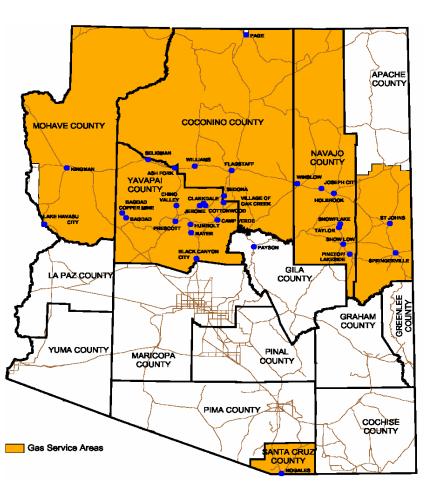
2014/15 Winter Preparedness



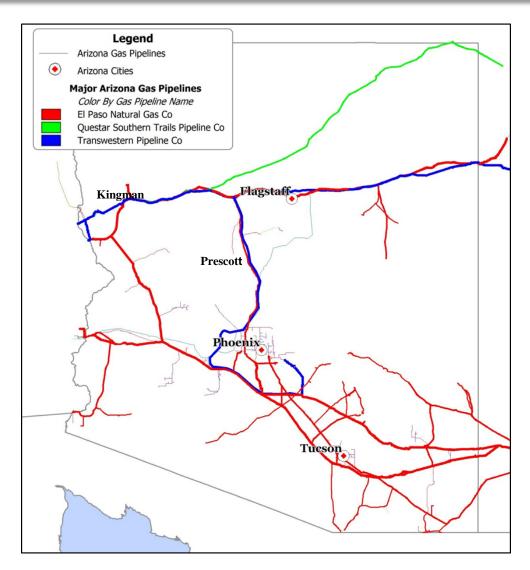
UNS Gas Service Area



- 5 Counties / 33 Communities
- Approx. 150,000 customers
- 31 miles transmission pipeline
- 3,030 miles distribution main
- 1,211 miles distribution services



UNS Gas Interstate Pipeline Suppliers



No Natural Gas Storage

- Dual Gas Supply
 - Flagstaff
 - Kingman
 - Prescott



Supplier / Planning & Coordinating

o EPNG (Kinder Morgan) / Transwestern Pipeline

- Firm agreements with combined capacity sufficient to meet customer load requirements.
- Winter preparedness meeting Sept 17th Flagstaff
 - Reviewed supply taps and delivery settings
 - Maintenance activities associated with suppliers completed

o Gas supply plan

Provided and reviewed upon request



System Planning

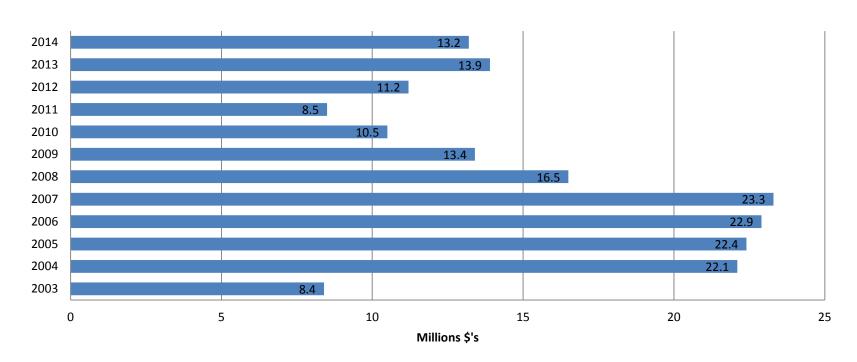
- Winter preparedness planning for our distribution systems is a year-round activity
 - Use of computer hydraulic modeling for system design and build
 - Monitor actual field data during peak winter conditions to provide verification of data in system models
 - Necessary system reinforcements are identified and actions taken
 - Systems have sufficient capacity to deliver required gas volumes
 - Reinforcement work is completed in advance



Net Capital Investment

Over \$186 million in system investments since acquisition in 2003.

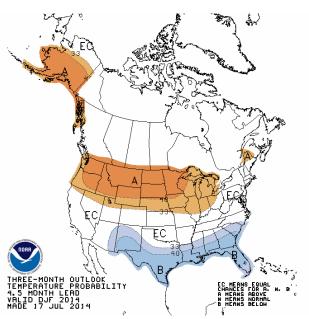
Net Capital Investment

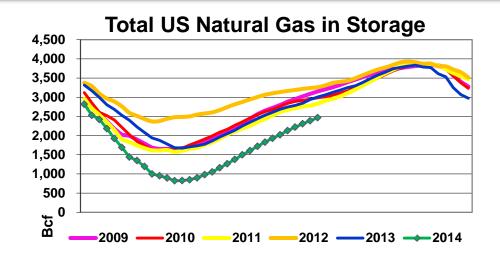


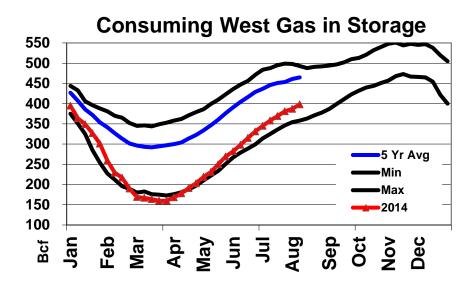


NOAA Winter Forecast - Supply

- US-wide average storage levels
 - Below 5-year average
- West storage
 - Below 5-year average
- Weather forecast
 - Equal chance of normal weather is expected in SW



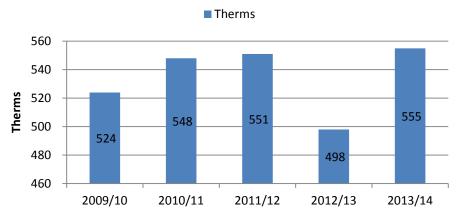




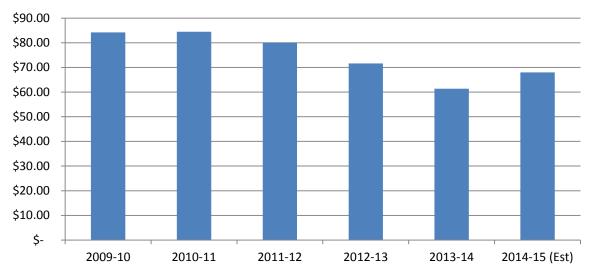


Customer Bills

Residential Avg - Use Per Customer



Residential Avg - Customer Bill





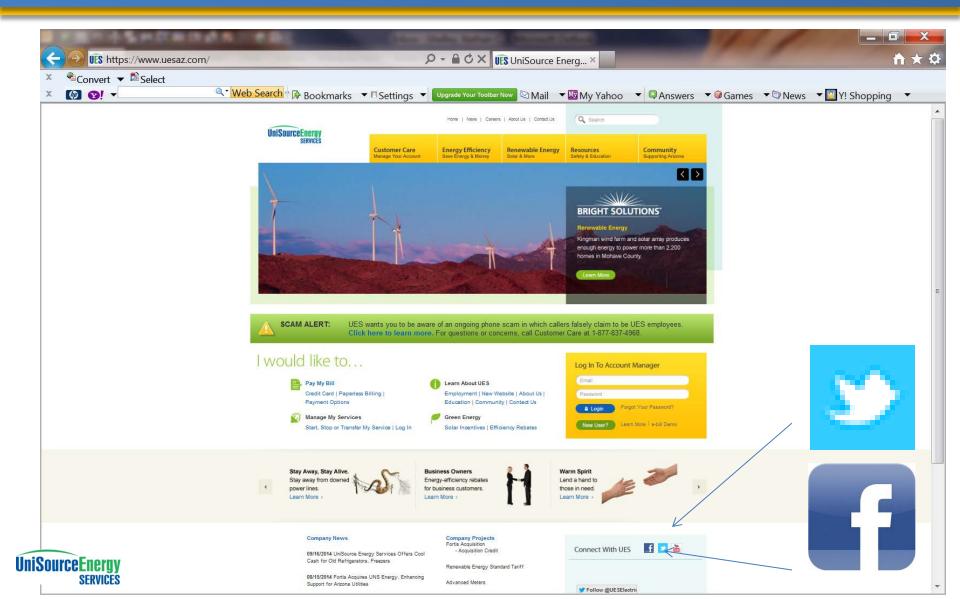
Commodity Cost - Therms

Therm Cost



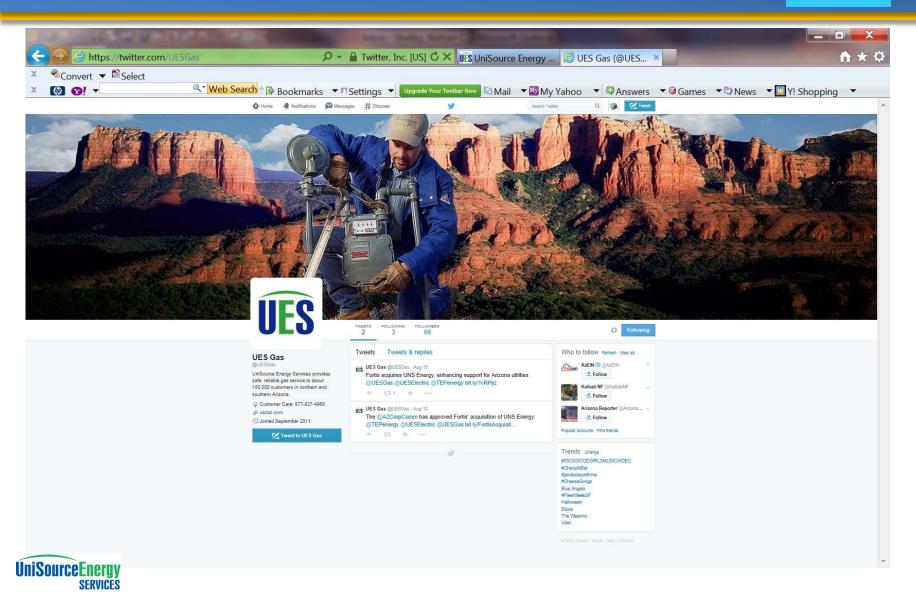


UNS Gas Web Site – uesaz.com



Twitter - @UESGas





Facebook.com/UniSourceEnergyServices







Emergency Communications

Customers

- Call center staff available 24 x 7
- Proactive automated system customer call back
- Updates via twitter or Facebook: @UESGas or Facebook.com/UniSourceEnergyServices
- Service alerts on uesaz.com home page

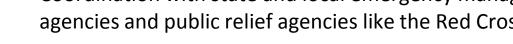
Media

24 / 7 access to media relations staff

Critical Outages

- Press release, press conferences and customer outreach as needed
- Coordination with state and local emergency management officials, law enforcement agencies and public relief agencies like the Red Cross as needed
- Advance notice of scheduled curtailments











UNS Gas Preparedness Summary

- All required reinforcement work complete
- Safe and reliable supply for customers
- Modeling and preparedness is on-going
- Emergency plan in place and reviewed
- Communications plan
- Trained personnel and resources available to respond to natural gas emergencies (24 / 7 / 365)
- Ready for upcoming 2014/15 winter





UNS Winter Preparedness

Questions?

