UNS Gas, Inc.

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September 1, 2026

Arizona Corporation Commission
1300 West Washington Street
Phoenix, AZ 85007

In the matter of the application of UNS Gas, Inc. for the establishment of just and reasonable rates and charges designed to realize a reasonable rate of return on the fair value of the properties of UNS Gas, Inc. devoted to its operations throughout the State of Arizona and for related approvals. Docket No. G-04204A-24-0237

Re: UNS Gas, Inc.'s 2026 Annual Rate Adjustment Mechanism Filing

Pursuant to Decision No. 81653 (February 27, 2026), and the accompanying protocols, UNS Gas, Inc. ("UNS Gas" or "Company") hereby submits its Annual Rate Adjustment Mechanism ("ARAM") filing ("Annual Update") for Arizona Corporation Commission ("Commission") review and approval by April 1, 2027. The 2026 Annual Update uses financial information as of June 30, 2026 to populate the ARAM worksheets and templates included with this filing.

As discussed in more detail below, the Company's return on equity ("ROE") during the Annual Update period is below the deadband range and will result in a rate adjustment under the ARAM. Moreover, UNS Gas would note that this initial ARAM filing reflects changes in costs and investments over the two-year period since the test year – future ARAM filings will reflect changes over a one-year period.

Average Bill Impact Is Below Inflation

The 2026 Annual Update rate adjustment results in an average bill impact of $2.24 per month, or 4.6 percent, for the typical residential customer using 45 therms per month. The bill impact for a specific customer will be dictated by the customer's actual usage. The Company notes that, according to the U.S. Bureau of Labor Statistics, total inflation was 6.3 percent between June 2024, the test year used to establish current rates, and June 2026, the test year used in this ARAM filing. Thus, the average residential bill impact is below cumulative inflation over the same period.

Return On Equity Is Below The Deadband

Because rate base investments and cost increases during the ARAM update period have not been offset by material sales growth, the Company's earned ROE is approximately 7.0 percent, which is below the 9.61 percent ROE authorized in Decision No. 81653. That decision also approved a 50-basis-point deadband for ARAM revenue changes, resulting in an ROE range of 9.11 percent to 10.11 percent.

Since the Company's earned ROE falls below that range, the Commission-approved ARAM protocols support a non-fuel revenue increase of approximately $6.1 million. The requested increase equals a 7.7 percent increase in non-fuel revenues and an approximately 5 percent increase in total operating revenues. The increase is driven by rate base investments and increased operating and maintenance expense.

Regulatory Lag Is Longer For This Initial Update

UNS Gas notes that the regulatory lag reflected in this initial Annual Update is greater than the lag that will be reflected in future updates because it is the first opportunity to recognize changes that have occurred since the Company's last rate case. For operating expenses, the Annual Update uses a 12-month test year ending June 30, 2026, which is two years removed from the June 30, 2024 test year used to establish current rates. As a result, this filing reflects the effects of two years of cost inflation and other cost changes that have occurred since rates were last set. The filing also reflects six additional months of cumulative rate base additions compared to future Annual Updates. As summarized below, the 2026 Annual Update reflects the effects of 12 additional months of cost inflation and other operating cost changes, and six additional months of cumulative rate base additions, compared to future ARAM filings.

	Rate Recognition Lag		
	2026 Annual Update	Future Annual Updates	Difference
Time Since Prior Expense Test Year	24 months	12 months	12 months
Cumulative Rate Base Addition Period	18 months	12 months	6 months

The rates approved in the Company's most recent general rate case were based on a test year ending June 30, 2024, with a 12-month post-test-year period through June 30, 2025 for rate base additions. Since that time, UNS Gas has continued to invest in utility infrastructure necessary to provide safe and reliable natural gas service and has incurred additional operating costs to support its system and customers. Consistent with the ARAM protocols approved by the Commission, this Annual Update reflects those changes.

The following materials are included with this filing:

- **Attachment A** – Schedule of Dates for Annual Meeting, Information Exchange, and Informal Challenge Period.
- **Attachment B** – Formula Rate Template

Attachment A

Date	Event
September 1, 2026	Annual Update Filing and Publication Date
September 22, 2026	Annual Meeting with Interested Parties
November 2, 2026	Deadline for Information Requests and Informal Challenges
November 20, 2026	UNS Gas Responses to Informal Challenges Due
November 30, 2026	Deadline for Informal Challenge Resolution
December 10, 2026	Deadline for Formal Challenges
December 30, 2026	UNS Gas Responses to Formal Challenges Due
January 19, 2027	ACC Staff Challenges and Responses to Interested Party Formal Challenges Due
February 8, 2027	UNS Gas Responses to ACC Staff Challenges Due
March 1, 2027	Hearing Completion or Staff Draft Order Due Under ARAM Protocols
March 31, 2027	Commission Order Due Under ARAM Protocols
April 1, 2027	Rate Update Effective Date Following Commission Approval

Attachment B

UNS Gas, Inc.
Rider 11 - Annual Rate Adjustment Mechanism ("ARAM")
Attachment B - Formula Rate Template
Table of Contents

Test Period: **6/30/2026**
Rate Year: **4/1/2027-3/31/2028**

Line No.	Worksheet (a)	Description (b)
1	Rate Summary	Rate Calculation by Tariff Class
2	Residential Bill Impact	Calculation of Residential Bill Impacts
3	Worksheet A1	Annual Rate Adjustment Mechanism Lead Schedule
4	Worksheet A2	Other Inputs
5	Worksheet A3	Revenue Adjustments
6	Worksheet A4	Expense Adjustments
7	Worksheet A5	Rate Base Adjustments
8	Worksheet A6.1	Rate Base RCND Lead Schedule
9	Worksheet A6.2	Rate Base RCND Plant
10	Worksheet A7	Income Tax
11	Worksheet A8	Working Capital

The Company shall include the following standard filing schedules with each Annual Update, prepared in substantially the same form as the Company prepares for a full rate case. Since these schedules are referenced in Worksheets A1 - A8, updates to Formula Rate Template references are permitted if the update is related to these standard schedules. No other reference updates are allowed without the Commissions approval.

Line No.	Worksheet (a)	Description (b)
12	Schedule C-3	Computation of Gross Revenue Conversion Factor
13	Schedule D-2	Cost of Long-Term Debt and Short-Term Debt
14	Schedule E-1	Balance Sheet
15	Schedule E-2	Income Statement
16	Schedule E-8	Taxes Charged to Operations
17	Schedule E-9	Audited Financial Statements and Notes to Financial Statements

Cells highlighted in yellow are data input cells requiring annual update.
Cells highlighted in green are data input cells that are only updated after the Commission's Decision in a full rate case.

UNS Gas, Inc.
Rider 11 - Annual Rate Adjustment Mechanism ("ARAM")
Attachment B - Formula Rate Template
Rate Calculation by Tariff Class

Test Period: 6/30/2026
Rate Year: 4/1/2027-3/31/2028

Line No.	Rate Schedule (a)	Rate Code (b)	Rate Component (c)	Base Rate (d)	Reference (e)	ARAM Rate (f)
1	Residential	GRRES	Basic Service Charge	$ 11.94	Line 1, Col. (d) times Line 13, Col. (f)	$ 0.92
2			Delivery Charge	$ 0.3801	Line 2, Col. (d) times Line 13, Col. (f)	$ 0.0293
3	Residential CARES	GRESC	Basic Service Charge	$ 11.94	Line 3, Col. (d) times Line 13, Col. (f)	$0.92
4			Delivery Charge	$ 0.3801	Line 4, Col. (d) times Line 13, Col. (f)	$0.0293
5	Small Volume General Service	GGSVS	Basic Service Charge	$ 28.32	Line 5, Col. (d) times Line 13, Col. (f)	$ 2.19
6			Delivery Charge	$ 0.3134	Line 6, Col. (d) times Line 13, Col. (f)	$ 0.0242
7	Large Volume General Service	GILVS	Basic Service Charge	$ 285.73	Line 7, Col. (d) times Line 13, Col. (f)	$ 22.05
8			Delivery Charge	$ 0.1620	Line 8, Col. (d) times Line 13, Col. (f)	$ 0.0125
9	Transmission	GTILVS	Basic Service Charge	$ 285.73	Line 9, Col. (d) times Line 13, Col. (f)	$ 22.05
10			Delivery Charge	$ 0.1620	Line 10, Col. (d) times Line 13, Col. (f)	$ 0.0125
11	Negotiated Sales Program	GTNILVS	Basic Service Charge	$ 285.73	Line 11, Col. (d) times Line 13, Col. (f)	$ 22.05
12			Delivery Charge	$ 0.1620	Line 12, Col. (d) times Line 13, Col. (f)	$ 0.0125
13	Current Period ARAM Increase/(Decrease) %				Worksheet A1, Page 1, (Line 30), Col. (f)	7.72%

UNS Gas, Inc.
Rider 11 - Annual Rate Adjustment Mechanism ("ARAM")
Attachment B - Formula Rate Template
Residential Bill Impact

Test Period: **6/30/2026**
Rate Year: **4/1/2027-3/31/2028**

Line No.	Rate Schedule (a)	Rate Code (b)	Rate Component (c)	Prior ARAM Rate (d)	Current ARAM Rate (Rate Summary) (e)	ARAM Change (e)-(d) (f)
1	Residential	GRRES	Basic Service Charge	$ -	$ 0.92	$0.92
2			Delivery Charge	$ -	$ 0.0293	$0.0293

		Therms		Bill Impact
3	Annual Average	45	(Line 1) Col. (f) + (Line 2) Col. (f) times (Line 3) Col. (c)	$2.24
4	January Average	101	(Line 1) Col. (f) + (Line 2) Col. (f) times (Line 4) Col. (c)	$3.88
5	July Average	14	(Line 1) Col. (f) + (Line 2) Col. (f) times (Line 5) Col. (c)	$1.33

UNS Gas, Inc.
Rider 11 - Annual Rate Adjustment Mechanism ("ARAM")
Attachment B - Formula Rate Template
A1-ARAM Lead Schedule

Test Period: **6/30/2026**
Rate Year: **4/1/2027-3/31/2028**

Line No.	Description (FERC Accounts) (a)	Reference (b)	Unadjusted (c)	Ref (d)	Adjustments (e)	Adjusted (f)
1	TOTAL OPERATING REVENUES (400) (Note F)	Sch. E2, (Line 4), Col. (b)	$116,800,310	Worksheet A3 (Line 11) Col. (c)	($38,049,570)	$78,750,740
	OPERATING EXPENSES					
2	Other Operations and Maintenance Expense (401-402)	Sch. E2, (Lines 5 + 6), Col. (b)	$85,147,426	Worksheet A4 (Line 10) Col (c)	($53,248,764)	$31,898,662
3	Depreciation and Amortization (404-407), (Note A)	Sch. E2, (Line 7), Col. (b)	$18,547,257	Worksheet A4 (Line 18) Col (c)	$222,980	$18,770,237
4	Taxes Other than Income Taxes (408)	Sch. E2, (Line 8), Col. (b)	$5,284,276	Worksheet A4 (Line 26) Col (c)	$184,588	$5,468,864
5	Interest on Customer Deposits (431)	Worksheet A2, (Line 15), Col. (c)	$47,230			$47,230
6	Income Taxes (409-411)	Sch. E2, (Line 9), Col. (b)	$358,499	Worksheet A7 (Line 19) Col. (c)	$2,832,251	$3,190,750
7	TOTAL OPERATING EXPENSES	(Sum of Lines 2 through 6)	$109,384,688		($50,008,945)	$59,375,743
8	TOTAL OPERATING NET INCOME	(Line 1 minus Line 7)	$7,415,622		$11,959,375	$19,374,997
9	Synchronized Interest	Worksheet A7, Page 1, (Line 22), Col. (c)				$7,362,647
10	EQUITY INCOME	(Line 8 minus Line 9)				$12,012,350
11	RATE BASE	Worksheet A1, Page 2, (Line 15), Col. (f)				$310,291,888
12	FAIR VALUE RATE BASE	Worksheet A6.1, (Line 18), Col. (e)				$642,517,649
13	FAIR VALUE INCREMENT ("FVI")	(Line 12 minus Line 11)				$332,225,761
14	RETURN % ON FVI	(Note C)				0.00%
15	RETURN ON FVI	(Line 13 times Line 14)				$0
16	REQUIRED OPERATING INCOME ON OCRB	(Line 11 times A1, Page 2, (Line 18), Col. (f)				$23,927,986
17	REQUIRED OPERATING INCOME ON OCRB & FVI	(Sum of Lines 15 through 16)				$23,927,986
18	OPERATING INCOME DEFICIENCY / (EXCESS)	(Line 17 Col. (f) minus Line 8, Col. (f)				$4,552,989
19	OPERATING INCOME CONVERSION FACTOR	Sch. C3 (Line 6), Col. (c)				1.3342
20	INCREASE/(DECREASE) IN NON-GAS REVENUE	(Line 18 times Line 19)				$6,074,440
21	REVENUE REQUIREMENT FROM LAST FULL RATE CASE	(Note D)				$78,719,000
22	EARNED ROE ON RATE BASE	(Line 10 (f) divided by (Line 11 (f) times Page 2, Line 17(d))				6.97%
23	DEADBAND					0.50%
24	ROE EQUIVALENT FOR RETURN ON FVI	(Line 15) Col. (f) divided by (Line 11 (f) times Page 2, Line 17(d))				0.00%
25	ROE	Page 2, (Line 17) Col (e)				9.61%
26	TOTAL EFFECTIVE ROE	(Line 24 + Line 25)				9.61%
27	IS EARNED ROE WITHIN THE DEADBAND?	If (Line 22) Col. (f) >(Line 23 + Line 25), "NO", If (Line 22) Col. (f) <(Line 25 minus Line 23), "NO", Otherwise "YES"				NO
28	PRIOR YEAR ARAM PERCENT INCREASE/(DECREASE)	(Note E)				0.00%
29	CURRENT YEAR ARAM PERCENT INCREASE/(DECREASE)	(Line 20 divided by Line 21)				7.72%
30	CURRENT YEAR ARAM PERCENT AFTER DEADBAND	If Line 27(f) = YES, then Line 28(f), Otherwise Line 28(f) plus Line 29(f)				7.72%
31	REQUIRED FAIR VALUE RATE OF RETURN	If Line 27(f) = YES, then Line 18(f) divided by Line 12(f), Otherwise Line 17(f) divided by Line 12(f)				3.72%

A1-ARAM Lead Schedule

Line No.	Description (FERC Accounts) (a)	Reference (b)	Unadjusted (c)	Ref (d)	Adjustments (e)	Adjusted (f)
	ORIGINAL COST RATE BASE ("OCRB"):					
1	GROSS PLANT IN SERVICE (101-106), (114) (Note A) (Note G)	Sch. E1, (Line 1), Col. (b)	$658,550,662	Worksheet A5 (Line 9) Col (c)	($30,933,512)	$627,617,150
2	ACCUMULATED DEPRECIATION (108-111)(115), (Note A)	Sch. E1, (Line 6), Col. (b)	$288,875,126	Worksheet A5 (Line 18) Col (c)	($43,951,103)	$244,924,023
3	NET PLANT IN SERVICE	(Line 1 minus Line 2)	$369,675,536		$13,017,591	$382,693,127
	WORKING CAPITAL :					
4	Cash Working Capital		$0	Worksheet A8 (Line 16) Col (e)	($5,046,753)	($5,046,753)
5	Materials & Supplies (154 & 163)	Sch. E1, (Line 19), Col. (b)	$2,967,937	Worksheet A8 (Line 31) Col (d)	($161,226)	$2,806,711
6	Prepayments (165)	Sch. E1, (Line 20), Col. (b)	$315,362	Worksheet A8 (Line 31) Col (e)	$721,469	$1,036,831
7	TOTAL WORKING CAPITAL	(Sum of Lines 4 through 6)	$3,283,299		($4,486,509)	($1,203,210)
	OTHER RATE BASE:					
8	Customer Advances for Construction (252)	Sch. E1, (Line 48), Col. (b)	($7,000,434)			($7,000,434)
9	Customer Deposits (235)	Sch. E1, (Line 44), Col. (b)	($1,249,835)			($1,249,835)
10	Reserved		$0			$0
11	Regulatory Assets (182.3)	Worksheet A2, (Line 9), Col. (c) (Note B)	$899,758	Worksheet A5 (Line 19) Col (c)	$0	$899,758
12	Regulatory Liabilities (254)	Worksheet A2, (Line 10), Col. (c) (Note B)	($23,583,617)	Worksheet A5 (Line 20) Col (c)	($9,241)	($23,592,858)
13	TOTAL OTHER RATE BASE	(Sum of Lines 8 through 12)	($30,934,128)		($9,241)	($30,943,369)
14	ACCUMULATED DEFERRED INCOME TAXES (190, 281-283)	Sch. E1, (Line 26 minus Line 49), Col. (b)	($39,465,632)	Worksheet A5 (Line 21) Col (c)	(789,028)	($40,254,660)
15	ORIGINAL COST RATE BASE	(Sum of Lines 3, 7, 13, 14)	$302,559,075		$7,732,813	$310,291,888
	WEIGHTED AVERAGE COST OF CAPITAL		$	%	Cost (Note C)	Weighted Average
16	Debt (181, 189, 257, & 221 through 226)	Sch. D, (Line 14), Col. (e)	$133,893,342	44.45%	5.34%	2.37%
17	Common Stock (201 through 217)	Sch. E1, (Line 33), Col. (b)	$167,348,483	55.55%	9.61%	5.34%
18	Total	(Sum of Lines 16 and 17)	$301,241,825			7.71%

Notes:

A Plant in Service, Accumulated Depreciation, and Depreciation Expense amounts exclude Asset Retirement Obligation amounts.

B The Formula Rate Template includes income tax related regulatory assets and liabilities resulting from Excess and Deficient Deferred Income Taxes ("EDIT") and for the depreciation of amounts capitalized to plant for book purposes related to the accrual of the Allowance for Other Funds Used During Construction ("AFUDC Other"), which is offset be an equivalent amount of AFUDC Other ADIT. No other regulatory assets or liabilities are included in the Formula Rate Template without Commission approval.

C The Return on Equity and Return on Fair Value Increment can not be changed without approval of the Commission in a full rate case.

D Enter the most recent non-gas revenue requirement from the Company's most recent full rate case.

E Enter amount from prior year Worksheet A1, (Line 30) Col. (f)

F Adjusted test period revenues include the Company's base rate revenues and ARAM revenues.

G The Company shall prepare a workpaper, by Plant FERC Account, rolling forward gross plant in service including the prior year balance, asset additions, retirements, and ending gross plant in service.

UNS Gas, Inc.
Rider 11 - Annual Rate Adjustment Mechanism ("ARAM")
Attachment B - Formula Rate Template
A2-Other Inputs

Test Period: 6/30/2026
Rate Year: 4/1/2027-3/31/2028

Line No.	Description (a)	Reference (b)	End of Year Input (c)
	Customer Contributions		
1	Customer Advances for Construction RCND Factor	(Note A)	1.1777
	Other Rate Base		
2	Reserved		
3	Regulatory Assets (182.3)	(Note B)	$899,758
4	Regulatory Liabilities (254)	(Note B)	($23,583,617)
	Income Statement Inputs		
5	Customer Deposit Interest Expense	(Note C)	$47,230

Notes:

A The RCN factor for Customer Advances for Construction is based on the amount developed in the Company's last full rate case.

B The Formula Rate Template includes income tax related regulatory assets and liabilities resulting from Excess and Deficient Deferred Income Taxes ("EDIT") and for the depreciation of amounts capitalized to plant for book purposes related to the accrual of the Allowance for Other Funds Used During Construction ("AFUDC Other"). The amounts entered in Worksheet A2 shall be the total Company amounts. Worksheet A5 includes an adjustment to exclude any amounts that relate to Construction Work in Process, if necessary.

C Enter the Customer Deposits Interest Expense for the test period, recorded in account 431 Other Interest Expense.

UNS Gas, Inc. | **Test Period: 6/30/2026**
Rider 11 - Annual Rate Adjustment Mechanism ("ARAM") | **Rate Year: 4/1/2027-3/31/2028**
Attachment B - Formula Rate Template
A3-Revenue Adjustments

Line No.	Description (a)	Reference (b)	Adjustments (c)
	Revenue Adjustments		
1	Purchased Gas Adjustment ("PGA") Revenues	(Note A)	($50,388,735)
2	Golden Valley Pipeline Operations	(Note B)	($571,564)
3	Griffith Plant Operations	(Note C)	($252,803)
4	Adjustor Revenues	(Note D)	$2,140,785
5	Customer Assistance Residential Energy Support ("CARES")	(Note E)	$339,852
6	Retail Revenues	(Note F)	$11,895,738
7	Miscellaneous Service Fee Revenue	(Note G)	$249,291
8	PGA Credits	(Note H)	($1,462,134)
9	ARAM Revenue Accruals	(Note I)	$0
10	Reserved		
11	**TOTAL REVENUE ADJUSTMENTS**		**($38,049,570)**

Notes:

A The Purchased Gas Adjustment Revenues removes the PGA surcharge revenues from the test-year. PGA related revenues and expenses are excluded from the Formula Rate Template.

B The Formula Rate Template removes 100% of the revenues related to a specific contract with Black Mountain Generating Station. The Formula Rate Template also removes the associated rate base and expenses amounting to 80.691% of the total amount, in accordance with the agreements approved in Decision No. 70186, (February 27, 2008).

C The Griffith Plant costs are recovered pursuant to a specific contract between UNS Gas and the owners of the Griffith Plant. 100% of the rate base, revenue and expenses relating to the Griffith Plant are excluded from the Formula Rate Template.

D The Formula Rate Template removes all revenues associated with the Lost Fixed Cost Recovery mechanism and the Tax Adjustment associated with the Tax Cuts and Jobs Act, Decision No. 76720 (May 22, 2018). This adjustment applies until these mechanisms are fully phased out, after which the adjustment shall be $0. However, in the Company's first ARAM Annual Update, the Company shall include the amount from the Tax Adjustment balancing account as of the effective date of new rates in Decision No. 81653 (February 27, 2026). This adjustment is necessary to ensure the balancing account is collected or refunded to customers.

E Beginning with Decision No. 81653 (February 27, 2026), the revenue impacts from the CARES program are recovered and reconciled through the PGA mechanism and consistent with Note A, are removed from the Formula Rate Template. This line shall include any CARES revenues not included in the PGA Revenues and PGA Credits, and not included in the Purchase Gas Cost Adjustment on Worksheet A4.

F If the Company's actual retail revenues do not reflect the most recent base rates pursuant to a Commission Order, either in whole or in part, the Company will adjust revenues by applying the approved rates to the volumes and average customers during the test period. The Company shall include a workpaper in years that this adjustment was necessary.

G If the Company's actual miscellaneous service fee revenues do not reflect the most recent charges pursuant to a Commission Order, either in whole or in part, the Company will adjust revenues by applying the approved charges to the test year unit activity. The Company shall include a workpaper in years that this adjustment was necessary.

H The PGA Credits adjustment removes PGA revenue credits from the test-year. Revenue credits include all revenues of the Company that are credited back to the PGA Bank balance including sales of excess purchased gas for resale by another party and asset management agreement revenues. PGA related revenues and expenses are excluded from the Formula Rate Template. The Company shall include a workpaper showing the list of PGA credits.

I Generally Accepted Accounting Principles may require the accrual of an increase or decrease to revenues related to the Company's ARAM Annual Updates. These accruals are removed from operating revenues to ensure Worksheet A1's calculations of revenue deficiency or excess, earned ROE, deadband, and ARAM % calculate appropriately.

UNS Gas, Inc. | **Test Period:** | **6/30/2026**
Rider 11 - Annual Rate Adjustment Mechanism ("ARAM") | **Rate Year:** | **4/1/2027-3/31/2028**
Attachment B - Formula Rate Template
A4-Expense Adjustments

Line No.	Description (a)	Reference (b)	Adjustments (c)
	Operating Expense		
1	Purchased Gas Cost	(Note A)	($51,850,869)
2	Fortis Management Fees	(Note B)	($573,626)
3	Golden Valley Operations	(Note C)	$0
4	Griffith Plant Operations	(Note D)	($101,563)
5	Advertising	(Note E)	($23,258)
6	Rate Case Expense	(Note F)	$48,450
7	Post-Retirement Benefits	(Note G)	($40,446)
8	Dues for American Gas Association & Other Dues	(Note L)	($73,673)
9	Director & Officer Liability Insurance	(Note M)	($2,239)
10	SERP and Long-Term Incentive Compensation	(Note N)	($509,411)
11	Meals	(Note O)	($106,432)
12	Short-Term Incentive Compensation	(Note P)	($277,308)
13	Board of Directors	(Note Q)	($70,896)
14	Other Known and Measurable Adjustments	(Note S)	$296,254
14a	Demand Side Management Costs	(Note U)	$36,252
15	Total Operating Expense	Sum (Lines 1 - 14a)	($53,248,764)
	Depreciation and Amortization Expense (Notes C, D, H, I, J, K, R)		
16	Depreciation Expense Adjustments	Company Workpaper	$222,980
17	Reserved		
18	Reserved		
19	Reserved		
20	Reserved		
21	Reserved		
22	Reserved		
23	Total Depreciation and Amortization Expense	Sum (Lines 16 - 22)	$222,980
	Taxes Other Than Income Taxes		
24	Unadjusted Net Plant in Service	Worksheet A1, Page 2, (Line 3) Col. (c)	$369,675,536
25	Net Plant in Service Adjustments	Worksheet A1, Page 2, (Line 3) Col. (e)	$13,017,591
26	Net Plant Adjustments Ratio	(Line 25 divided by Line 24)	3.52%
27			
28	Unadjusted Total Property Taxes	Sch E-8 (Line 12) Col. (b)	$4,342,338
29	Property Tax Adjustments for Rate Base Adjustments	(Line 26 times Line 28)	$152,909
30	Property Tax Annualization	(Note T)	$78,966
31	Payroll Taxes	(Note C, D, N, & P)	($47,287)
32	Total Taxes Other Than Income Taxes	(Line 29 + Line 30 + Line 31)	$184,588

Notes:

A The Purchased Gas Cost adjustment removes all PGA eligible expenses from the Formula Rate Template.

B This adjustment removes Fortis Management Fees from the Formula Rate Template. The Fortis/UNS Energy merger settlement agreement, which was approved by Decision No. 74689 (August 12, 2014), restricted the Company from seeking recovery of Fortis Management Fees for five years. Although that restriction has lapsed, the Company voluntarily removes these fees from the Formula Rate Template.

C The Formula Rate Template removes 100% of the revenues related to a specific contract with Black Mountain Generating Station. The Formula Rate Template also removes the associated rate base and expenses amounting to 80.691% of the total amount, in accordance with the agreements approved in Decision No. 70186, (February 27, 2008).

D The Griffith Plant costs are recovered pursuant to a specific contract between UNS Gas and the owners of the Griffith Plant. 100% of the rate base, revenue and expenses relating to the Griffith Plant are excluded from the Formula Rate Template.

E This adjustment removes advertising expenses related to branding.

F Rate Case Expense of $1 million is amortized into rates over four years, beginning on the effective date of new rates in Decision No. 81653 (February 27, 2026) and the Company will include these costs in the Formula Rate Template to reflect recovery on that basis. The Company will make a rate case expense adjustment if the recorded test year activity would produce if different level of recovery. The Company shall prepare a workpaper showing the amortization expense by month and year.

G Post-Retirement Benefit costs are included in the Formula Rate Template on a cash basis. This adjustment is necessary to reflect the difference between accrual based expenses in the Company's income statement and cash basis expenses.

H In Decision No. 66028, the Commission approved a Settlement Agreement which included a $10 million net rate base reduction for disallowed Build-Out costs. The adjustment is comprised of $12,841,091 of Gross Plant in Service and $2,841,091 of Accumulated Depreciation, as of December 31, 2001. The Formula Rate Template makes the required adjustment, with Accumulated Depreciation rolled forward through the end of the test year using the average annual depreciation rate reported in the Notes to the Company's Financial Statements.

I The Formula Rate Template excludes all costs that we capitalized as part of the Fortis Merger. The Gross Plant in Service amount is $43,555, and this amount is amortized over 35 years, beginning January 1, 2013.

J Consistent with Decision No. 58664 (June 16, 1994) the Formula Rate Template removes from rate base and depreciation expense the acquisition premium associated with Citizen's acquisition of Southern Union Gas Company assets.

K The Company shall adjust depreciation expense by applying the Commission-approved depreciation rates to the end of test period asset costs, producing an annualized level of depreciation expense.

L This adjustment removes 50% of dues expense for the American Gas Association and 100% of Chamber of Commerce dues.

M This adjustment removes 50% of the expenses for director and officer liability insurance.

N This adjustment removes 100% of SERP and Long-Term Incentive Compensation ("LTI") expense. The Tax section of this worksheet shall remove the related payroll taxes for LTI.

O This adjustment removes 50% of the expenses for meals.

P This adjustment removes 50% of Short-Term Incentive Compensation ("STI") expense. The Tax section of this worksheet shall remove the related payroll taxes.

Q This adjustment removes 100% of Board and Director Fees expense.

R The Company shall make an adjustment to include the annualized level of depreciation expense increase or decrease associated with post test year plant additions, offset by retirements and delayed unitization adjustments.

S The Company shall incorporate the following known and measurable adjustments into operating expenses:
a) Payroll and Benefits and associated Payroll Taxes - The Company shall incorporate any wage rate increases that take effect within 12 months of the end of the test period into the Formula Rate Template. The associate impact on benefits expense and payroll tax shall also be incorporated.
b) Property Insurance - The Company's insurance expense shall be adjusted to reflect the most recent renewal period, which typically take effect on July 1st of each year.
c) Pension Expense - The Company's pension expense shall be adjusted to reflect the most recent pension actuarial study, which is typically done in January and sets the level of pension expense for the calendar year.

T The property tax expense shall be adjusted to reflect the annualized level of expense based on the property tax expense recorded during the last 6 months of the test period (January through June).

U Under-recovered Demand Side Management ("DSM") costs of $167,932 are amortized into rates over three years, beginning on the effective date of new rates in Decision No. 81653 (February 27, 2026) and the Company will include these costs in the Formula Rate Template to reflect recovery on that basis. The Company will make a DSM expense adjustment if the recorded test year activity would produce if different level of recovery. `

A5-Rate Base Adjustments

Line No.	Description (a)	Reference (b)	Adjustments (c)
	Gross Plant in Service		
1	Build-Out Adjustment	(Note A)	($12,841,091)
2	Fortis Rate Base Adjustment	(Note B)	($43,555)
3	Golden Valley Pipeline	(Note C)	($4,406,109)
4	Griffith Plant	(Note D)	($6,070,892)
5	Southern Union Acquisition Premium	(Note E)	($18,110,851)
6	Post Test Year Plant	(Note I)	$10,538,986
7	Delayed Unitization	(Note J)	$0
8	Reserved		
9	Total Gross Plant in Service		($30,933,512)
	Accumulated Depreciation & Amortization		
10	Build-Out Adjustment	(Note A)	($11,552,487)
11	Fortis Rate Base Adjustment	(Note B)	($16,799)
12	Golden Valley Pipeline	(Note C)	($1,628,845)
13	Griffith Plant	(Note D)	($2,763,515)
14	Southern Union Acquisition Premium	(Note E)	($8,499,418)
15	Citizens Acquisition Discount	(Note F)	($19,885,338)
16	Post Test Year Plant	(Note I)	$395,300
17	Delayed Unitization	(Note J)	$0
18	Total Accumulated Depreciation & Amortization		($43,951,103)
	Other Rate Base		
19	Regulatory Assets	(Note H)	$0
20	Regulatory Liabilities	(Note H)	($9,241)
	Accumulated Deferred Income Taxes ("ADIT")		
21	ADIT	(Note G)	($789,028)

Notes:

A In Decision No. 66028, the Commission approved a Settlement Agreement which included a $10 million net rate base reduction for disallowed Build-Out costs. The adjustment is comprised of $12,841,091 of Gross Plant in Service and $2,841,091 of Accumulated Depreciation, as of December 31, 2001. The Formula Rate Template makes the required adjustment, with Accumulated Depreciation rolled forward through the end of the test year using the average annual depreciation rate reported in the Notes to the Company's Financial Statements. The Company shall include a workpaper rolling forward the Accumulated Depreciation balance from the Company's last full rate case to the end of the test period. Accumulated Depreciation shall not exceed Gross Plant in Service.

B The Formula Rate Template excludes all costs that we capitalized as part of the Fortis Merger. The Gross Plant in Service amount is $43,555, and the amount is amortized over 35 years, beginning January 1, 2023. The Company shall include a workpaper rolling forward the Accumulated Depreciation balance from the Company's last full rate case to the end of the test period. Accumulated Depreciation shall not exceed Gross Plant in Service.

C The Formula Rate Template removes 100% of the revenues related to a specific contract with Black Mountain Generating Station. The Formula Rate Template also removes the associated rate base and expenses amounting to 80.691% of the total amount, in accordance with the agreements approved in Decision No. 70186, (February 27, 2008).

D The Griffith Plant costs are recovered pursuant to a specific contract between UNS Gas and the owners of the Griffith Plant. 100% of the rate base, revenue and expenses relating to the Griffith Plant are excluded from the Formula Rate Template.

E Consistent with Decision No. 58664 (June 16, 1994) the Formula Rate Template removes from rate base and depreciation expense the acquisition premium associated with Citizen's acquisition of Southern Union Gas Company assets.

F On August 11, 2003, UNS Energy acquired from Citizens Communications Company ("Citizens") its remaining gas utility assets located in Arizona. The Commission approved a Settlement Agreement regarding the Citizens acquisition in Decision No. 66028 (July 3, 2003) and authorized a $30.7 million acquisition discount in the calculation of rate base. Since the acquisition discount reflected in the Company's books and records is $68.4 million, the Formula Rate Template reflects an adjustment for the difference of $37.7 million, net of accumulated amortization. The Company shall include a workpaper rolling forward the Accumulated Amortization balance from the Company's last full rate case to the end of the test period. Accumulated Amortization shall not exceed the $37.7 million difference, applied by account.

G The Formula Rate Template includes in rates only those items that correspond to other items of rate base (e.g. Plant in Service, Customer Advances, etc.). The ADIT amount shall also be adjusted for the ADIT impacts of the items listed in Lines 1 through 18. The Company shall include a workpaper showing the total amounts of ADIT that reconcile to the Account 190, and 281-283 balances, and showing which items have been included in the Formula Rate Template.

H The Formula Rate Template includes income tax related regulatory assets and liabilities resulting from Excess and Deficient Deferred Income Taxes ("EDIT") and for the depreciation of amounts capitalized to plant for book purposes related to the accrual of the Allowance for Other Funds Used During Construction ("AFUDC Other"), but shall make an adjustment to exclude any amounts that relate to Construction Work in Process.

I The Company shall include in Rate Base post test year plant from July through December. The additions shall be offset by 6 months of accumulated depreciation on the post test year plant additions. The Company's initial ARAM shall include an estimate of the PTYP which shall be true-ed up with actual additions in January, after the six month PTYP period has closed.

J

The Company shall include in rate base delayed unitizations for the period July through December. Delayed unitization are defined as one of the following: i) Projects placed in-service by the end of the Test Year, but the project completion notification was not received by accounting until after the end of the Test Year or ii) Charges for projects placed in-service by the end of the Test Year but incurred or received from a vendor after the end of the Test Year. The Company's initial ARAM shall include an estimate of the delayed unitization which shall be true-ed up with actual amounts in January, after the six month true-up period has closed.

UNS Gas, Inc.
Rider 11 - Annual Rate Adjustment Mechanism ("ARAM")
Attachment B - Formula Rate Template
A6.1-Rate Base RCND Lead Schedule

Test Period: 6/30/2026
Rate Year: 4/1/2027-3/31/2028

Line No.	Description (a)	Reference (b)	Unadjusted (c)	Adjustments (Note C) (d)	Adjusted (e)
	RATE BASE:				
1	GROSS PLANT IN SERVICE	Worksheet A6.2, (Line 34), Col. (e)	$1,823,302,429	($30,933,512)	$1,792,368,917
2	ACCUMULATED DEPRECIATION	Worksheet A6.2, (Line 34), Col. (f)	$718,675,970	($43,951,103)	$674,724,867
3	NET PLANT IN SERVICE	(Line 1 minus Line 2)	$1,104,626,459	$13,017,591	$1,117,644,050
	WORKING CAPITAL :				
4	Cash Working Capital	Worksheet A1, Page 2 (Line 4) Col. (c) (Note A)	$0	($5,046,753)	($5,046,753)
5	Materials & Supplies	Worksheet A1, Page 2 (Line 5) Col. (c) (Note A)	$2,967,937	($161,226)	$2,806,711
6	Prepayments	Worksheet A1, Page 2 (Line 6) Col. (c) (Note A)	$315,362	$721,469	$1,036,831
7	TOTAL WORKING CAPITAL	(Sum of Lines 4 through 6)	$3,283,299	($4,486,509)	($1,203,210)
	OTHER RATE BASE:				
8	Customer Advances for Construction	Worksheet A1, Page 2 (Line 8) Col. (c) times Worksheet A2, (Line 1) Col. (c	($8,244,228)		($8,244,228)
9	Customer Deposits	Worksheet A1, Page 2 (Line 9) Col. (c) (Note A)	($1,249,835)		($1,249,835)
10	Reserved		$0		$0
11	Regulatory Assets	Worksheet A1, Page 2 (Line 11) Col. (c) (Note A)	$899,758		$899,758
12	Regulatory Liabilities	Worksheet A1, Page 2 (Line 12) Col. (c) (note A)	($23,583,617)	($9,241)	($23,592,858)
13	TOTAL OTHER RATE BASE	(Sum of Lines 8 through 12)	($32,177,922)	($9,241)	($32,187,163)
14	ACCUMULATED DEFERRED INCOME TAXES	Worksheet A1, Page 2, (Line 14), Col. (c) times Worksheet A6.2, (Line 44) Col. (f) (Note B)	($108,721,239)	(789,027.9)	($109,510,267)
15	RATE BASE	(Sum of Lines 3, 7, 13, 14)	$967,010,596	$7,732,813	$974,743,409
	FAIR VALUE				
16	RCND Rate Base	Line 15, Col. (e)			$974,743,409
17	Original Cost Rate Base	Worksheet A1, Page 2, (Line 15), Col. (f)			$310,291,888
18	FAIR VALUE RATE BASE	(Line 16 + Line 17) divided by 2			$642,517,649

Notes:

A Original cost and RCND cost of Cash Working Capital, Materials & Supplies, Prepayments, Customer Deposits, Regulatory Assets and Regulatory Liabilities are the same because the original costs are at current prices or have been adjusted to current prices, meaning they have not been significantly affected by inflationary factors.

B ADIT is reported on an RCN basis by multiplying the corresponding original cost balance by the RCN ratio (A6.2 Line 39).

C All RCND adjusts are equal to the corresponding original cost adjustment shown in Worksheet A1.

UNS Gas, Inc. | **Test Period:** 6/30/2026
Rider 11 - Annual Rate Adjustment Mechanism ("ARAM") | **Rate Year:** 4/1/2027-3/31/2028
Attachment B - Formula Rate Template
A6.2-Rate Base RCND Plant

Line No.	FERC Acct No. (a)	Original Cost (b)	Accumulated Depreciation (c)	Original Cost Net Book Value (d)	Unadjusted R.C.N Cost (e)	Unadjusted R.C.N. Accum Deprn (f)
	Intangible Plant:					
1	Acct. 302	$370,542	$66,997	$303,545	$370,542	$66,997
2	Acct. 303	$1,430,079	$321,808	$1,108,272	$1,430,079	$321,808
3	Total Intangible Plant	$1,800,622	$388,805	$1,411,816	$1,800,622	$388,805
	Transmission Plant					
4	Acct. 365	$102,606	$46,992	$55,613	$102,606	$46,992
5	Acct. 366	$21,626	$8,497	$13,129	$43,687	$17,165
6	Acct. 367	$22,186,184	$11,030,947	$11,155,238	$57,724,423	$28,700,521
7	Acct. 368	$0	$0	$0	$0	$0
8	Acct. 369	$3,460,586	$1,650,272	$1,810,314	$11,310,948	$5,393,925
9	Acct. 370	$0	$0	$0	$0	$0
10	Acct. 371	$183,581	$164,025	$19,557	$183,581	$164,025
11	Total Transmission	$25,954,583	$12,900,733	$13,053,850	$69,365,245	$34,322,628
	Distribution Plant:					
12	Acct. 374	$516,419	($8,918)	$525,337	$516,419	($8,918)
13	Acct. 375	$190,211	$27,968	$162,243	$262,316	$38,570
14	Acct. 376	$273,376,165	$110,334,016	$163,042,148	$1,096,801,270	$442,666,571
15	Acct. 377	$0	$0	$0	$0	$0
16	Acct. 378	$5,801,015	$2,716,876	$3,084,139	$15,398,657	$7,211,884
17	Acct. 379	$6,101,920	$2,062,881	$4,039,039	$16,286,594	$5,506,022
18	Acct. 380	$199,551,500	$83,665,669	$115,885,831	$425,554,018	$178,421,418
19	Acct. 381	$45,023,395	$7,661,883	$37,361,512	$46,830,818	$7,969,463
20	Acct. 382	$16,014,462	$651,620	$15,362,841	$44,577,144	$1,813,821
21	Acct. 383	$5,336,468	$2,690,325	$2,646,143	$13,446,221	$6,778,772
22	Acct. 384	$4,760,342	$1,695,676	$3,064,666	$12,643,127	$4,503,593
23	Acct. 385	$2,821,520	$1,108,262	$1,713,258	$2,821,520	$1,108,262
24	Acct. 386	$0	$0	$0	$0	$0
25	Acct. 387	$2,351,320	$1,676,010	$675,310	$2,351,320	$1,676,010
26	Total Distribution	$561,844,736	$214,282,268	$347,562,468	$1,677,489,423	$657,685,466
	General Plant:					
27	Acct. 389	$1,806,701	$111,381	$1,695,320	$1,806,701	$111,381
28	Acct. 390	$25,040,579	$6,236,231	$18,804,348	$30,736,997	$7,654,896
29	Acct. 391	$5,019,963	$2,769,246	$2,250,717	$5,019,963	$2,769,246
30	Acct. 392	$19,402,953	$8,378,833	$11,024,119	$19,402,953	$8,378,833
31	Acct. 393	$343,850	$162,208	$181,642	$343,850	$162,208
32	Acct. 394	$9,005,144	$3,127,132	$5,878,012	$9,005,144	$3,127,132
33	Acct. 395	$33,141	$9,923	$23,219	$33,141	$9,923
34	Acct. 396	$3,800,166	$2,063,394	$1,736,772	$3,800,166	$2,063,394
35	Acct. 397	$4,330,268	$1,961,121	$2,369,148	$4,330,268	$1,961,121
36	Acct. 398	$167,956	$40,938	$127,018	$167,956	$40,938
37	Acct. 399	$0	$0	$0	$0	$0
38	Total General Plant	$68,950,721	$24,860,407	$44,090,314	$74,647,139	$26,279,071
39	Total Utility Plant	$658,550,662	$252,432,212	$406,118,450	$1,823,302,429	$718,675,970

Line No.	Description	Source	Amount
40	RCN Accum Deprn	Line 39, Col. (g)	$718,675,970
41	Total Accum. Depreciation & Amortization Adjustments	Worksheet A5, (Line 18), Col. (c)	($43,951,103)
42	Adjusted RCN Accum Deprn	(Line 40 + Line 41)	$674,724,867
43	Original Cost Rate Base Accum. Depreciation	Worksheet A1, Page 2, (Line 2), Col. (f)	$244,924,023
44	RCND Ratio for ADIT	Line 42 divided by Line 43 (Note B)	2.75

Notes:

A This worksheet reflects original cost, accumulated depreciation and original net book value by plant FERC account. It also reflects the RCN cost and RCN accumulated depreciation. For RCN purposes, the Handy – Whitman Index of Public Utility Construction Costs for the Plateau Region is employed for most accounts (based on the most recently available index numbers). For plant accounts 303, 391, 393, 394 and 398, the “Marshall Valuation Service Cost Index” is used. For plant accounts 392, 395, 396 and 397, the Bureau of Labor Statistics producer price index is used.

UNS Gas, Inc. **Test Period:** **6/30/2026**
Rider 11 - Annual Rate Adjustment Mechanism ("ARAM") **Rate Year:** **4/1/2027-3/31/2028**
Attachment B - Formula Rate Template
A7-Income Taxes

Line No.	Description (a)	Reference (b)	Amount (c)
1	Operating Revenues, as adjusted	Worksheet A1, Page 1, (Line 1), Col. (f)	$78,750,740
2	O&M Expenses Adjusted	Worksheet A1, Page 1, (Line 2), Col. (f)	$31,898,662
3	Depreciation and Amortization, as Adjusted	Worksheet A1, Page 1, (Line 3), Col. (f)	$18,770,237
4	Taxes, Other Than Income	Worksheet A1, Page 1, (Line 4), Col. (f)	$5,468,864
5	Customer Deposit Interest Expense	Worksheet A1, Page 1, (Line 5), Col. (f)	$47,230
6	Expenses Other Than Interest Income Taxes	(Sum of Lines 2 through 5)	$56,184,993
7	Synchronized Interest	Line 22, Col. (c)	$7,362,647
8	Net Income Before Income Tax Expense	(Line 1 minus Line 6 minus Line 7)	$15,203,100
9	Federal Tax Rate	(Note A)	19.972%
10	State Income Tax Rate	(Note A)	4.895%
11	Combined Effective Income Tax Rate	(Line 9 + Line 10)	24.87%
12	Income Tax at Effective Statutory Rates	(Line 8 times Line 11)	$3,780,593
13	Permanent Differences	(Note B)	$88,842
14	Tax Impact of Permanent Differences	(Line 11 time Line 13)	$22,093
15	EDIT Amortization	(Note C)	($611,936)
16	Income Tax Credits	(Note D)	($1,246)
17	Adjusted Income Tax Expense	(Line 12 + Line 14 + Line 15 + Line 16)	$3,190,750
18	Unadjusted Income Tax Expense	Sch. E2 Inc. Statement, (Line 9), Col. (b)	$358,499
19	Income Tax Expense Adjustment	(Line 17 minus Line 18)	$2,832,251
20	Rate Base	Worksheet A1, Page 2, (Line 15), Col. (f)	$310,291,888
21	Weighted Cost of Debt	Worksheet A1, Page 2, (Line 16), Col. (f)	2.37%
22	Expected Synchronized Interest	(Line 20 times Line 21)	$7,362,647

Notes:

A
The annual statutory income tax rates for Federal and State purposes that are in effect during the Rate Year. If the company is taxed in more than one state it must attach a work paper showing the name of each state and how the blended or composite state income tax rate was developed. The workpaper must also show how state income tax deductions impact the effective Federal Tax Rate.

B Includes the annual income tax cost or benefits due to permanent differences between expenses or revenues recognized for ratemaking purposes. Permanent differences includes, but is not limited to the depreciation of amounts capitalized to plant for book purposes related to the accrual of the Allowance for Other Funds Used During Construction.

C Includes the amortization of any excess/deficient deferred income taxes resulting from changes to income tax laws, income tax rates, and other actions taken by a taxing authority. Excess and deficient deferred income taxes will reduce or increase tax expense. The Company shall use the excess or deficient deferred income tax amortization methods and periods described in Decision No. 76721 (May 22, 2018).

D Includes any tax credits claimed by the Company related to utility operations. The amount entered shall be the net tax expense impact of the credit (e.g. state income tax credits shall be reduced by the effect on Federal Income Taxes).

UNS Gas, Inc. | **Test Period:** | **6/30/2026**
Rider 11 - Annual Rate Adjustment Mechanism ("ARAM") | **Rate Year:** | **4/1/2027-3/31/2028**
Attachment B - Formula Rate Template
A8-Working Capital

Line No.	Description (a)	Reference (b)	Adjustments (c)
1	Rate Base Before Working Capital	Worksheet A1, Page 2 (Line 3+13+14)	$311,495,098
2	Working Capital Before CWC Interest	(Line 11+12+13+15+30) Col. (e) + (Line 30) Col (d)	($254,901)
3	Rate Base Before CWC Interest	(Line 1 + Line 2)	$311,240,197
4	Interest cost	Worksheet A1, Page 2 (Line 16) Col (h)	2.37%
5	Synchronized Interest Before CWC Interest	(Line 3 times Line 4)	$7,385,149
6	CWC Factor for Synchronized Interest	(Line 4 times Line 14 Col (b))/(1 minus (Line 4 times Line 14 Col (b)))	-0.305%
7	Final Synchronized Interest	(Line 5 times (1 + Line 6)	$7,362,647
8	Rate Base After CWC Interest	(Line 3 + Line 21 Col. (e)	$310,291,888
9	Revenue Tax Percentage	(Note A)	0.1039
10	Taxable Revenues	Worksheet A1, Page 1 (Line 1) Col. (f) + Worksheet A3, Page 1 (Line 1) Col (c)	$129,139,475

Line No.	Description (a)	Lead/Lag Factor (Note A) (b)	Ref. (c)	Test Year Amount (d)	Cash Working Capital ("CWC") (Col. (b) x Col. (d) (e)
11	Property Taxes	(0.4972)	Worksheet A4 Sum(Lines 28:30)	$4,574,213	($2,274,299)
12	Purchased Gas	(0.0204)	Worksheet A4 (-Line 1)	$51,850,869	($1,057,758)
13	Revenue Taxes and Assessments	(0.0528)	(Line 9 times Line 10)	$13,417,213	($708,429)
14	Interest on Long-Term Debt	(0.1288)	(Line 5)	$7,362,647	($948,309)
15	All Other Cash Working Capital - Fixed			(Note A)	($57,958)
16	CWC Total			(Sum of Lines 11 through 15)	($5,046,753)

Line No.	Month (a)	Materials & Supplies: Account 154 (b)	Materials & Supplies: Account 163 (c)	Total Materials & Supplies (d)	Prepayments: Account 165 (e)
17	June Prior Year	$2,499,860	$286,876	$2,786,736	$266,426
18	July	$2,491,563	$261,893	$2,753,457	$1,752,123
19	August	$2,467,036	$297,011	$2,764,047	$1,599,004
20	September	$2,477,104	$250,366	$2,727,470	$1,607,954
21	October	$2,464,846	$279,094	$2,743,940	$1,472,021
22	November	$2,502,159	$313,899	$2,816,059	$1,464,408
23	December	$2,454,259	$327,038	$2,781,298	$1,222,480
24	January	$2,417,461	$342,556	$2,760,017	$984,659
25	February	$2,464,087	$360,035	$2,824,122	$777,495
26	March	$2,458,118	$373,401	$2,831,519	$847,741
27	April	$2,432,832	$382,611	$2,815,442	$669,585
28	May	$2,489,274	$425,929	$2,915,203	$499,550
29	June	$2,525,963	$441,974	$2,967,937	$315,362
30	Average of the 13 Monthly Balances	$2,472,659	$334,053	$2,806,711	$1,036,831
31	Working Capital Adjustment		(Line 30 minus Line 29)	($161,226)	$721,469

Notes:

A The Formula Rate Template uses the Revenue Tax Percentage and Lead/Lag Factors from the Company's most recent rate case to compute CWC. The Formula Rate Template updates annually the CWC for Property Taxes, Purchased Gas, Revenue Taxes and Assessments, and Interest on Long-Term Debt. All other CWC is a fixed amount from the Company's most recent rate case.

UNS Gas, Inc.
Computation of Gross Revenue Conversion Factor
Schedule C-3

Test Period: 6/30/2026
Rate Year: 4/1/2027-3/31/2028

Line No.	Description (a)	Reference (b)	Percentage of Incremental Gross Revenues (c)
1	Gross Revenue		100.00%
2	Less: Uncollectible Revenue		0.23895%
3	Taxable Income as a Percent		99.76%
4	Less: Federal and State Income Taxes	(Line 3 times Line 9)	24.81%
5	Change in Net Operating Income	(Line 3 minus Line 4)	74.95%
6	Gross Revenue Conversion Factor	(Line 1 divided by Line 5)	1.3342
7	Effective Federal Tax Rate	Worksheet A7, (Line 9), Col. (c)	19.9720%
8	Effective State Tax Rate	Worksheet A7, (Line 10), Col. (c)	4.8953%
9	Combined Effective Income Tax Rate	(Sum of Line 7 and Line 8)	24.8673%

UNS Gas, Inc.
Cost of Long-Term Debt and Short-Term Debt
Schedule D-2

Test Period: **6/30/2026**
Rate Year: **4/1/2027-3/31/2028**

		End of Test Period (Actual)				End of Test Period (Proposed)			
Line No.	Description (a)	Outstanding (b)	Annual Interest (c)	Cost Rate (d)		Outstanding (e)	Annual Interest (f)	Cost Rate (g)	
	Fixed Rate Debt								
1	5.390% Senior Unsecured Notes due 8/26	$50,000,000	$2,695,000			$0	$0		
2	4.000% Senior Unsecured Notes due 8/45	$45,000,000	$1,800,000			$45,000,000	$1,800,000		
3	5.600% Senior Unsecured Notes due 6/36	$30,000,000	$1,680,000			$30,000,000	$1,680,000		
4	5.740% Senior Unsecured Notes due 8/38	$0	$0			$60,000,000	$3,444,000		(2)
5	Total Fixed Rate Debt	$125,000,000	$6,175,000	4.94%		$135,000,000	$6,924,000	5.13%	
	Variable Rate Debt								
6	N/A	$0	$0			$0	$0		
7	Total Variable Rate Debt	$0	$0	N/A		$0	0.00%	N/A	
8	Total Long-Term Debt	$125,000,000	$6,175,000	4.94%		$135,000,000	$6,924,000	5.13%	
9	Unamortized Debt Discount and Debt issuance costs, Premium and Expense and Loss on Reacquired Debt	($712,866)				($1,106,658)			
10	Amortization of Debt Discount and Expense and Loss on Reacquired Debt		$139,276				$145,781		
11	Credit Facility Commitment Fees		$69,550				$78,125		(3)
12	Total Long-Term Debt - Net	$124,287,134	$6,383,826	5.14%		$133,893,342	$7,147,906	5.34%	
13	Total Short-Term Debt	$15,000,000	$712,767	4.75%	(1)	$0	0.00%	0.00%	
14	Total Debt - Net	$139,287,134	$7,096,593	5.09%		$133,893,342	$7,147,906	5.34%	

(1) Annual interest calculated using period-end revolver balance and 1-month SOFR rate plus a credit spread of 1.00% and an adjustment of 0.10%.
(2) On June 9, 2026, UNS Gas priced $60 million in fixed rate notes issued to refinance $50 million maturing notes.
(3) Credit Facility Commitment Fees reflect a 0.125% annual commitment fee on 50% of the $125 million credit facility shared with UNS Electric.

UNS Gas, Inc. | **Test Period:** 6/30/2026
Balance Sheet | **Rate Year:** 4/1/2027-3/31/2028
Schedule E-1

Line No.	Description (a)	Amount (b)
	Utility Plant	
1	Plant in Service	$658,550,662
2	Construction Work in Progress	$3,044,259
3	Plant Held for Future Use	$994,275
4	Plant Under Capital Leases	$1,484,429
5	Utility Plant	$664,073,625
6	Accumulated Depreciation and Amortization	($288,875,126)
7	Utility Plant - Net	$375,198,499
8	Other Property and Investments	
9	Other	$1,236,455
10	Total Other Property and Investments	$1,236,455
11	Current Assets	
12	Cash and Cash Equivalents	$4,633,002
13	Special Deposits and Working Funds	$312,598
14	Accounts Receivable - Retail Customers	$5,475,197
15	Accounts Receivable - Other	$638,619
16	Allowance for Doubtful Accounts	($304,017)
17	Accrued Unbilled Revenues	$4,343,200
18	Intercompany Accounts Receivable	$792,441
19	Materials and Supplies	$2,967,937
20	Prepayments	$315,362
21	Other	$907,308
22	Current Assets	$20,081,647
23	Deferred Debits	
24	Income Taxes Recoverable Through Future Rates	$899,758
25	Unamortized Debt Discount and Expense	$710,516
26	Accumulated Deferred Income Taxes	$21,627,143
27	Other	$18,538,976
28	Deferred Debits	$41,776,393
29	Total Assets	$438,292,994
30	Capitalization	
31	Common Stock	$82,978,216
32	Accumulated Earnings	$84,370,267
33	Total Common Stock Equity	$167,348,483
34	Capital Lease Obligations	$1,072,459
35	Long-Term Debt	$125,000,000
36	Capitalization	$293,420,942
37	Current Liabilities	
38	Current Obligations Under Capital Leases	$505,377
39	Accounts Payable	$4,257,072
40	Intercompany Payables	$2,055,272
41	Note Payable	$15,000,000
42	Interest Accrued	$1,838,966
43	Taxes Accrued	$2,437,644
44	Customer Deposits	$1,249,835
45	Other	$16,990,608
46	Current Liabilities	$44,334,774
47	Deferred Credits and Other Liabilities	
48	Customer Advances for Construction	$7,000,434
49	Accumulated Deferred Income Taxes	$61,092,775
50	Other	$32,444,069
51	Deferred Credits and Other Liabilities	$100,537,278
52	Total Liabilities	$438,292,994

UNS Gas, Inc.
Income Statement
Schedule E-2

Test Period: 6/30/2026
Rate Year: 4/1/2027-3/31/2028

Line No.	Description (a)	Amount (b)
	Operating Revenues	
1	Gas Retail Revenues	$107,327,965
2	Sales for Resale	$150,170
3	Other Operating Revenue	$9,322,175
4	Total Operating Revenue	$116,800,310
	Operating Expense	
5	Purchased Gas Expenses	$52,004,471
6	Other Operations and Maintenance Expense	$33,142,955
7	Depreciation and Amortization	$18,547,257
8	Taxes Other than Income Taxes	$5,284,276
9	Income Taxes	$358,499
10	Total Operating Expenses	$109,337,458
11	Operating Income	$7,462,852
	Total Other Income and Deductions	
12	Allowance for Equity Funds	$0
13	Other - Net	$791,932
14	Total Other Income and Deductions	$791,932
15	Income Before Interest Expense	$8,254,784
	Interest Expense	
16	Interest on Long Term-Debt	$6,175,000
17	Interest on Short Term-Debt	$399,336
18	Other Interest Expense	$354,481
19	Allowance for Borrowed Funds	($10,881)
20	Total Interest Expense	$6,917,936
21	Net Income Available for Common Stock	$1,336,848

UNS Gas, Inc.
Taxes Charged to Operations
Schedule E-8

Test Period: 6/30/2026
Rate Year: 4/1/2027-3/31/2028

Line No.	Description (a)	Amount (b)
	Federal Taxes	
1	Income Taxes - Federal (409.1)	($311,191)
2	Unemployment	$4,406
3	FICA	$737,500
4	Deferred Federal Oper Income Tax Exp	$9,853,921
5	Deferred Cr Federal Oper Income Tax Exp	($9,268,772)
6	Total	$1,015,864
	State Taxes	
7	Income Taxes - Other (409.1)	($22,638)
8	Unemployment	$5,106
9	Deferred State Oper Income Tax Exp	$2,471,653
10	Deferred Cr State Oper Income Tax Exp	($2,364,474)
11	Total	$89,647
	Local Taxes	
12	Tax Oth Than Inc Tax - Property Tax	$4,342,338
13	Tax Oth Than Inc Tax - Other Taxes	$194,926
14	Total	$4,537,264
15	Total Taxes Charged to Operating Expenses	$5,642,775

UNS Gas, Inc.
Test Year Ended June 30, 2026
Notes to Financial Statements

See attached UNS Gas, Inc. Bank Financials as of December 31, 2025.

Supporting Schedules	Recap Schedules
N/A	N/A

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