ORIGINAL HEARING DIVISION PROPOSED AMENDMENT



TIME/DATE PREPARED: August 5, 2016 at 10:00

COMPANY: <u>UNS Electric, Inc.</u>

AGENDA ITEM NO. <u>U-22</u>

DOCKET NO(S). <u>E-04204A-15-0142</u>

OPEN MEETING DATE: August 9 & 10, 2016

Purpose: To clarify the operation of the formula to calculate Demand Charges under the LPS-TOU tariff

Page 84, lines 7-12

DELETE "An improvement" through billing period.³²³"

- INSERT "To better align the ratchet with the Average and Excess/4CP CCOSS, the ratchet should capture demand placed on the system during the on-peak hours in the four coincident peak months (June, July, August, and September) which represent excess demand costs. Thus, in the four CP months (June through September), the demand charge would be calculated as the greater of:
 - 1. The average of the on-peak demand measured in each of the most recent 4-CP months, where the on-peak demand is defined as the highest measured 15-minute reading of the demand meter during the on-peak hours of the month; or
 - 2. One-half of the greatest measured 15 minute interval demand read of the meter during the current billing period and the preceding 11 months; or
 - 3. The greater of the contract capacity or 500kW.

During the other eight, non-CP, months, the demand charge would be calculated based on the greater of:

- 1. One-half of the customer's greatest measured 15 minute interval demand read of the meter during the current billing period and the preceding 11 months; or
- 2. The greater of the contract capacity or 500kW."

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