	
35				3,309,005				1,888,664	
36	Calendar Year 2015 Transmission Revenues	FERC Pg. 330		(1,504)		FERC Pg. 330		-	
37	**Income Taxes on Equity Returns:**								
38	Common Equity Return	2,702,741				1,619,400			
39	Tax to Revenue Factor -								
40	[1/(1- .37611)] X .37611 =	0.602850		1,629,348		0.602850		976,256	
41	Total Revenue Requirement			9,332,516	a			5,498,670	b

UNS Electric, Inc.
Rates for Transmission Service
For Period Ending December 31, 2015

			Mohave				Santa Cruz	
1. Plant in Service - Directly Assigned								
Transmission Plant		3b&a	76,766,949			3f&e	45,785,652	
			76,766,949	a			45,785,652	h
2. Plant in Service - Allocated Plant								
Intangible Plant, (Accts. 301-303)		3c	9,836,141			3g	-	
General Plant (Accts. 389-399)		3d	31,032,618			3h	12,755,470	
Total Intangible and General Plant			40,868,759				12,755,470	
Transmission Labor Ratio:								
Transmission Payroll Expense		4.1a	54,833			4.1d	32,704	
Total Payroll Expense	4.1b	3,401,046			4.1e	562,154		
Less: A&G Payroll Expense	4.1c	664,655	2,736,391		4.1f	63,813	498,341	
Transmission Labor Ratio			0.020038				0.065625	
Intangible and General Plant			40,868,759				12,755,470	
Transmission Labor Ratio			0.020038				0.065625	
Intangible and General Plant Allocated to Transmission		A	818,941	b		D	837,074	i
3. Capital Leases - Allocated								
Vehicles		3i	-			3m	-	
Transmission Labor Ratio			0.020038				0.065625	
Capital Leases Allocated to Transmission		B	-	c		E	-	
4. Completed Const. Not Classified - Allocated								
General & Intangible Plant		3j&z	3,635,659			3n	354,576	
Transmission Labor Ratio			0.020038				0.065625	
Completed Const. Allocated to Transmission		C	72,853	d		F	23,269	j
5. Accumulated Depreciation - Directly Assigned								
Accum. Depr. - Cap. Recovery - Transmission		3k	18,070,528			3o	10,777,697	
Accum. Depr. - R.W.I.P. - Transmission		3t	-			3u	-	
Accum. Depr. - Acq. Discount - Transmission		3l	5,574,474			3p	3,324,750	
			23,645,002	e			14,102,447	k
6. Accumulated Depreciation - Allocated Plant								
Accum. Depr. - Cap. Recovery - General Plant		3v	15,081,758			3q	6,199,120	
Accum. Depr. - R.W.I.P. - General Plant		3w	17,390			3r	7,148	
Accum. Depr. - Acq. Discount - General Plant		3x	2,130,743			3s	875,809	
			17,229,891				7,082,076	
Transmission Labor Ratio			0.020038				0.065625	
Accumulated Depreciation Allocated to Transmission			345,258	f			464,759	l

UNS Electric, Inc.
Rates for Transmission Service
For Period Ending December 31, 2015

		Mohave		Santa Cruz
7. Accumulated Amortization - Allocated Plant				
Accum. Amort. - Other Intangibles	3.1c	4,083,067	3.1e	-
Accum. Amort. - Capital Leases	3.1d	-	3.1f	-
		4,083,067		-
Transmission Labor Ratio		0.020038		0.065625
Accumulated Amortization Allocated to Transmission		81,818 a		- e
8. Accumulated Deferred Income Taxes - Direct Plant				
A.D.I.T. - Transmission Operations	5a	(4,335,125.82) b	5b	(2,585,573.12) f
9. Accumulated Deferred Income Taxes - Allocated Plant				
Intangible Plant in Service	3c	9,836,141	3g	-
General Plant in Service	3d	31,032,618	3h	12,755,470
Capital Leases - Vehicles	3i	-	3m	-
Compl. Const. - General & Intangible	3j&z	3,635,659	3n	354,576
		44,504,418		13,110,047
Total Electric Plant in Service	3A	474,562,682	3D	237,198,336
Total Capital Leases	3B	-	3E	-
Total Compl. Const.	3C	61,024,179	3F	38,355,384
		535,586,861		275,553,720
Ratio		0.083095		0.047577
Total A.D.I.T.	5c	(30,245,261)	5d	(15,560,864)
A.D.I.T. - Allocated Plant		(2,513,220.25)		(740,341)
Transmission Labor Ratio		0.020038		0.065625
A.D.I.T. Allocated to Transmission		(50,361) c		(48,585) g
10. Materials and Supplies - Transmission				
Materials and Supplies (Accts. 154 and 163)	6a	11,804,864	6b	2,951,216
Transmission Labor Ratio		0.020038		0.065625
M&S - Transmission		236,550 d		193,673 h

UNS Electric, Inc.
Rates for Transmission Service
For Period Ending December 31, 2015

		Mohave		Santa Cruz
11. A&G Expense Allocated to Transmission				
A&G Expense (Accts. 920 - 935)	4.1g	7,786,605	4.1h	1,685,849
Transmission Labor Ratio		0.020038		0.065625
A&G Expense Allocated to Transmission	A	156,031	B	110,633
12. Depreciation & Amortization - Directly Assigned Plant				
Depreciation Expense - Transmission Plant	3.1g	2,417,411	3.1j	1,441,802
Amortization Acq. Discount - Transmission	3.1l	(230,623)	3.1l	(137,549)
		2,186,788 a		1,304,253 d
13. Depreciation & Amortization - Plant Allocated to Transmission				
Depreciation Expense - General Plant - 403	3.1m	792,147	3.1q	325,599
Amortization Expense - Intangibles & General - 404	3.1n	1,397,635	3.1r	390,962
Amort. Acq. Discount - Other Intangibles - 406	3.1o	-	3.1s	-
Amort. Acq. Discount - General Plant - 406	3.1p	(180,515)	3.1t	(74,198)
		2,009,267		642,364
General Plant in Service	3d	31,032,618	3h	12,755,470
Other Intangibles	3c	9,836,141	3g	-
Capital Leases	3B	-	3E	-
Comp. Const. - General Plant	3j&z	3,635,659	3n	354,576
		44,504,418		13,110,047
Average Depreciation Rate		0.045148		0.048998
Intangible and General Plant Allocated to Transmission	2A	818,941	2D	837,074
Capital Leases Allocated to Transmission	2B	-	2E	-
Completed Const. Allocated to Transmission	2C	72,853	2F	23,269
Total Plant Allocated to Transmission		891,794		860,343
Depreciation & Amortization of Allocated Plant		40,262 b		42,155 e
14. Property Taxes - Transmission Plant				
Property + Other Tax Expense	4.1 Sum(i)	3,868,650	4.1 Sum(j)	2,185,105
Total Electric Plant in Service		474,562,682		237,198,336
Less: Other Intangible Plant in Service		(9,836,141)		-
Capital Leases		-		-
Completed Const. not Classified		61,024,179		38,355,384
Taxable Plant		525,750,720		275,553,720
Average Property Tax Rate	D	0.007358	E	0.007930
Transmission Plant		76,766,949		45,785,652
Property Tax Expense - Transmission		564,877 c		363,074 f

2.2

UNS Electric, Inc.
Rates for Transmission Service
For Period Ending December 31, 2015

		Mohave			Santa Cruz	
15. Property Tax Expense - General Plant Allocated to Transmission						
Intangible and General Plant Allocated to Transmission	2A	818,941		2D	837,074	
Capital Leases Allocated to Transmission	2B	-		2E	-	
Completed Const. Allocated to Transmission	2C	72,853		2F	23,269	
Total Plant Allocated to Transmission		891,794			860,343	
Average Property Tax Rate	2.2D	0.007358		2.2E	0.007930	
Property Taxes on Plant Allocated to Transmission		6,562	d		6,822	j
16. Payroll Taxes - Transmission						
Payroll Tax Expense	4.1k	314,776		4.1l	61,010	
Total Salaries and Wages Charged to Expense	4.1b	3,401,046		4.1e	562,154	
Average Tax Rate		0.092553			0.108529	
Transmission Payroll Expense	4.1a	54,833		4.1d	32,704	
Payroll Taxes - Transmission		5,075	e		3,549	k
17. Payroll Taxes - A&G Payroll Allocated to Transmission						
A&G Salaries and Wages	4.1c	664,655		4.1f	63,813	
Average Payroll Tax Rate		0.092553			0.108529	
Payroll Taxes on A&G Salaries and Wages		61,516			6,926	
Transmission Labor Ratio		0.020038			0.065625	
A&G Payroll Taxes Allocated to Transmission		1,233	f		454	l
18. Allowance for Working Capital						
Transmission O&M Expense	4.1m	348,178	b	4.1n	57,723	h
A&G Expense Allocated to Transmission	2.2A	156,031	c	2.2B	110,633	i
Total O&M Expense - Transmission		504,209			168,356	
Working Capital Factor (1/8)		0.125			0.125	
Total Working Capital		63,026.11	a		21,044	g

19. Weighted Cost of Capital

From Arizona Corporation Commission Decision No. 59951 Issued 1/7/97
Cannot change per OATT until next FERC filing.

	Reference	% of Total	Annual Cost %	Weighted Cost %
Short-term Debt	Attachment A, Pg. 33	43.00%	7.23%	3.11%
Long-term Debt	Attachment A, Pg. 33	6.00%	5.08%	0.31%
Common Stock Equity	Attachment A, Pg. 33	51.00%	10.70%	5.46%
	Attachment A, Pg. 33	1.00		8.88%

2.3

UNS Electric, Inc.
Rates for Transmission Service
For Period Ending December 31, 2015

			Mohave	Santa Cruz
20. Combined Federal - State Income Tax Rate				
Federal Rate	34.00% *			
State Rate	5.472% *			
Income Before Taxes	100.000 %			
Less: State Income Tax	(5.472) %			
Taxable for Federal	94.528 %			
Less: Federal Income Tax (.34 X 94.528 - Taxable for Fed)	(32.140) %			
Income After Taxes	62.389 %			
Total Tax Rate	37.611 %	a		

	For Rev Req Calculation	
(a/100)	0.37611	b
(1-b)	0.623887	c
(a/c)	0.602855	d

* Estimated federal & state tax rates to be in effect as of June 1, 2016.

2.4

UNS Electric
2015

Line			Mohave		Santa Cruz		Total
1	**Acct. No. 101, Plant in Service at 12/31/15:**						
2	Intangible Plant (Accts. 301-303) -		9,836,141	c	-	g	9,836,141
3	Production Plant (Accts. 310-346)		63,912,464		42,803,956		106,716,420
4	Transmission Plant (Accts. 350-359)		74,727,843	b	44,569,480	f	119,297,323
5	Distribution Plant (Accts. 360-373)		295,053,616		137,069,430		432,123,046
6	General Plant (Accts. 389-399)		31,032,618	d	12,755,470	h	43,788,088
7	Total Plant in Service	A	474,562,682	D	237,198,336		711,761,018
8	**Acct. No. 101.1 Capital Leases at 12/31/15:**						
9	Vehicles	B	-	i	-	m	-
10	**Acct. No. 106 Completed Const. Not Classified at 12/31/15:**						
11	Intangible Plant (Accts. 301-303) -		2,773,015	z	-		2,773,015
12	Production Plant (Accts. 310-346)		53,963,209		36,140,663		90,103,871
13	Transmission Plant (Accts. 350-359)		2,039,106	a	1,216,172	e	3,255,278
14	Distribution Plant (Accts. 360-373)		1,386,206		643,973		2,030,178
15	General Plant (Accts. 389-399)		862,644	j	354,576	n	1,217,221
16		C	61,024,179	F	38,355,384		99,379,563
17	**Acct. No. 108, Accumulated Depreciation:**						
18	Capital Recovery:						
19	Intangible -		-		-		-
20	Production		(24,792,016)	y	(16,603,903)		(41,395,919)
21	Transmission		(18,070,528)	k	(10,777,697)	o	(28,848,224)
22	Distribution		(170,365,140)		(79,144,438)		(249,509,578)
23	General		(15,081,758)	v	(6,199,120)	q	(21,280,877)
24			(228,309,441)		(112,725,157)		(341,034,598)
25	R.W.I.P.:						
26	Intangible -		-		-		-
27	Production		-		-		-
28	Transmission		-	t	-	u	-
29	Distribution		(502,727)		(233,546)		(736,273)
30	General		(17,390)	w	(7,148)	r	(24,538)
31			(520,118)		(240,694)		(760,811)
32	Acquisition Discount, net of Accum. Amortization:						
33	Intangible - (combined with General)						
34	Production		(10,941,739)		(7,327,987)		(18,269,727)
35	Transmission		(5,574,474)	l	(3,324,750)	p	(8,899,225)
36	Distribution		(26,386,605)		(12,258,101)		(38,644,706)
37	General		(2,130,743)	x	(875,809)	s	(3,006,552)
38			(45,033,562)		(23,786,647)		(68,820,209)
39	Total Accumulated Depreciation		(273,863,121)		(136,752,498)		(410,615,619)

Line		Mohave		Santa Cruz		Total
40	**Acct. 111 Accumulated Amortization:**					
41	Intangible -	(4,083,067)	c	-	e	(4,083,067)
42	Production	-		-		-
43	Transmission	-		-		-
44	Distribution	-		-		-
45	General	-		-		-
46		(4,083,067)		-		(4,083,067)
47	**Acct. 111.1 Accum. Amortization - Cap. Leases:**					
48	Vehicles	-	d	-	f	-
49	**Acct. No. 403, Depreciation Expense:**					
50	Intangible -	-		-		-
51	Production	2,150,603		1,440,319		3,590,921
52	Transmission	2,417,411	g	1,441,802	j	3,859,212
53	Distribution	11,543,413		5,362,581		16,905,994
54	General	792,147	m	325,599	q	1,117,746
55		16,903,573		8,570,301		25,473,874
56	**Acct. 404 Amortization of Utility Plant:**					
57	Intangible -	446,468		-		446,468
58	Production	-		-		-
59	Transmission	-		-		-
60	Distribution	-		-		-
61	General	951,167		390,962		1,342,129
62		1,397,635	n	390,962	r	1,788,598
63	**Acct. 406, Amortization of Acquisition Adj:**					
64	Intangible -	-	o	-	s	-
65	Production	(133,513)		(89,418)		(222,931)
66	Transmission	(230,623)	i	(137,549)	l	(368,172)
67	Distribution	(1,929,355)		(896,297)		(2,825,651)
68	General	(180,515)	p	(74,198)	t	(254,713)
69		(2,474,006)		(1,197,461)		(3,671,467)

UNS Electric
2015
Data from Plant Accounting/Regulatory Accounting

Line		Mohave	See Note 1	Santa Cruz	See Note 1	Total	Reference
1	**Acct. No. 101, Plant in Service at 12/31/15:**						
2	Intangible Plant (Accts. 301-303)	9,836,141	100.00%	-	0.00%	9,836,141	Company Reports
3	Production Plant (Accts. 310-347)	63,912,464	59.89%	42,803,956	40.11%	106,716,420	Company Reports
4	Transmission Plant (Accts. 350-359)	74,727,843	62.64%	44,569,480	37.36%	119,297,323	Company Reports
5	Distribution Plant (Accts. 360-373)	295,053,616	68.28%	137,069,430	31.72%	432,123,046	Company Reports
6	General Plant (Accts. 389-399)	31,032,618	70.87%	12,755,470	29.13%	43,788,088	Company Reports
7	Total Plant in Service	474,562,682		237,198,336		711,761,018	
8	**Acct. No. 101.1, Capital Leases at 12/31/15:**						
9	Vehicles	-	0.00%	-	0.00%	-	Company Reports
10	**Acct. No. 106, Completed Const. Not Classified at 12/31/15:**						
11	Intangible Plant (Accts. 301-303)	2,773,015	100.00%	-	0.00%	2,773,015	Company Reports
12	Production Plant (Accts. 310-347)	53,963,209	59.89%	36,140,663	40.11%	90,103,871	Company Reports
13	Transmission Plant (Accts. 350-359)	2,039,106	62.64%	1,216,172	37.36%	3,255,278	Company Reports
14	Distribution Plant (Accts. 360-373)	1,386,206	68.28%	643,973	31.72%	2,030,178	Company Reports
15	General Plant (Accts. 389-399)	862,644	70.87%	354,576	29.13%	1,217,221	Company Reports
16	Total Completed Const. Not Classified	61,024,179		38,355,384		99,379,563	
17	**Total Acct No. 101, 101.1, 106**						
18	Intangible Plant (Accts. 301-303)	12,609,155	100.00%	-	0.00%	12,609,155	FERC Pg. 205, Ln. 5(g)
19	Production Plant (Accts. 310-347)	117,875,672	59.89%	78,944,619	40.11%	196,820,291	FERC Pg. 205, Ln. 45(g)-44(g)
20	Transmission Plant (Accts. 350-359)	76,766,949	62.64%	45,785,652	37.36%	122,552,601	FERC Pg. 207, Ln. 58(g)
21	Distribution Plant (Accts. 360-373)	296,439,822	68.28%	137,713,403	31.72%	434,153,224	FERC Pg. 207, Ln. 75(g)
22	General Plant (Accts. 389-399)	31,895,263	70.87%	13,110,047	29.13%	45,005,309	FERC Pg. 207, Ln. 99(g)
23	Total	535,586,861		275,553,720		811,140,581	FERC Pg. 207 Ln 104(g) -Pg205 Ln. 44(g)

Note 1: Percentages are based on data filed with the State of Arizona for property valuation and taxation purposes.

3.2

UNS Electric
2015
Data from Plant Accounting/Regulatory Accounting

Line		Mohave	See Note 1	Santa Cruz	See Note 1	Total	Reference
24	**Acct. No. 108, Accumulated Depreciation:**						
25	Capital Recovery:						
26	Intangible	-	100.00%	-	0.00%	-	Company Reports
27	Production	(24,792,016)	59.89%	(16,603,903)	40.11%	(41,395,919)	Company Reports
28	Transmission	(18,070,528)	62.64%	(10,777,697)	37.36%	(28,848,224)	Company Reports
29	Distribution	(170,365,140)	68.28%	(79,144,438)	31.72%	(249,509,578)	Company Reports
30	General	(15,081,758)	70.87%	(6,199,120)	29.13%	(21,280,877)	Company Reports
		(228,309,441)		(112,725,157)		(341,034,598)	
31	R.W.I.P.:						
32	Intangible	-	100.00%	-	0.00%	-	Company Reports
33	Production	-	59.89%	-	40.11%	-	Company Reports
34	Transmission	-	62.64%	-	37.36%	-	Company Reports
35	Distribution	(502,727)	68.28%	(233,546)	31.72%	(736,273)	Company Reports
36	General	(17,390)	70.87%	(7,148)	29.13%	(24,538)	Company Reports
		(520,118)		(240,694)		(760,811)	
37	**Acquisition Discount, net of Accum. Amortization: Acct 114/115**					NBV	
38	Intangible - (combined with General)	-	100.00%	-	0.00%	-	Company Reports
39	Production	(10,941,739)	59.89%	(7,327,987)	40.11%	(18,269,727)	Company Reports
40	Transmission	(5,574,474)	62.64%	(3,324,750)	37.36%	(8,899,225)	Company Reports
41	Distribution	(26,386,605)	68.28%	(12,258,101)	31.72%	(38,644,706)	Company Reports
42	General	(2,130,743)	70.87%	(875,809)	29.13%	(3,006,552)	Company Reports
		(45,033,562)		(23,786,647)		(68,820,209)	
43	**Acct. 111, Accumulated Amortization:**						
44	Intangible	(4,083,067)	100.00%	-	0.00%	(4,083,067)	Company Reports
45	Production	-	59.89%	-	40.11%	-	Company Reports
46	Transmission	-	62.64%	-	37.36%	-	Company Reports
47	Distribution	-	68.28%	-	31.72%	-	Company Reports
48	General	-	70.87%	-	29.13%	-	Company Reports
		(4,083,067)		-		(4,083,067)	
49	**Acct. 111.1, Accum. Amortization - Cap. Leases:**						
50	Vehicles	-	0.00%	-	0.00%	-	Company Reports
51	Total Accumulated Depreciation	(277,946,188)		(136,752,498)		(414,698,686)	

Note 1: Percentages are based on data filed with the State of Arizona for property valuation and taxation purposes.

3.3

UNS Electric
2015
Data from Plant Accounting/Regulatory Accounting

Line		Mohave	See Note 1	Santa Cruz	See Note 1	Total	Reference
52	**Acct. No. 403, Depreciation Expense:**						
53	Intangible	-	100.00%	-	0.00%	-	Company Reports
54	Production	2,150,603	59.89%	1,440,319	40.11%	3,590,921	Company Reports
55	Transmission	2,417,411	62.64%	1,441,802	37.36%	3,859,212	Company Reports
56	Distribution	11,543,413	68.28%	5,362,581	31.72%	16,905,994	Company Reports
57	General	792,147	70.87%	325,599	29.13%	1,117,746	Company Reports
		16,903,573		8,570,301		25,473,874	FERC Pg. 114, Ln. 6c
58	**Acct. 404, Amortization of Utility Plant:**						
59	Intangible	446,468	100.00%	-	0.00%	446,468	Company Reports
60	Production	-	59.89%	-	40.11%	-	Company Reports
61	Transmission	-	62.64%	-	37.36%	-	Company Reports
62	Distribution	-	68.28%	-	31.72%	-	Company Reports
63	General	951,167	70.87%	390,962	29.13%	1,342,129	Company Reports
		1,397,635		390,962		1,788,598	FERC Pg. 114, Ln. 8c
64	**Acct. 406, Amortization of Acquisition Adj.:**						
65	Intangible - (combined with General)	-	100.00%	-	0.00%	-	Company Reports
66	Production	(133,513)	59.89%	(89,418)	40.11%	(222,931)	Company Reports
67	Transmission	(230,623)	62.64%	(137,549)	37.36%	(368,172)	Company Reports
68	Distribution	(1,929,355)	68.28%	(896,297)	31.72%	(2,825,651)	Company Reports
69	General	(180,515)	70.87%	(74,198)	29.13%	(254,713)	Company Reports
70		(2,474,006)		(1,197,461)		(3,671,467)	FERC Pg. 114, Ln. 9c

Note 1: Percentages are based on data filed with the State of Arizona for property valuation and taxation purposes.

3.4

UNSE Electric, Inc.
OATT Data
YTD December 31, 2015

From Income Statement by FERC

Line		Reference	Total Mohave	Total Santa Cruz	Mohave Common Costs 80% (2)	Santa Cruz Common Costs 20% (2)	Kingman	Gila River	Valencia-Santa Cruz	Mohave Adjustments 80% (2)	Santa Cruz Adjustments 20% (2)	UNS Electric, Inc. 12/31/2015	Reference
1	0560 Trans-Load Dispatch	Company Reports	-	-	-	-	-	-	-	-	-	-	FERC Pg. 321 Ln. 83(b)
2	0561 Trans-Op. Supv. & Eng.	Company Reports	4,560.00	3,284.63	79,613.78	19,903.44	-	-	-	-	-	107,341.85	FERC Pg. 321 Ln. 85(b)-92(b)
3	0562 Trans-Station Expense	Company Reports	50,066.69	-	-	-	78,626.14	295.48	-	-	-	128,988.31	FERC Pg. 321 Ln. 93(b)
4	0563 Trans-Overhead Line	Company Reports	-	-	-	-	44,244.61	1,401.79	-	-	-	45,646.40	FERC Pg. 321 Ln. 94(b)
5	0565 Trans Electricity by	Company Reports	16,508,425.00	3,971,279.00	0.18	0.04	-	-	-	-	-	20,479,704.22	FERC Pg. 321 Ln. 96(b)
6	0566 Trans-Misc Oper Expe	Company Reports	126.65	3,935.60	-	-	-	6,201.61	-	-	-	10,263.86	FERC Pg. 321 Ln. 97(b)
7	0567 Trans-Rent Exp	Company Reports	3,816.73	-	-	-	7,249.92	-	-	-	-	11,066.65	FERC Pg. 321 Ln. 98(b)
8	0568 Trans-Maint Supv & Engr	Company Reports	-	-	-	-	-	-	-	-	-	-	FERC Pg. 321 Ln. 101(b)
9	0570 Trans-Maint Stn Equi	Company Reports	-	28,965.35	-	-	-	45,442.75	-	-	-	74,408.10	FERC Pg. 321 Ln. 107(b)
10	0571 Trans-Maint of OH Li	Company Reports	-	1,653.90	-	-	25,678.07	854.16	-	-	-	28,185.73	FERC Pg. 321 Ln. 108(b)
11	0573 Trans-Maint Misc Trans Pl	Company Reports	-	-	-	-	-	-	-	-	-	-	FERC Pg. 321 Ln. 110(b)
12	Transmission O&M (Acct. 560-574)		16,566,995.07	4,009,098.08	79,613.96	19,903.48	155,798.74	54,195.79	-	-	-	20,885,605.12	FERC Pg. 321 Ln. 112(b)
13	0920 A&G Salaries	Company Reports	646,126.74	201,461.39	2,877,283.53	719,315.85	527,234.00	-	-	-	-	4,971,421.54	FERC Pg. 323 Ln. 181(b)
14	0921 Office Supplies/Expe	Company Reports	216,142.32	142,574.36	715,808.82	178,952.20	378,946.78	-	-	-	-	1,632,424.48	FERC Pg. 323 Ln. 182(b)
15	0922 Adm Expense Transfrd	Company Reports	-	25,744.00	(1,788,030.16)	(447,007.54)	100,312.78	-	-	-	-	(2,108,980.92)	FERC Pg. 323 Ln. 183(b)
16	0923 Outside Services	Company Reports	52,283.37	69,302.46	1,315,395.46	328,848.87	149,595.15	59,523.84	-	-	-	1,974,949.15	FERC Pg. 323 Ln. 184(b)
17	0924 Property Insurance	Company Reports	-	173.37	154,386.72	38,595.68	675.75	-	-	-	-	193,832.52	FERC Pg. 323 Ln. 185(b)
18	0925 Injuries & Damages	Company Reports	20,043.50	5,564.98	6,338.27	1,584.57	14,672.97	-	-	-	-	48,204.29	FERC Pg. 323 Ln. 186(b)
19	0926 Pensions & Benefits	Company Reports	374,470.00	193,182.44	625,435.64	206,358.91	877,266.82	-	-	-	-	2,276,713.81	FERC Pg. 323 Ln. 187(b)
20	0928 Regulatory Commissio	Company Reports	-	-	-	-	-	-	-	-	-	-	FERC Pg. 323 Ln. 189(b)
21	0929 Duplcate Charges-Credit	Company Reports	(14,073.61)	(51,819.83)	-	-	(14,600.38)	-	-	-	-	(80,493.82)	FERC Pg. 323 Ln. 190(b)
22	0930 General Advertising	Company Reports	64,718.95	438.00	217,056.14	54,264.04	112,142.07	-	-	-	-	448,620.23	FERC Pg. 323 Ln. 191(b)-192(b)
23	0931 A&G Rents	Company Reports	16,331.47	1,348.87	67,778.08	16,944.52	13,360.00	-	-	-	-	115,762.94	FERC Pg. 323 Ln. 193(b)
24	0935 Maint of General Pla	Company Reports	-	-	-	-	-	-	-	-	-	-	FERC Pg. 323 Ln. 196(b)
25	A&G Expenses (Acct. 920-935)		1,376,042.77	587,991.04	4,391,432.50	1,097,858.13	1,959,605.94	59,523.84	-	-	-	9,472,454.22	FERC Pg. 323 Ln. 197(b)
26	Taxes Other Than Income:												
27	Property	Company Reports	1,092,100.00	2,143,474.00	2,807.42	701.86	2,610,222.14	-	-	-	-	5,849,305.42	Company Reports
28	Payroll	Company Reports	91,802.78	45,405.98	62,416.56	15,604.14	160,556.55	-	-	-	-	375,786.11	Company Reports
29	Other	Company Reports	-	1,903.79	156,101.73	39,025.43	7,418.21	-	-	-	-	204,449.16	Company Reports
30	Taxes Other Than Income:		1,183,902.78	2,190,783.77	221,325.71	55,331.43	2,778,197.00	-	-	-	-	6,429,540.69	FERC Pg. 114 Ln. 14(c)

From Income Statement by FERC

	Salaries & Wages:	Reference	Total Mohave	Total Santa Cruz	Mohave Common Costs 80%	Santa Cruz Common Costs 20%	Kingman	Gila River	Valencia-Santa Cruz	Mohave Adjustments 80%	Santa Cruz Adjustments 20%	UNS Electric, Inc.	Reference
31	Production	Company Reports	-	-	-	-	164,024.58	-	62,549.14	-	-	226,573.72	Company Reports
32	Transmission (1)	Company Reports	54,832.68	32,703.53	-	-	-	-	-	-	-	87,536.21	Company Reports
33	Distribution	Company Reports	729,187.33	203,137.76	-	-	1,101,325.49	-	-	-	-	2,033,650.58	Company Reports
34	Customer Accts.	Company Reports	62,240.60	176,390.11	-	-	369,932.48	-	-	-	-	608,563.19	Company Reports
35	Customer Service	Company Reports	65.27	-	17,298.98	4,324.75	160,538.39	-	-	-	-	182,227.39	Company Reports
36	Sales	Company Reports	-	-	-	-	-	-	-	-	-	-	Company Reports
37	A&G	Company Reports	329,201.13	84,708.65	67,253.06	16,813.26	419,037.18	-	-	(287,757.16)	(71,939.29)	557,316.83	Company Reports
38	Salaries & Wages Charged to Expense		1,175,527.01	496,940.05	84,552.04	21,138.01	2,214,858.12	-	62,549.14	(287,757.16)	(71,939.29)	3,695,867.92	

(1) Transmission salaries are allocated based on tax percentages which were provided by the Tax Dept and are weighted based on TRSQ locations in the companies property/personal taxes.

(2) Historical OATT allocation for Mohave and Santa Cruz

UNSE Electric, Inc.
OATT Data
YTD December 31, 2015

Line		Reference	UNS Electric, Inc. 12/31/2015	Expense Allocation by Location: Mohave		Santa Cruz		Total
1	0560 Trans-Load Dispatch	W/P 4	-	-		-		-
2	0561 Trans-Op. Supv. & Eng.	W/P 4	107,341.85	84,173.78		23,168.07		107,341.85
3	0562 Trans-Station Expense	W/P 4	128,988.31	128,988.31		-		128,988.31
4	0563 Trans-Overhead Line	W/P 4	45,646.40	45,646.40		-		45,646.40
5	0565 Trans Electricity by	W/P 4	20,479,704.22	16,508,425.18		3,971,279.04		20,479,704.22
6	0566 Trans-Misc Oper Expe	W/P 4	10,263.86	6,328.26		3,935.60		10,263.86
7	0567 Trans-Rent Exp	W/P 4	11,066.65	11,066.65		-		11,066.65
8	0568 Trans-Maint Supv & Engr	W/P 4	-	-		-		-
9	0570 Trans-Maint Stn Equi	W/P 4	74,408.10	45,442.75		28,965.35		74,408.10
10	0571 Trans-Maint of OH Li	W/P 4	28,185.73	26,532.23		1,653.50		28,185.73
11	0573 Trans-Maint Misc Trans Pl	W/P 4	-	-		-		-
12	Transmission O&M (Acct. 560-574)		20,885,605.12	348,178.38	m	57,722.52	n	405,900.90
13	0920 A&G Salaries	W/P 4	4,971,421.54	4,050,624.27		920,797.27		4,971,421.54
14	0921 Office Supplies/Expe	W/P 4	1,632,424.48	1,310,897.92		321,526.56		1,632,424.48
15	0922 Adm Expense Transfrd	W/P 4	(2,108,980.92)	(1,687,717.38)		(421,263.54)		(2,108,980.92)
16	0923 Outside Services	W/P 4	1,974,949.15	1,576,797.82		398,151.33		1,974,949.15
17	0924 Property Insurance	W/P 4	193,832.52	155,062.47		38,770.05		193,832.52
18	0925 Injuries & Damages	W/P 4	48,204.29	41,054.74		7,149.55		48,204.29
19	0926 Pensions & Benefits	W/P 4	2,276,713.81	1,877,172.46		399,541.35		2,276,713.81
20	0928 Regulatory Commissio	W/P 4	-	-		-		-
21	0929 Duplicate Charges-Credit	W/P 4	(80,493.82)	(28,673.99)		(51,819.83)		(80,493.82)
22	0930 General Advertising	W/P 4	448,620.23	393,917.19		54,703.04		448,620.23
23	0931 A&G Rents	W/P 4	115,762.94	97,469.55		18,293.39		115,762.94
24	0935 Maint of General Pla	W/P 4	-	-		-		-
25	A&G Expenses (Acct. 920-935)		9,472,454.22	7,786,605.05	g	1,685,849.17	h	9,472,454.22
26	Taxes Other Than Income:							
27	Property	W/P 4	5,849,305.42	3,705,129.56	i	2,144,175.86	j	5,849,305.42
28	Payroll	W/P 4	375,786.11	314,775.99	k	61,010.12	l	375,786.11
29	Other	W/P 4	204,449.16	163,519.94	i	40,929.22	j	204,449.16
30	Taxes Other Than Income:		6,429,540.69	4,183,425.49		2,246,115.20		6,429,540.69

	Salaries & Wages:	Reference	UNS Electric, Inc.	Reference	Incentive Comp: Mohave 80%	Santa Cruz 20%	Expense Allocation by Location: Mohave		Santa Cruz		Total
31	Production	W/P 4	226,573.72	Company Reports	-	-	164,024.58		62,549.14		226,573.72
32	Transmission (1)	W/P 4	87,536.21	Company Reports	-	-	54,832.68	a	32,703.53	d	87,536.21
33	Distribution	W/P 4	2,033,650.58	Company Reports	17,509.60	4,377.40	1,848,022.42		207,515.16		2,055,537.58
34	Customer Accts.	W/P 4	608,563.19	Company Reports	27,310.40	6,827.60	459,483.48		183,217.71		642,701.19
35	Customer Service	W/P 4	182,227.39	Company Reports	32,124.80	8,031.20	210,027.44		12,355.95		222,383.39
36	Sales	W/P 4	-	Company Reports	-	-	-		-		-
37	A&G	W/P 4	557,316.83	Company Reports	136,920.80	34,230.20	664,655.01	c	63,812.82	f	728,467.83
38	Salaries & Wages Charged to Expens		3,695,867.92		213,865.60	53,466.40	3,401,045.61	b	562,154.31	e	3,963,199.92

Salaries & Wages Charged to Balance Sheet	**3,963,200.00**
Ferc Form 1 total wages pg 355.65b	3,963,200.00

(1) Transmission salaries are allocated based on tax percentages which were provided by the Tax Dept and are weighted based on TRSQ locations in the companies property/personal taxes.

(2) Historical OATT allocation for Mohave and Santa Cruz

UNS Electric, Inc..
Accumulated Deferred Taxes
Source: Company Data

Line	Deferred Taxes	Total 12/31/2015
1	NOL Carry Forward 190	10,398,796
2	Plant Related Timing Differences - 282 (Excludes CWIP)	(64,800,351)
3	CIAC - 190	6,177,691
4	Customer Advances - 190	1,155,190
5	Regulatory Asset/Liability Adjustments	1,262,549
6		
7	Total Deferred Tax Asset / (Liability	(45,806,125)

		Total	Northern		Southern	
8	Total Plant					
9	Ratio	100%	66.03%		33.97%	
10	Deferred Tax Asset/(Liability) Before Transmission Ratio	(45,806,125)	(30,245,261)	c	(15,560,864)	c
11	Transmission Plant					
12	Ratio		62.64%		37.36%	
13	Total Transmission 101 & 106	122,552,601	76,766,949		45,785,652	
14	Total Plant 101 & 106	811,140,581	535,586,861		275,553,720	
15	Transmission Ratio	15.11%	14.33%		16.62%	
16	ADIT	(6,920,699)	(4,335,126)	a	(2,585,573)	b

Line	UNSE WAPA Payments	Reference	2015
1	JAN-15	Company Reports	602,582.94
2	FEB-15	Company Reports	698,217.01
3	MAR-15	Company Reports	987,473.42
4	APR-15	Company Reports	741,400.39
5	MAY-15	Company Reports	754,914.05
6	JUN-15	Company Reports	826,666.49
7	JUL-15	Company Reports	1,026,870.60
8	AUG-15	Company Reports	1,083,794.34
9	SEP-15	Company Reports	1,143,725.39
10	OCT-15	Company Reports	1,023,584.22
11	NOV-15	Company Reports	765,820.04
12	DEC-15	Company Reports	741,035.26
13			10,396,084.15

UNSE - 2015
M&S and Stores Expense

	FERC Account	Reference	Total	Mohave 80% *	Santa Cruz 20% *
14	151 - Fuel Stock	FERC Pg. 110 Ln. 45c	289,961	231,969	57,992
15	154 - Materials and Supplies	FERC Pg. 110 Ln. 48c	13,105,385	10,484,308	2,621,077
16	163 - Stores Expense Undistr.	FERC Pg. 111 Ln. 54c	1,360,734	1,088,587	272,147
			14,756,080	11,804,864	2,951,216

* Historical OATT allocation for Mohave and Santa Cruz

UNS Electric, Inc.
Computation of Gross Revenue Conversion Factor

Line No.	Description	Percentage of Incremental Gross Revenues		Line No.
1	Gross Revenue	100.00%		1
2	Less: Uncollectible Revenue	0.34380%		2
3	Taxable Income as a Percent	99.66%		3
4	Less: Federal (31.630%) and State Income Taxes (6.968%) (Combined Effective Tax Rate = 38.598%)	37.48%		4
5	Change in Net Operating Income	62.17%		5
6	Gross Revenue Conversion Factor	1.6084	(a)	6

(a) Line No. 1 divided by line No. 5.

Supporting Schedules	Recap Schedules
N/A	A-1

SCHEDULE C-3 REFERENCES

Fed	32.140%	a
St	5.472%	b
Total	37.611%	

Links
Not linked to other schedules

Source for Uncollectible Revenue = Bad Debt Expense Pro Forma adjustment. The percentage used is the average retail A/R write-off rate.

Source for tax rates = Tax Services

UNS ELECTRIC PEAK DATA - 2015

Line	Month	DISTRICT Santa Cruz	Kingman	Lake Havasu	Mohave County	UES Total	
1	Jan-15	55	105	111	216.0	271.0	
2	Feb-15	50	84	77	161.0	211.0	
3	Mar-15	45	79.7	110.15	189.9	234.9	
4	Apr-15	44	93	121	214.0	258.0	
5	May-15	56	114	143	257.0	313.0	
6	Jun-15	**75**	**159**	166	325.0	400.0	
7	Jul-15	57	147	173	320.0	377.0	
8	Aug-15	63	149	**195**	344.0	407.0	
9	Sep-15	56	142	158	300.0	356.0	
10	Oct-15	57	110	149	259.0	316.0	
11	Nov-15	54	86	87	173.0	227.0	
12	Dec-15	68	100	101	201.0	269.0	
					Total		
13	Max	75	159	195	344	407.0	Max
14	Avg.	56.7	114	133	246.7	303.3	Avg.
		a			b		

updated 4/15/16

Data from UNSE Daily Load Report

CLEAN

Statement of Charges

UniSource Energy SERVICES

UNS Electric, Inc.

Alternate Fifth Revised Sheet No.: 801-2

Superseding Fifth Revised Sheet No.: 801-2

UNS ELECTRIC STATEMENT OF CHARGES

Description	Rate	Effective Date	Decision No.
Rider R-8 Lost Fixed Cost Recovery (LFCR) Mechanism – Energy Efficiency Lost Fixed Cost Recovery (LFCR) Mechanism – Distributed Generation	0.698504% 0.16930%	August 1, 2015	75164
Rider R-9 Transmission Cost Adjustor (TCA) – $/kWh charge (Non-Demand) Transmission Cost Adjustor (TCA) – $/kW charge (Demand)	$0.00288 per kWh $1.3075 per kW	Pending	Pending

REDLINE

Statement of Charges

UniSource Energy SERVICES

UNS Electric, Inc.

Alternate Fifth Revised Sheet No.: 801-2

Superseding ~~Fourth~~ Fifth Revised Sheet No.: 801-2

UNS ELECTRIC STATEMENT OF CHARGES

Description	Rate	Effective Date	Decision No.
Rider R-8 Lost Fixed Cost Recovery (LFCR) Mechanism – Energy Efficiency Lost Fixed Cost Recovery (LFCR) Mechanism – Distributed Generation	0.698504% 0.16930%	August 1, 2015	75164
Rider R-9 Transmission Cost Adjustor (TCA) – $/kWh charge (Non-Demand) Transmission Cost Adjustor (TCA) – $/kW charge (Demand)	$0.~~00269~~ 00288 per kWh $1.~~22871~~ 3075 per kW	~~June 1, 2017~~ Pending	~~74235~~ Pending

Filed By:	Kentton C. Grant	Rate:	Statement of Charges
Title:	Vice President	Effective:	January 1, 2014
District:	Entire Electric Service Area	Decision No.:	74235