

**UNS GAS, INC.'S RESPONSE TO
STAFF'S SECOND SET OF DATA REQUESTS
RE: UNSG ARAM
DOCKET NO. G-04204A-24-0237
OCTOBER 12, 2026**

STF 2.01

Quarterly Filings: Please identify all plant additions reflected in the attached “Quarterly Report Filing Question 24-0237” included in UNS Gas, Inc.’s (“Company”) Quarterly Capital Report dated July 15, 2026, with recorded in-service dates outside of the Annual Rate Adjustment Mechanism (“ARAM”) test year period. For each identified asset:

- a. Please confirm whether the Company contends that the asset should be included in the ARAM test year rate base.
- b. Please provide an explanation of the specific reason(s) the recorded in-service date falls outside the test year period.

RESPONSE:

- a. Yes, the Company contends that the assets should be included in the ARAM test year rate base. Under the ARAM, rate base is based on utility plant that is placed in service on or before the end of the test year, June 30, 2026, together with any authorized post-test-year plant additions. All plant additions included in the Company's Quarterly Capital Report dated July 15, 2026 were placed in service on or before June 30, 2026 and are therefore appropriate for inclusion in ARAM rate base.
- b. A recorded in-service date may fall outside the ARAM test year period for a variety of accounting and administrative reasons. The circumstances giving rise to the identified items generally fall into the following categories:

Expired customer advances. Represent customer advances that were initially recorded as liabilities because they were potentially refundable under the applicable customer agreements. When the contractual refund conditions were not satisfied and the advances expired, the amounts were transferred to Contribution in Aid of Construction (“CIAC”) and applied to reduce the recorded cost of the related utility assets. The underlying assets were placed in service in prior test year periods; therefore, the later accounting entry reflects the expiration and application of the customer advances rather than the construction or placement in service of new assets.

Final in-service documentation received after the physical in-service date. In certain instances, an asset became available for its intended use, but the final operational notification, project closeout documentation, or other information necessary to complete the accounting record was received at a later date. The recorded accounting date may therefore differ from the date the asset became used and useful.

Charges received after the asset was placed in service. Certain costs may be recorded after the original in-service date, including vendor invoices, contract adjustments, or other project charges received after accounting closeout. These charges relate to assets

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that were previously placed in service and represent adjustments to the recorded cost of those assets.

Arizona Corporation Commission ("Commission")
Tucson Electric Power Company ("TEP")
UNS Energy Corporation ("UNS")
UniSource Energy Services ("UES")

UniSource Energy Development Company ("UED")
UNS Electric, Inc. ("UNS Electric")
UNS Gas, Inc. ("UNS Gas" or the "Company")

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STF 2.02

Supporting Calculations: Please provide all supporting workpapers, documents, or calculations in Excel, with formulas and links intact, that support the following line items included in the ARAM Annual Update:

- a. A-3 Line 4 and A3-04 Adjustment Summary
- b. A-3 Line 6 and A3-06 Adjustment Summary
- c. A-3 Line 8 and A3-08 Adjustment Summary
- d. A-4 Line 14 and A4-14 Adjustment Summary
- e. A4 Line 14a and A4-14a Adjustment Summary

RESPONSE:

- a. The supporting calculations and underlying transactions were previously provided in the Adjustments Summary workbook, tab A3-04. This can be located at <https://www.uesaz.com/aram-formula-template-and-supporting-workpapers/>.
- b. The supporting calculations can be found in the Excel workpaper "STF 2.02 ARAM Support Final UNSG Rate Case Revenue Proof H Schedules G Schedules.xlsx."
- c. The supporting calculations can be found in the Excel workpaper "STF 2.02 UNS Gas ARAM TY2026 PGA_Export.xlsx."
- d. The supporting calculations can be found in the following Excel workpapers:
 - i. "STF 2.02 UNS Gas ARAM TY2026 A-4 Line 14_Pension Expense.xlsx."
 - ii. "STF 2.02 UNS Gas ARAM TY2026 A-4 Line 14_Payroll Tax Expense.xlsx."
 - iii. "STF 2.02 UNS Gas ARAM TY2026 A-4 Line 14_Payroll & Benefits-Confidential.xlsx."
 - iv. "STF 2.02 UNS Gas ARAM TY2026 A-4 Line 14_Property and Liability Insurance-Confidential.xlsx."
- e. The supporting calculations were previously provided in the Adjustments Summary workbook, tab A4-14a. This can be located at <https://www.uesaz.com/aram-formula-template-and-supporting-workpapers/>.

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STF 2.03

Operating Revenue and Expense Breakdown: Please provide a schedule of each Federal Energy Regulatory Commission ("FERC") Account and the corresponding unadjusted total used to calculate Lines 1-6 of "A1 - ARAM Lead".

RESPONSE:

For Line 5, "Interest on Customer Deposits" with an unadjusted balance of \$47,230, the FERC account is 431. This is noted on both the "A1 - ARAM Lead" and on "A2 - Other Inputs" Line No. 5, Footnote C.

For all other lines, please refer to the "Schedule E-2 Income Statement" Excel file provided with STF 1.01b, rows 8 through 96 for FERC accounts for operating revenues and expenses.

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STF 2.04

Asset Listing by Location Report: Please provide a copy of the Company's detailed Fixed Asset Listing by Location Report per system and analysis included in the ARAM Annual Update for the period beginning July 1, 2025, through June 30, 2026, in Excel, with formulas and links intact.

- a. Please populate the attached "24-0237_STF 2.4 - Plant Additions" Excel spreadsheet with the plant additions placed into service since the Company's last rate case reflected in the ARAM Annual Update and ensure that plant additions correlate to the numbers reflected in the ARAM Annual Update. Please identify all plant additions funded by CIAC or AIAC and the amount.
- b. Please populate the attached "24-0237_STF 2.4 - Retirements" Excel spreadsheet with the retirements removed from service since the Company's last rate case reflected in the ARAM Annual Update and ensure that the retirements correlate to the ARAM Annual Update.

RESPONSE:

- a. See attached excel file: STF 2.4 Asset Addition Activity.xlsx
Tab "Additions", Columns C, I, N, P, T, U, V, and W.
See attached excel file: STF 2.04 AIAC_CIAC Detail.xlsx
- b. See attached excel file: STF 2.4 Asset Addition Activity.xlsx
Tab "Retirements", Columns A, N, P, T, U, and V.

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STF 2.05

Post Test Year Plant (“PTYP”) from Last Rate Case: Please provide copies of the Company’s detailed Fixed Asset Listing by Location Report per system and analysis by year, for the period beginning July 1, 2024, through June 30, 2025, in Excel with formulas and links intact.

RESPONSE:

Please see STF 2.05 Rate Base – Post Test Year Plant – Rebuttal.xlsx (tab: *5.2024_2025 Adds*).

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STF 2.06

Penalties, Fines, and Settlements: Please provide all information regarding any fines, penalties, or settlements paid or incurred during the ARAM test year, including:

- a. the amount and nature of each item;
- b. a description of how each item was accounted for in each of the Company's books and records; and
- c. identify the amount, if any, included for recovery as an operating expense or in rate base.

RESPONSE:

Please see the Company's response to RUCO Data Request 2.29, which contains the requested information. This can be located at <https://www.uesaz.com/aram-formula-template-and-supporting-workpapers/>.

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STF 2.07

Significant PTYP Developments: Please provide a narrative description of the following:

- a. important financial or operational developments since the end of the test year; and
- b. significant pending, planned, or probable financial or operational developments anticipated and their timing which could have a potentially material impact on the Company.

RESPONSE:

- a. There are no important financial or operational developments since the end of the test year, effective July 1 – December 31, 2026.
- b. None.

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STF 2.08

Payroll, Incentive Programs: Please provide the following:

- a. complete copies of any bonus programs or incentive award programs in effect at the Company for the most recent three years;
- b. identification of all incentive plans in effect during the ARAM Test Year along with documentation explaining how the plan works;
- c. the total dollar amounts of the incentive pay included in the ARAM Annual Update; and
- d. the detailed General Ledger account numbers charged.

RESPONSE:

THE FILES LISTED BELOW CONTAIN CONFIDENTIAL INFORMATION AND ARE BEING PROVIDED PURSUANT TO THE TERMS OF THE PROTECTIVE AGREEMENT.

a. and b. Please see the files listed below for copies of the bonus programs and incentive award programs in effect at the Company for the most recent three years. Both the Performance Enhancement Plan and Long Term Incentive Plan were in effect during the ARAM Test Year. The Performance Enhancement Plan program was amended beginning January 1, 2026; that amendment is included.

File Name
STF 2.08 2024 - 2026 LTI Performance Plan Info_Confidential.pdf
STF 2.08 UniSource Performance Enhancement Plan_Confidential.pdf
STF 2.08 UniSource Performance Enhancement Plan - 2026 Amendment_Confidential.pdf

c. and d. The supporting calculations were previously provided in the Adjustments Summary workbook, tab, A4-10 and A4-12. This can be located at <https://www.uesaz.com/aram-formula-template-and-supporting-workpapers/>

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STF 2.09

Affiliate(s) Transactions: Please provide a schedule of all transactions with affiliates during the ARAM test year reflected in accounts used to develop the ARAM Annual Update. As part of your response, please provide an Excel spreadsheet that identifies the affiliate, summarizes the affiliate transaction and provides the date, a description of the transaction, the account number(s) in which the transaction was recorded, and the dollar amount.

RESPONSE:

Please see response to RUCO 2.15 – Affiliate(s) Transactions for monthly details of affiliated transfers to and from UNS Gas for the twelve-month period July 2025 – June 2026 (ARAM test year.)

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STF 2.10

Affiliate: Contributions, Dues, Etc.: Please provide the amounts of each item listed below for the inter-company billings from the Company's affiliates included in the ARAM Annual Update. For each item listed below, please provide a **detailed** list of expenses incurred by the Company included for recovery, the dollar amount paid, the payee, the account charged, and purpose of purchase.

- a. dues paid for social and service clubs;
- b. membership payments made to industry associations;
- c. charitable contributions;
- d. scholarships;
- e. sponsorships;
- f. lobbying expenses;
- g. gifts, flowers, and awards;
- h. food and beverages;
- i. luncheons and dinners;
- j. employee parties, picnics, or other similar events; and
- k. entertainment.

RESPONSE:

Please see the following:

File Name
STF 2.10 Affiliate Contributions, Dues, Etc.xlsx

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STF 2.11

Contributions, Dues, Etc.: Please provide a detailed list of the expenses incurred for the items listed below that the Company seeks to recover in the ARAM Annual Update. For each item, please provide the dollar amount paid, the payee, the account charged, and the purpose of the purchase. Please do not include affiliate amounts.

- a. dues paid for social and service clubs;
- b. membership payments made to industry associations;
- c. charitable contributions;
- d. scholarships;
- e. sponsorships;
- f. lobbying expenses;
- g. gifts, flowers, and awards;
- h. food and beverages;
- i. luncheons and dinners;
- j. employee parties, picnics, or other similar events; and
- k. entertainment.

RESPONSE:

Please see the Company's response to RUCO Data Request 2.19, which contains the requested information. This can be located at <https://www.uesaz.com/aram-formula-template-and-supporting-workpapers/>.

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STF 2.12

PTYP/Construction Work in Progress: Please provide the following information for each construction project that was not completed at the end of the ARAM test year of which the Company is requesting to include in rate base:

- a. identification and description of the project.
- b. date construction began.
- c. date construction is expected to be completed or was completed and placed in service.
- d. the periods during which the ratepayers will likely benefit from the project and the nature of the ratepayer benefit.
- e. the extent to which the project replaces existing plant.
- f. actual costs at the end of the test year.
- g. actual costs at the date of this data request.
- h. accounts to which such costs will be transferred from construction work in process.
- i. source of funding (e.g., hook-up fees, advances, equity, or loans).
- j. description by FERC account number.
- k. actual costs as of June 30, 2025.
- l. actual costs as of September 30, 2026, October 31, 2026, November 30, 2026, and December 31, 2026 (when available).
- m. the amount of AIAC used to finance the PTYP.
- n. the amount of CIAC used to finance the PTYP.
- o. As appropriate, please provide information to establish the prudence and used and usefulness of the PTYP.
- p. Please populate the attached Excel file titled "24-0237_STF 2.12 - PTYP Additions" with the plant additions placed into service during the six month PTYP period.

RESPONSE:

a-c, e-n See excel file STF 2.12 PTYP_CWIP.xlsx

d. Customers will benefit from PTYP projects through the provision of utility service over the useful life of the underlying assets. For further details on useful lives, see the rate case Direct Testimony of Dr. Ronald E. White, Exhibit REW-1 filed on November 15, 2024.

o. The projects included in PTYP, covering the periods July 2026 – December 2026. These projects remained necessary because they support the Company's obligation to provide safe, reliable, and efficient natural gas service to customers. Capital investments are evaluated through the Company's budgeting, forecasting, and capital approval processes to ensure that projects address identified operational, infrastructure, safety, regulatory, customer growth, or reliability needs.

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The reported investments benefit customers by maintaining and improving the natural gas distribution system and related operating assets used to provide service. Depending on the nature of the project, customer benefits may include:

- Maintaining safe and reliable natural gas delivery.
- Replacing or upgrading aging infrastructure and equipment.
- Supporting customer growth and new service connections.
- Enhancing operational efficiency and system performance.
- Meeting regulatory, safety, and compliance requirements.
- Preserving the long-term integrity and resilience of the Company's natural gas system.

Consistent with traditional utility ratemaking principles, these investments are made to provide utility service over the useful lives of the resulting assets. Customers receive the benefits of these assets through continued access to safe and reliable natural gas service, and therefore recovery of prudent capital investments through rates is appropriate, subject to Arizona Corporation Commission review and approval.

p.

See attached excel file: STF 2.12 PTYP Asset Addition Activity.xlsx
Tab "Additions", Columns C, I, N, P, T, U, V, and W.

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STF 2.13

Payroll Register True-Up: Please provide the Payroll Register True-Up file in Excel for the ARAM Test Year and identify all merit increases included for recovery in the ARAM Annual Update.

RESPONSE:

The supporting calculations for merit increases can be found in the Excel workpaper "UNS Gas ARAM TY2026 A-4 Line-14 Payroll-Benefits". The total merit increases of \$322,851 are calculated on tab 3 "Payroll Adjmt" of the file and are broken out by FERC account on tab 2 "Adjmt by FERC." This file can be located at <https://www.uesaz.com/aram-formula-template-and-supporting-workpapers/> under the "Payroll and Benefits" link.

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STF 2.14

Purchased Gas: Please explain the difference between of the “Purchased Gas Cost” amount in Schedule A-4, Line 1 and the amount in Schedule E2 Income Statement, Line 5 for “Purchased Gas Expense”.

- a. Please provide the correct cost and supporting calculation in Excel, with formulas and links intact.

RESPONSE:

Schedule E2 Income Statement, Line 5 contains all costs recorded to FERC Account 807 – Purchased Gas Expenses. Schedule A-4, Line 1, reflects only the costs that are recoverable through the Purchased Gas Adjustment (“PGA”). For PGA recovery, only brokerage fees from account 807 are included. The other costs from account 807 are recoverable through base rates and the ARAM. See the reconciliation below:

Description	Amount
Purchased Gas Cost included in PGA/ARAM (FERC Account 805)	\$51,835,899.06
Purchased Gas Expense (FERC Account 807 - all costs)	\$168,571.46
Less: Non-brokerage costs included in FERC 807 (all Service Product Codes except 8010)	(153,601.46)
Brokerage fees included in PGA (Service/Product Code 8010 only)	\$14,970.00
Total costs recovered through PGA/ARAM (805 + 807 brokerage fees)	\$51,850,869.06