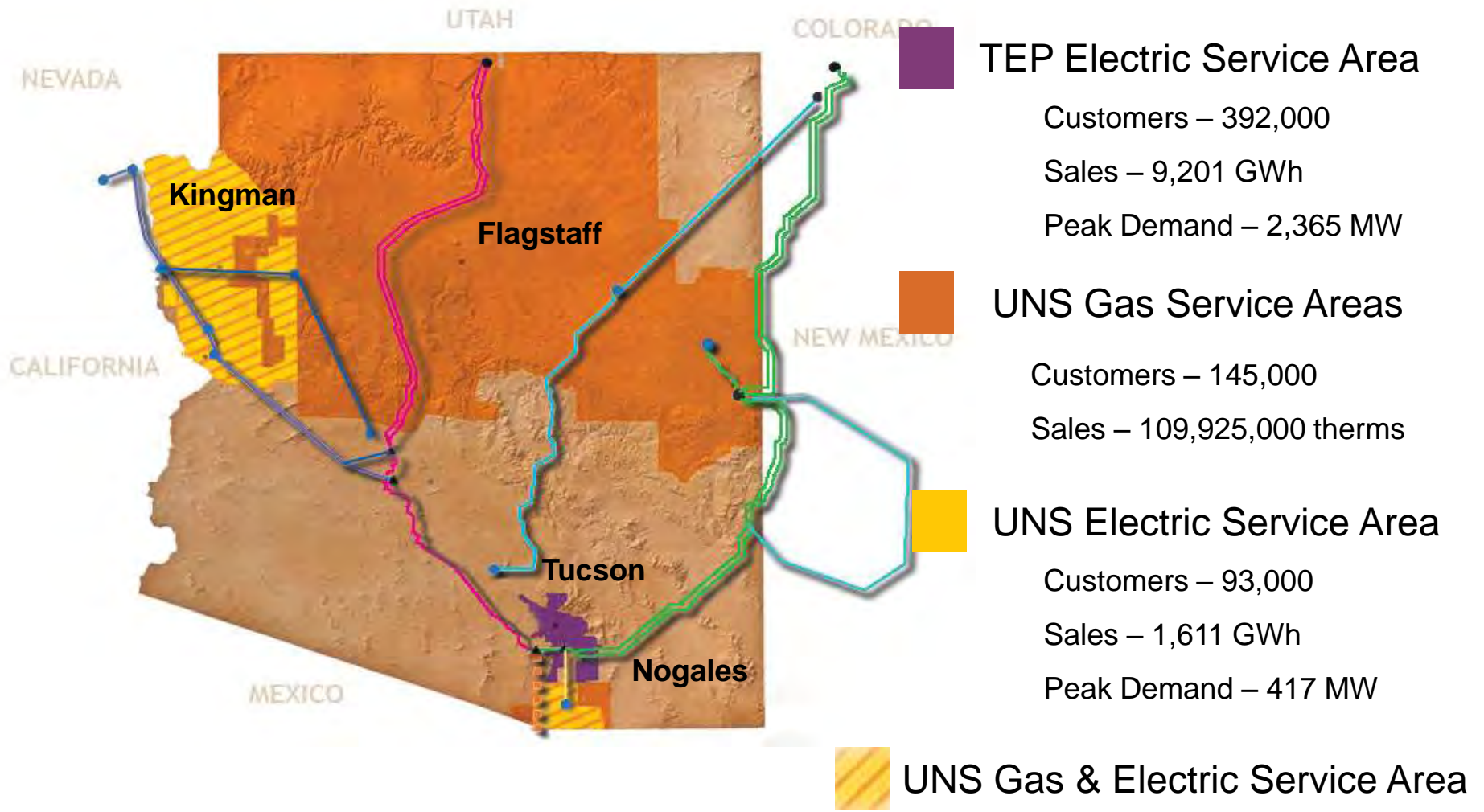


UniSource Energy Update

Denise Smith
Director, Conservation and Renewable Programs

SWEEP Southwest Regional Energy Efficiency Workshop
November 15 & 16, 2007
Albuquerque, NM

UNS Service Territory and Companies



Regulatory Filings

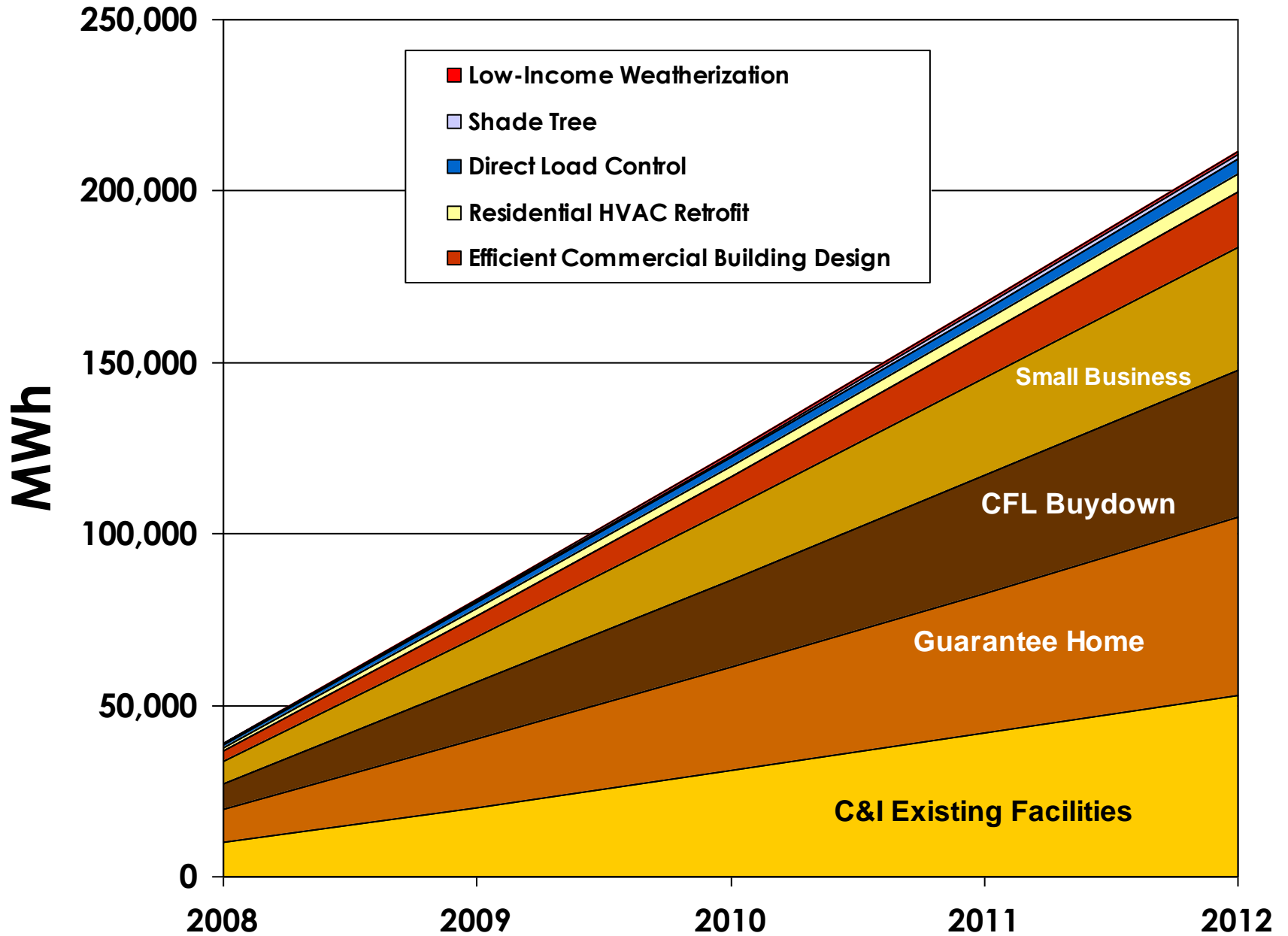
Company	Filing Date	Net Societal Benefits*	Proposed Budget (annual)	Number of Programs
TEP	July 2, 2007	\$103 Million	\$12.4 Million	10 Programs
UNS Electric	June 13, 2007	\$9 Million	\$3.4 Million	7 Programs
UNS Gas	May 4, 2007	\$7 Million	\$1.0 Million	4 Programs

*Net Societal Benefits for five year program portfolio (2008 – 2012)

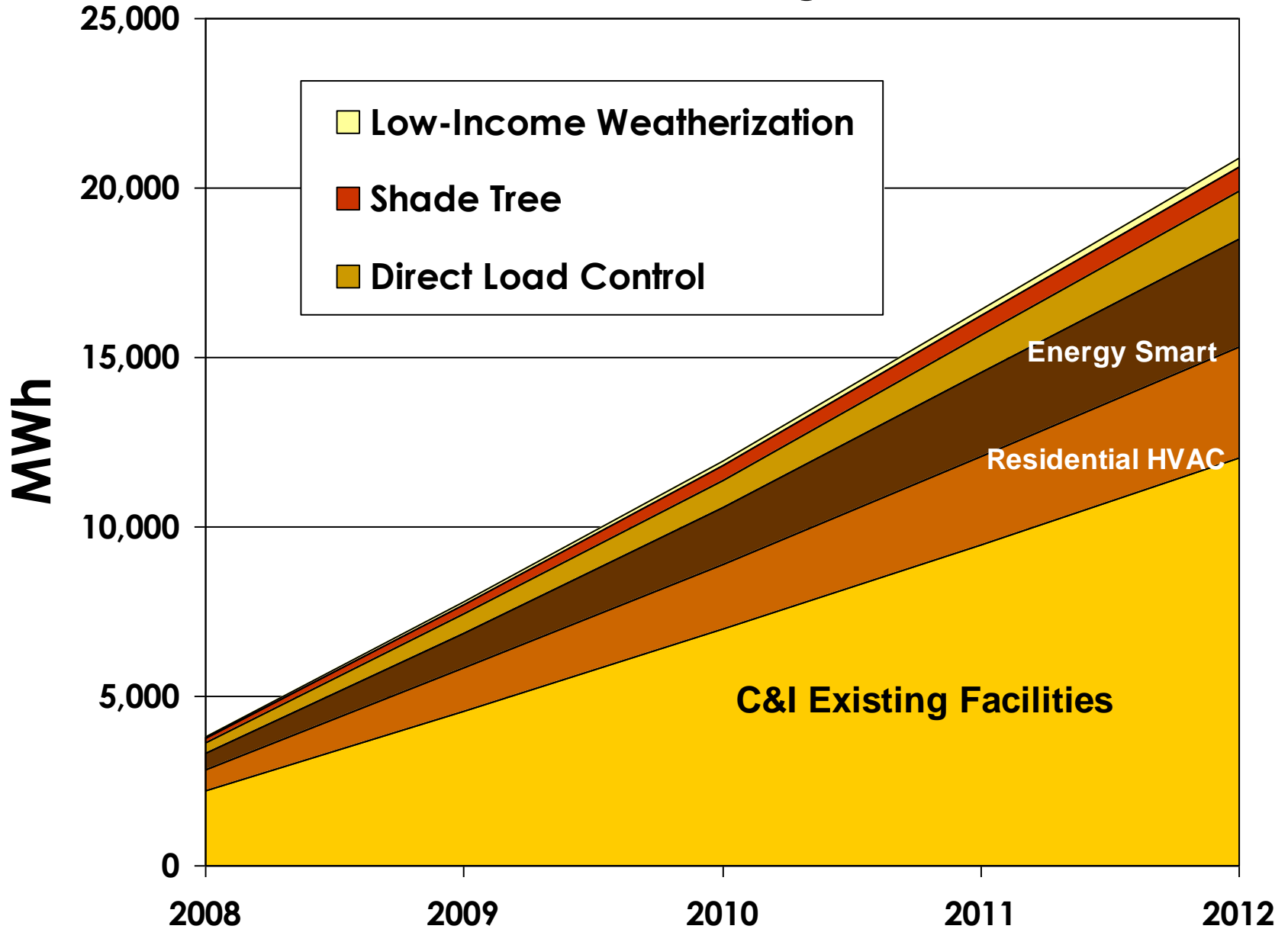
Proposed Programs

Programs (*new)	TEP	UNSE	UNSG
Cross Segment Programs (Residential and Small Commercial)			
Education and Outreach	✓	✓	
Direct Load Control	✓*	✓*	
Residential Efficiency Programs			
Low-Income Weatherization	✓	✓	✓
New Home Construction	✓	✓	✓*
Residential HVAC Retrofit	✓*	✓*	✓*
Shade Tree	✓	✓*	
CFL Buydown	✓*		
Commercial Efficiency Programs			
C&I Existing Facilities	✓*	✓*	✓*
Small Business Program	✓*		
Efficient Commercial Building Design	✓*		

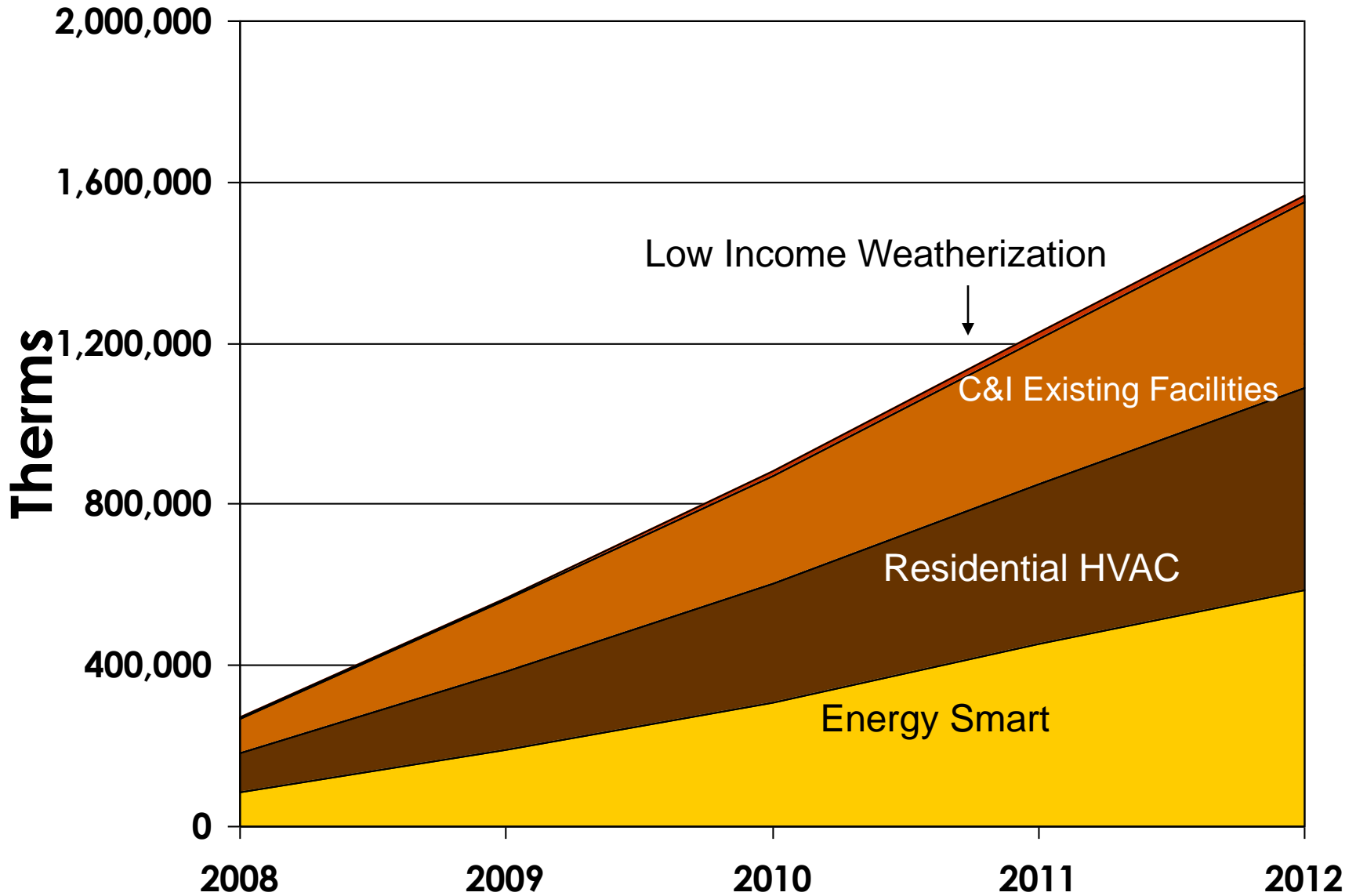
TEP Cumulative Energy Savings (2008-2012)



UES Cumulative kWh Savings (2008 - 2012)

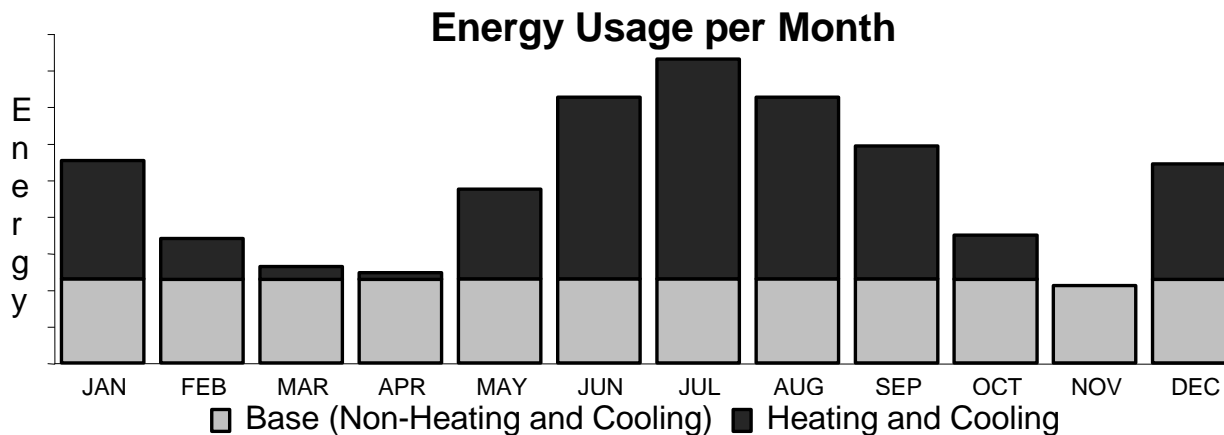


UNS Gas Cumulative Therm Savings (2008-2012)



Guarantee Home Program (TEP)

- ☀ Uses Integrated Building Science
- ☀ 50% of the market share in TEP's service territory
- ☀ Guaranteed Heating / Cooling Costs and Comfort
- ☀ Lower electric rate
- ☀ Determine heating & cooling usage



Energy Smart Home (UNS Electric)

☀ Growth at UNS Electric

- Mohave County ~ 150,000 homes
 - Hoover Dam bypass scheduled completion for 2010
- Santa Cruz ~ 10,000 homes

☀ Market Transformation Program

☀ Building Science Training

☀ Quality Assurance Inspections

- Adhering to the higher standards
- On-site contractor training

☀ Proposed Energy Star

Approaches with Developers

- ☀ Reduction in utility infrastructure costs
- ☀ Language in CCR's
- ☀ Waive any regulatory fees (approval)

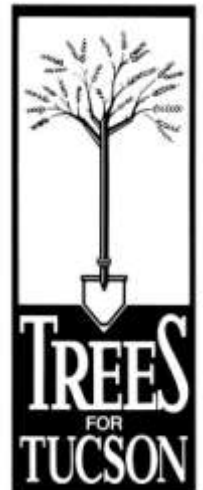


UES
ENERGYSMART
HOMES

Shade Trees Program

- ☀️ TEP since 1992
 - Over 55,000 trees
- ☀️ Tucson Clean and Beautiful (administrator)
- ☀️ High Societal Cost Test – over 2.28
- ☀️ Up to two 5-gallon trees per residence
- ☀️ Other benefits

- ☀️ Proposed program for UNS Electric



Direct Load Control

☀ Proposed for TEP and UNS Electric

- Small commercial and residential

☀ Thermostat

☀ Communication

- Existing AMI communication infrastructure backbone
- Two-way communication and real-time information
- Individual home monitoring

Questions??

