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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

SUSAN BITTER SMITH - CHAIRMAN
BOB STUMP
BOB BURNS
DOUG LITTLE
TOM FORESE

IN THE MATTER OF THE APPLICATION OF) DOCKET NO. E-04204A-15-_____
UNS ELECTRIC, INC. FOR THE)
ESTABLISHMENT OF JUST AND)
REASONABLE RATES AND CHARGES) **APPLICATION**
DESIGNED TO REALIZE A REASONABLE)
RATE OF RETURN ON THE FAIR VALUE OF)
THE PROPERTIES OF UNS ELECTRIC, INC.)
DEVOTED TO ITS OPERATIONS)
THROUGHOUT THE STATE OF ARIZONA)
AND FOR RELATED APPROVALS.)

UNS Electric, Inc. (“UNS Electric” or “Company”), through undersigned counsel, and pursuant to A.R.S. §§ 40-250 and 40-251 and A.A.C. R14-2-103, hereby submits its Application for new rates to be effective no later than May 1, 2016. As proposed, the new rates are intended to result in an increase in retail revenues of approximately \$3.5 million, or approximately 2.1% over adjusted test year retail revenues of \$163,744,000.

Specifically, UNS Electric is requesting a \$22.6 million increase to adjusted test year non-fuel revenues. This increase will be offset by a proposed \$14.9 million reduction in fuel costs and revenues due to the Company’s acquisition of a 25% interest in Gila River Power Plant Unit 3 (“Gila River”), lower power market costs and adjustments to test year sales. UNS Electric’s proposed base rates also will include \$4.3 million in transmission costs currently being recovered through the Transmission Cost Adjustor (“TCA”). The combination of these elements results in the \$3.5 million retail revenue increase.

In addition, UNS Electric is proposing a one-year credit to the purchased power and fuel adjustment clause (“PPFAC”) to reflect the deferred savings accrued as a result of the Accounting Order related to the acquisition of Gila River (estimated at \$9.3 million). As a result of these

1 factors, UNS Electric's request would *decrease* revenue by approximately \$5.8 million, or 3.6%
2 less than adjusted test year retail revenues, in the first year after new rates take effect.

3 UNS Electric is also seeking approval of: (i) necessary modifications to its rate design; (ii)
4 modifications to its PPFAC and Lost Fixed Cost Recovery mechanism ("LFCR"); (iii) updated
5 depreciation rates and (iv) modifications to its Tariffs and Rules and Regulations.

6 In light of the significant updates to UNS Electric's rate design, the proposed revenue
7 requirement and the PPFAC credit will result in the current average monthly bill for an average
8 UNS Electric residential customer based on 983 kWh consumption in the summer and 669 kWh
9 consumption in the winter to increase from \$87.83 to \$89.82 (a \$1.99 increase) in year one and to
10 increase by an additional \$7.87 for subsequent years.

11 The Company's request is fully supported by the testimony, exhibits, and schedules
12 submitted concurrently with this Application.

13
14 **I. OVERVIEW.**

15 UNS Electric's current rates were established in Decision No. 74235 (December 31, 2013),
16 based on a test year ending June 30, 2012, with rates effective on January 1, 2014. As outlined
17 below and as set forth in the supporting testimony, the Company has experienced several events
18 that require it to file this rate case. Accordingly, UNS Electric is filing this rate case to: (i) enable
19 it to continue to provide safe and reliable service; (ii) provide the company with an opportunity to
20 recover its full cost of service, including an appropriate return on invested capital; and (iii)
21 maintain or improve its credit rating, all of which will benefit UNS Electric and its customers.

22 The Company's proposals in this rate case will result in a decrease in retail revenues of
23 approximately \$5.8 million during the first year of new rates and an increase in retail revenues of
24 approximately \$3.5 million in subsequent years when compared to test year adjusted retail
25 revenues. The difference in revenues between year one and subsequent years under the proposed
26 rates reflects a proposed one-year credit to the PPFAC due to deferred savings from the
27

1 Company's interest in Gila River. The deferred savings arise from the accounting order approved
2 by the Commission in Decision No. 74911 (January 22, 2015).

3 Although the Company's request would result in a reduction in retail revenues in the first
4 year under the new rates, residential customers will experience an increase in monthly bills during
5 the first year due to rate design proposals that are aimed at better matching rates to actual costs of
6 service as well as reducing existing inter-class subsidies. Larger commercial customers will see
7 somewhat reduced monthly bills both in year one and thereafter as part of the new rate design
8 proposals intended to provide a more equitable sharing of fixed system costs.

9 **A. Need for Increased Revenue Requirement.**

10 In December 2014, UNS Electric acquired its interest in Gila River for approximately \$55
11 million. The purchase price represents approximately 26 percent of the Company's original cost
12 rate base established in the last rate case. The acquisition significantly benefits the Company and
13 its customers by reducing the Company's reliance on the wholesale energy markets to serve its
14 load. However, the ownership of Gila River has increased UNS Electric's non-fuel costs, and thus
15 non-fuel base rates by approximately \$12 million per year. This increase is expected to be offset
16 by a decrease in purchased capacity and energy costs, and thus base fuel rates (approximately
17 \$12.3 million in 2015.) Beyond Gila River, UNS Electric invested \$85 million since the last test
18 year to upgrade and maintain its system to ensure continued reliable service to its 93,000
19 customers. Between its system investments and Gila River, UNS Electric's original cost rate base
20 ("OCRB") has increased by \$161 million over the prior test year.

21 **B. Need for Updated Rate Design.**

22 UNS Electric's test year retail sales are nearly 8% *below* the June 30, 2012 test year used in
23 the Company's last rate case, due in part to a 50% reduction in sales to industrial and mining
24 customers. Residential usage per customer fell nearly 4% between 2012 and 2014 and is expected
25 to decline again in 2015. . The significant decline in sales is due to several factors, including: (i)
26 the shutdown or curtailment of operations by certain large customers; (ii) the effects of increased
27 energy efficiency ("EE") and distributed generation ("DG"); and (iii) the slow pace of economic

1 recovery. Sales reductions resulting from successful EE measures and DG systems were
2 exacerbated by business closures, including the 2014 bankruptcy of UNS Electric’s largest
3 customer.

4 The effect of lower overall sales means that the Company must recover its fixed costs over
5 a small number of kilowatt-hours (“kWh”). Because a large portion of the Company’s fixed costs
6 are currently recovered volumetrically on a per-kWh basis, lower electricity sales contributes to a
7 significant under-recovery of costs over time, particularly as the Company’s cost of service
8 increases. The ability to recover fixed costs through volumetric rates is compounded by an
9 inclining block rate structure – where more of the fixed costs are collected at higher usage levels.

10 Although this historic rate design may have been appropriate in times of increasing
11 customer usage and sales growth, this approach has created both difficulties for UNS Electric in
12 recovering its authorized revenue requirement and inequities in recovering fixed costs from
13 customers.

14 First, the Company is experiencing declining usage per customer. This trend, which is the
15 result of many factors, results in significant under-recovery of fixed costs due the current rate
16 structure that is heavily dependent on volumetric rates to recover fixed costs.

17 Second, a significant proportion of UNS Electric’s residential and small general service
18 customers have little to no volumetric usage. These customers include everything from seasonal
19 homeowners, vacant structures and net metered rooftop PV systems, all of which seem more
20 prevalent given the characteristics of the UNS Electric service area. Because of the volumetric
21 rate design and the current net metering rules, a significant amount of fixed cost recovery is shifted
22 from these extremely low volume usage customers to the other customers. These low-use/no-use
23 customers are not paying an equitable share of the fixed costs to operate and maintain the UNS
24 Electric grid to which they are connected and on which they are dependent to continue to receive
25 safe and reliable electric service when needed.

26 Third, in addition to the fixed cost recoveries being shifted disproportionately to the
27 customers using higher volumes of electricity, the Company is also suffering lost revenues because

1 the LFCR is not designed to capture all of the lost fixed cost revenues associated with meeting the
2 Commission's Renewable Energy Standard and Energy Efficiency Rules.

3 As a result, the Company is proposing changes to its rate design to help ensure that all
4 customers pay a more equitable share of the fixed, ongoing costs of providing safe and reliable
5 service. UNS Electric also is proposing to modify its net metering tariff to reduce the inequitable
6 subsidies provided to net metered customers (which will also reduce future cost shifting). These
7 proposed tariffs and rates will provide the Company with a better opportunity to recover its fixed
8 costs and earn a reasonable return on its investment, as well as provide a more equitable allocation
9 of costs among customers.

10 11 **II. KEY ELEMENTS OF THE RATE CASE.**

12 **A. Revenue Requirement.**

13 As set forth in the table below, UNS Electric is requesting a \$22.6 million increase to test
14 year adjusted non-fuel revenues. This increase will be offset by a proposed \$14.9 million
15 reduction in fuel cost and revenues due to the acquisition of Gila River, lower power market costs
16 and adjustments to test year sales. UNS Electric's proposed base rates also will include \$4.3
17 million in transmission costs currently being recovered through the TCA. In addition, UNS
18 Electric is proposing a one-year credit to the PPFAC to reflect the deferred savings accrued as a
19 result of the Accounting Order related to the acquisition of Gila River (estimated at \$9.3 million).
20 As a result of these factors, UNS Electric's request would decrease revenue by approximately \$5.8
21 million, or 3.6%, in the first year after new rates take effect. In year two, after the deferred savings
22 are fully credited, the Company's revenue would rise to a level that represents an increase of
23 approximately \$3.5 million, or 2.1%, over test year adjusted retail revenue.

Summary of Requested Retail Rate Impact			
		Yr. 1	Yr. 2
	Requested Non-fuel Increase	\$ 22,622	
Less:	TCA Added To Base Rates	(4,292)	
	Reduction in Base Fuel Rates	(14,870)	
	Gila River Deferred Savings (est.)	\$ (9,300)	\$ -
	Net (Reduction)/Additional Retail Revenue	\$ (5,840)	\$ 3,460
	Test Year Adjusted Retail Revenue (Excluding TCA Revenue)	\$ 147,107	
Plus:	Revenue Paid Through TCA Tracker	4,292	
	Base Fuel Changes Due to Gila & Market Rate Changes	12,345	
	Test Year Adjusted Retail Revenue	\$ 163,744	\$ 163,744
	Percentage Impact	-3.57%	2.11%

UNS Electric's revenue requirement increase is based on an OCRB of \$272.0 million and a Replacement Cost New Less Depreciation ("RCND") rate base of \$438.4 million, resulting in Fair Value Rate Base ("FVRB") of \$355.7 million using a traditional 50/50 weighting of OCRB and RCND.

UNS Electric proposes to use its actual capital structure in determining the weighted average cost of capital ("WACC"). UNS Electric's actual test year capital structure is 52.83% equity and 47.17% debt.

UNS Electric's cost of long-term debt is 4.66% and required cost of common equity is 10.35%. The Company's WACC, based on these cost rates and the test year capital structure, is 7.67%.

UNS Electric is further proposing a fair value rate of return ("FVROR") of 6.22%. This FVROR is based on the methodology adopted by the Commission in several recent rate cases.

B. Gila River.

1. Impact on Rate Base and Operating Expenses.

The Company is adding its 25% interest in Gila River to its rate base. Gila River is the first and only Company-owned base load generating resource in UNS Electric's fleet. Ownership of Gila River provides numerous benefits to UNS Electric's customers, the most significant being

1 long-term rate stability through the use of a highly efficient, combined cycle natural gas plant. The
2 acquisition of Gila River is a prudent investment that will provide substantial benefits to customers
3 and should be included in rate base because: (i) Gila River is a highly efficient generation resource
4 suited to meet the Company's future load requirements, as well as provide firming capacity for
5 intermittent renewable resources; (ii) as demonstrated from the RFP process, the cost of acquiring
6 Gila River was significantly less expensive than other market acquisitions, as well as new build
7 construction; and (iii) it is consistent with the Company's Integrated Resource Plan in that
8 ownership of Gila River reduces the Company's reliance on the wholesale power markets, thus
9 reducing risk to UNS Electric's customers by minimizing unpredictable swings in wholesale
10 market costs.

11 The ownership of Gila River has increased UNS Electric's non-fuel costs, and thus non-
12 fuel base rates by approximately \$12 million per year. This increase is expected to be substantially
13 offset by a decrease in purchased capacity and energy costs, and thus base fuel rates.

14 **2. Accounting Order**

15 In Decision No. 74991, the Commission acknowledged that the financial cost of acquiring
16 and operating Gila River is substantial and may detrimentally impact the Company's financial
17 position. It therefore authorized UNS Electric to defer certain costs and savings related to Gila
18 River. The Company is proposing to return the deferred savings (which are anticipated to be \$9.3
19 million) to customers through a PPFAC credit during the first year under the new rates. The
20 Company is also proposing to recover the deferred costs over three years through base rates.

21 Further, the deferral of non-fuel costs will expire on April 30, 2016 and is limited to \$10.5
22 million or the cumulative deferred savings at that date. As a result, the Company is seeking
23 approval of rates effective as of May 1, 2016 in order to avoid incurring additional costs for Gila
24 River beyond April 30, 2016 that may not be offset by related savings.

25 **C. Depreciation Rates.**

26 UNS Electric is proposing new depreciation rates based on an updated depreciation study.
27 The new rates update depreciation rates approved by the Commission in Decision No. 71914

1 (September 30, 2010). The depreciation rates are lower for many asset accounts and result in a
2 decrease in depreciation expense of \$7.8 million. This decrease is offset in part due to an increase
3 in depreciation related to the acquisition of Gila River.

4 **D. Rate Design.**

5 UNS Electric is proposing to continue its efforts to update and modernize its rate design.
6 Through its proposals, the Company is seeking to better align rate design with cost causation and
7 to reduce inter- and intra-class inequities. The rate structure meets our customers' evolving use of
8 the electric system, reduces the level of cross-subsidies among customers and enhances the
9 Company's ability to recover its fixed costs. The rate design will provide for a more equitable
10 sharing of the cost of the UNS Electric infrastructure that is the backbone of providing safe and
11 reliable service to all of its customers.

12 The Company's rate design proposals include: (i) increased basic service charges for both
13 residential and small commercial customers; (ii) elimination of the third volumetric rate tier for
14 residential customers; (iii) an optional three-part rate structure for residential and small
15 commercial customers that includes a monthly service charge, a demand component and a
16 volumetric energy component; and (iv) a mandatory three-part rate structure for partial
17 requirements customers, including new users of solar arrays and other distributed generation
18 equipment who use the electric system differently by "pushing" and "pulling" energy in ways that
19 create new cost burdens and reliability concerns for the Company and its customers. In addition to
20 the basic rate design proposals, UNS Electric also is proposing modified large commercial rates
21 and new interruptible rates.

22 In order to incent business development and retention in its service area, UNS Electric has
23 developed an Economic Development Rate. This rate will provide discounted electricity rates to
24 new or existing businesses that meet certain qualifications, such as job creation or minimum load
25 requirements.

1 Finally, in compliance with Decision No. 74689, UNS Electric also is submitting a pilot
2 program for a “buy through” tariff that, if approved, would be available to Large Power Service
3 customers.

4 **E. Net Metering Tariff (Rider).**

5 The Company is proposing to modify its net metering rider.¹ The new net metering rider
6 will modify how new net metered customers receive credit for excess energy that is generated by
7 their DG system and delivered to UNS Electric. The new rider would apply to net metered
8 customers that submit applications for interconnection to UNS Electric’s grid facilities after June
9 1, 2015.²

10 Under the new rider:

- 11 • New net metered customers would continue to receive a full retail rate offset for the
12 energy they consume from their DG system;
- 13 • New net metered customers would pay the currently approved and applicable retail rate
14 for all energy delivered by UNS Electric. The applicable retail rates will be limited to
15 the demand based rate options; and
- 16 • New net metered customers would be compensated for any excess energy their DG
17 system produces and delivers to UNS Electric with bill credits calculated using the
18 Renewable Credit Rate (which is a rate that reflects the current cost of utility-scale
19 solar energy). New net metered customers could carry over unused bill credits to future
20 months if they exceed the amount of their current UNS Electric bill.

21 **F. Adjustors.**

22 UNS Electric in proposing modifications to its PPFAC and its LFCR. With respect to the
23 PPFAC, the Company proposes to modify how the PPFAC rate is calculated. Presently, the
24 PPFAC rate is adjusted monthly and charged to customers on a per kWh basis. The modified
25

26 ¹ The modifications are the same as set forth in its application in Docket No. E-04204A-15-0099 (that
27 application was withdrawn on April 20, 2015).

² UNS Electric customers have been and will continue to be notified of the June 1, 2015 proposal to modify
the net metering tariff through a disclaimer in its interconnection materials.

1 PPFAC will still be adjusted monthly but the adjustment will be based on a percentage change
2 calculation. This approach will better align the changes in fuel costs with each rate classes' base
3 fuel costs.

4 With respect to the LFCR, UNS Electric proposes to modify the LFCR, including adding
5 recovery of fixed generation costs and 100% of non-generation demand charges (instead of 50%)
6 as well as increasing the cap from 1% to 2%. The proposed changes will better address the
7 impacts of the continuing expansion of the mandated renewable and energy efficiency programs.

8 **G. Property Tax Deferral.**

9 UNS Electric is requesting authority to defer 100% of the Arizona property taxes above or
10 below the test year level caused by changes in the composite property tax rate and changes in the
11 Gila River valuation methodology. In addition, UNS Electric is requesting authority to defer all
12 costs associated with appealing Gila River property values. Beginning on the effective date of the
13 Company's next rate case, the deferral balance, whether positive or negative, would be amortized
14 over 3 years.

15 **H. Rules and Regulations.**

16 The Company is proposing modifications to its Rules and Regulations and to its Tariffs.
17 These modifications are intended to modernize UNS Electric's Rules and Regulations and to
18 clarify areas in the Rules and Regulations that have caused undue confusion.

19
20 **III. APPLICATION.**

21 In support of this Application, UNS Electric respectfully states as follows:

22 A. The Company is a corporation duly organized, existing and in good standing under
23 the laws of the State of Arizona. Its principal place of business is 2498 Airway Avenue, Kingman,
24 Arizona 86409.

25 B. The Company is a public service corporation principally engaged in the generation,
26 transmission and distribution of electricity for sale in Arizona pursuant to Certificates of
27 Convenience and Necessity issued by the Commission.

1 C. All communications and correspondence concerning this Application, as well as
2 communications and pleadings with respect thereto filed by other parties, should be served upon
3 the following:

4
5 Bradley S. Carroll
6 UNS Electric, Inc.
7 88 East Broadway Blvd., MS HQE910
8 P. O. Box 711
9 Tucson, Arizona 85702
10 520-884-3679
11 bcarroll@tep.com

12 and

13 Michael W. Patten
14 Jason D. Gellman
15 Snell & Wilmer L.L.P.
16 One Arizona Center
17 400 East Van Buren Street
18 Phoenix, Arizona 85004
19 602-256-6100
20 mpatten@swlaw.com

21 D. The Commission has jurisdiction to conduct public hearings to determine the fair
22 value of the property of a public service corporation, to fix a just and reasonable rate of return
23 thereon, and thereafter, to approve rate schedules designed to develop such return. Further, the
24 Commission has jurisdiction to establish the practices and procedures to govern the conduct of
25 such hearing, including, but not limited to, such matters as notice, intervention, filing, service,
26 exhibits, discovery, and other prehearing and hearing matters.

27 E. Accompanying this Application are the standard filing requirements and rate design
schedules described in A.A.C. R14-2-103. The Company also provides pre-filed direct testimonies
and related exhibits from the following witnesses for UNS Electric supporting the requests made
within the Application and schedules:

David Hutchens: An overview of the Company's rate application and primary
proposals, including the need for the modified rate design.

Terry Nay: Overview of UNS Electric operations and capital expenditures.

- 1 Michael Sheehan Acquisition of Gila River and related benefits and cost savings; and
 2 cost of facilities and operations, including cost of fuel and purchased
 3 power savings.
- 4 Carmine Tilghman Scope of Company's investment in renewable generation resource,
 5 impact on utility operations, and the proposed Renewable Credit
 6 Rate.
- 7 Kentton Grant: Overview of UNS Electric's financial condition; capital structure;
 8 cost of debt; and cost of credit support for fuel and purchased power
 9 procurement.
- 10 Ann Bulkley (CEA): Cost of equity; fair value rate base; and fair value rate of return.
- 11 Dr. Ron White: Depreciation methodology and rates.
- 12 Jason Rademacher: Income tax and property tax.
- 13 David Lewis: Revenue requirement, including rate base and income and expense
 14 adjustments; RCND; depreciation expense.
- 15 Dallas Dukes: Requested revenue increase, proposed rate design changes, net
 16 metering rider modifications, and the proposed Economic
 17 Development Rate.
- 18 Craig Jones: Cost of service study; proposed rate design; revisions to the base cost
 19 of fuel and purchased power; revisions to the Company's PPFAC
 20 and LFCR; and revisions to tariffs.
- 21 Denise Smith: Revisions to UNS Electric's Rules and Regulations; Customer
 22 Service.

23

24 F. UNS Electric respectfully requests that this Commission set a date for a hearing on
 25 this Application such that new rates for the Company will become effective no later than May 1,
 26 2016. At the hearing conducted pursuant to this rate request, UNS Electric will establish, among
 27 other things, that:

- 1 (1) its current rates and charges do not permit the Company to earn a fair return on the
2 fair value of its assets devoted to public service, and that as a result, its current rates
3 and charges are no longer just and reasonable;
- 4 (2) the requested revenue increase is the minimum amount necessary to allow the
5 Company an opportunity to earn a fair return on the fair value of its assets devoted
6 to public service, for preservation of the Company's financial integrity and for the
7 attraction of new capital on reasonable terms, and is in the public interest;
- 8 (3) the Company's revenue request is reasonable and necessary for the Company to
9 continue to provide adequate and reliable electric service to its customers as
10 required by law and is in the public interest;
- 11 (4) the Company's request to return deferred savings related to Gila River to customers
12 through a PPFAC credit during the first year under the new rates is in the public
13 interest;
- 14 (5) the Company's request to recover deferred costs related to Gila River over three
15 years through base rates is in the public interest;
- 16 (6) the inclusion of Gila River in rate base is in the public interest;
- 17 (7) the proposed tariffs and statement of charges proposed in the application are in the
18 public interest;
- 19 (8) the proposed rate design will better align the fixed and variable costs of service with
20 the rates paid by the customers causing those costs to be incurred and is in the
21 public interest;
- 22 (9) the proposed modifications to the PPFAC will more equitably allocate PPFAC rates
23 and is in the public interest;
- 24 (10) the proposed modifications to the LFCR will improve and more equitably allocate
25 the recovery of lost fixed cost revenues resulting from DG, net metering and EE
26 programs;
- 27

- 1 (11) the proposed revisions to the Company's Tariff (including its net metering tariff and
2 any related waivers) and Rules and Regulations are in the public interest; and
3 (12) The proposed deferral of the recovery of the Gila River-related property taxes is in
4 the public interest.

5
6 G. Further, UNS Electric requests that its next rate hearing be conducted in Tucson.
7 UNS Electric's service territory includes both Santa Cruz County and Mohave County. Because
8 its last three rate cases were conducted in Phoenix, UNS Electric believes it would be more
9 equitable to its Santa Cruz County customers to have its next rate case hearing conducted in
10 Tucson.

11 H. In addition to setting a hearing date, UNS Electric asks that the Commission issue a
12 procedural order setting forth the prescribed public notice for the Application and establishing
13 procedures for intervention, and appropriate discovery. UNS Electric further requests that the
14 Company be authorized to serve all discovery requests, answers and objections electronically.
15 Finally, UNS Electric requests that a procedural schedule be established, including a settlement
16 track option, so that a final order in this case can be rendered and new rates can be effective by
17 May 1, 2016.

18 WHEREFORE, UNS Electric respectfully requests that the Commission:


- 19 (1) issue a procedural order establishing a date for hearing evidence concerning the
20 Application, prescribing the time and form of public notice to UNS Electric
21 customers, establishing procedures for intervention and discovery as described
22 above, and providing for a settlement track option for the docket;
- 23 (2) issue a final order finding and concluding that the Company's rate application is
24 just and reasonable and granting new rates that result in an increase in retail
25 revenues of approximately \$3.5 million to allow it to recover its expenses and to
26 have a reasonable opportunity to earn its authorized rate of return on its investment;

27

- 1 (3) issue a final order approving: (i) the return of deferred savings related to Gila River
2 through a PPFAC credit during the first year under the new rates and (ii) the
3 recovery of deferred costs related to Gila River over a three-year period through
4 base rates;
- 5 (4) issue a final order approving the tariffs (including any related waivers) and
6 statement of charges included with the Company's Application with an effective
7 date no later than May 1, 2016;
- 8 (5) issue a final order approving the deferral of the recovery of the Gila River-related
9 property taxes until the Company's next rate case;
- 10 (6) issue a final order approving the Company's revised Rules and Regulations; and
- 11 (7) grant the Company such additional relief as the Commission deems just and proper.

12
13 RESPECTFULLY SUBMITTED this 5th day of May 2015.

14 UNS ELECTRIC, INC.

15 By 

16 Bradley S. Carroll
17 UNS Electric, Inc.
18 88 East Broadway, MS HQE910
19 P.O. Box 711
Tucson, Arizona 85702

20 and

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

26 Attorneys for UNS Electric, Inc.

1 Original and 13 copies of the foregoing
2 filed this 5th day of May 2015, with:

3 Docket Control
4 Arizona Corporation Commission
5 1200 West Washington Street
6 Phoenix, Arizona 85007

7 Copies of the foregoing hand-delivered/mailed
8 this 5th day of May 2015, to:

9 Lyn A. Farmer, Chief Administrative Law Judge
10 Hearing Division
11 Arizona Corporation Commission
12 1200 West Washington Street
13 Phoenix, Arizona 85007

14 Janice M. Alward, Chief Counsel
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By *Jaclyn Howard*