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March 3, 2017

Robert L. Burns, Commissioner  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, AZ 85007

Re: Comments of Tucson Electric Power Company, UNS Electric, Inc., and UNS Gas, Inc.  
Docket No. RU-00000A-17-0035

Dear Commissioner Burns:

I am submitting this letter on behalf of Tucson Electric Power Company, UNS Electric, Inc. and UNS Gas, Inc. (collectively the "Companies"), pursuant to your request for comment in your letters dated February 7, 2017 and February 15, 2017 in the above referenced docket.

On December 3, 2015 the Companies filed a letter in Docket No. AU-00000A-15-0309, "In the Matter of a Generic Docket Regarding the Campaign Contribution Practices of Public Service Corporations and Other Entities that Appear before the Commission." In that letter, we stated the following:

"The Companies do not plan to deviate from their longstanding practice of refraining from making campaign contributions in support or in opposition to Arizona Corporation Commission ("ACC") candidates. Moreover, the bylaws of our employee-funded political action committee expressly prohibit campaign contributions to: (i) any candidates running for the office of ACC commissioner; or (ii) any political action committee advocating for or against any candidates running for the office of ACC commissioner."

I can confirm that the Companies followed this policy during the 2016 election cycle. Moreover, I believe this policy directly responds to the stated purpose of the instant docket as well as the request in your February 15, 2017 letter asking companies to comment on their respective policies regarding political contributions.

Your letter also asks parties to address several other topics. I will respond to those that are applicable to the Companies, or their parent company, UNS Energy Corporation ("UNS Energy"), below.

- UNS Energy supports and belongs to certain 501(c)(4) organizations that advocate for sound fiscal policy and promote economic development activities in the communities we serve. Examples include various chambers of commerce as well as the Arizona Tax Research Association.
- UNS Energy supports and belongs to 501(c)(3) organizations that provide education and training for elected officials on various topics. Examples include the American Legislative Exchange Council, the National Conference of State Legislators and the Western Council of State Governments.
- UNS Energy and the Companies sponsor, from time to time, events that provide a forum for our employees to meet and interact with candidates running for state and local offices.
- UNS Energy's and the Companies' lobbying expenditures are reported to the Arizona Secretary of State.
- UNS Energy and the Companies make philanthropic contributions to local nonprofit groups from corporate resources, not ratepayer funds. Most of these contributions are directed to organizations that provide community support, expand educational opportunities and protect and preserve our environment.
- UNS Energy and the Companies incur marketing and advertising expenses as needed to encourage understanding and awareness of their pricing plans, programs and services, promote public safety and support compliance with Commission-approved programs.

Additionally, the Companies believe that any rules or policies adopted by the Commission as a result of this docket should apply to all parties that participate in Commission proceedings and should respect the Constitutional rights of such parties.

Please contact me if you have any additional questions.

Sincerely,



Jo Smith  
Vice President, Public Policy

Cc: Docket Control