

New Gas Rates to Support Safe, Reliable Service

First Proposed Base Rate Increase Since 2012

UniSource Energy Services has proposed new, higher rates for natural gas service to help us satisfy increasing energy needs in the growing communities we serve.

The new rates would recover investments made since 2012 in distribution mains, service lines, stronger information technology and other improvements to reliably serve our customers' expanding energy needs.

Investments in Our System

In the 12 years since our last base rate increase, UniSource has invested more than \$269 million in assets associated with providing safe, reliable natural gas service to our customers, including:



Managing Higher Costs

Our operations and maintenance costs have increased by less than 1.5 percent per year since 2010, despite average annual inflation of 2.7 percent during that period.

Serving Expanding Energy Needs

UniSource now serves nearly 170,000 customers - about 14 percent more than we did 12 years ago - in a territory that spans more than 55,000 square miles and includes customers in five counties: Mohave, Yavapai, Coconino, and Navajo Counties in Northern Arizona and Santa Cruz County in Southern Arizona.

Customer Impact

UniSource projects that our proposed rates would increase the average monthly bills of residential customers with typical monthly usage of 45 therms by \$6.13. A typical bill in January, when average usage reaches 101 therms due to colder weather, would increase by \$7.51. Customers can mitigate the impact of higher rates through energy efficiency.

We've proposed extending low-income discounts to customers with household incomes of up to 200 percent of the federal poverty level, up from 150 percent under current rates. UniSource offers extended payment arrangements, payment extensions and other assistance to help customers who have fallen behind on their gas bills. Since 2012, UniSource has provided \$5.6 million in discounts to qualifying low income customers and raised \$396,000 from customers to help pay energy bills for customers in needs. We've also donated more than \$2 million to charitable causes in the communities we serve since 2012. Those contributions were funded by corporate resources, not customers' rates.

Our proposed rates will be reviewed by the Arizona Corporation Commission in a process that includes opportunities for public input. For more details, visit uesaz.com/new-gas-rates

