

UNS Gas, Inc.

Ninth Revised Sheet No.: 706

Superseding Eighth Revised Sheet No.: 706

Rider R-6 Lost Fixed Cost Recovery (LFCR)

APPLICABILITY

The Lost Fixed Cost Recovery (LFCR) will be applied to all customers taking service from the Company on the following Standard Offer tariffs and as defined in the Company LFCR Plan of Administration. In the event a residential customer chooses to opt-out of this program, the monthly Customer Charge specified on the appropriate Standard Offer tariff will be charged in lieu of the following per therm rate.

Residential Service R-10 Small Volume Commercial Service C-20 Customer Assistance Residential Energy Support (CARES) R-12 Small Public Authority Service PA-40

CHANGE IN RATE

The LFCR recovers a portion of the authorized margin approved in the Company's most recent rate case that has been lost as the result of implementing Commission mandated Energy Efficiency programs. A percentage charge will be placed in effect and charged to the participating rate classes for a 12-month period the LFCR adjustment is applicable. The total year-on-year adjustment cannot exceed 1% of the Company's most recent Calendar Year Revenues for the participating Rate classes.

An LFCR charge of 0.1151% will be applied to all monthly net bills.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this rate.