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2007 APR -4 P 3: 32

Arizona Corporation Commission

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7 Attorneys for Southwest Energy Efficiency Project
8 and Western Resource Advocates

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BEFORE THE ARIZONA CORPORATION COMMISSION

9 MIKE GLEASON, CHAIRMAN
10 WILLIAM A. MUNDELL
11 JEFF HATCH-MILLER
12 KRISTIN K. MAYES
13 GARY PIERCE

14 IN THE MATTER OF THE FILING BY
15 TUCSON ELECTRIC POWER COMPANY TO
16 AMEND DECISION NO. 62103.

Docket No. E-01933A-05-0650

**SWEEP'S RESPONSE TO
COMMENTS REGARDING THE
PROPOSED RECOMMENDED
OPINION AND ORDER**

17 Southwest Energy Efficiency Project ("SWEEP"), though its undersigned counsel,
18 submits the following response to comments regarding the Proposed Recommended Opinion and
19 Order (ROO) submitted by Tucson Electric Power Company ("TEP").

20 SWEEP supports early and expeditious implementation of cost-effective Demand Side
21 Management (DSM) programs to benefit TEP customers and the TEP system. To that end,
22 SWEEP continues to support the following:

- 23 1. TEP should file, on or before July 2, 2007, a DSM Portfolio Plan together with
24 information regarding DSM cost recovery for Staff review and Commission approval.
- 25 2. The DSM Portfolio Plan and cost recovery information should be filed in a DSM
docket separate from the Rate Proposal Docket and separate from the Renewable
Energy Action Plan ("REAP") Docket.

1 3. TEP should conduct a meeting with Staff and other interested parties to review the
2 DSM Plan and cost recovery information prior to its filing.

3 4. The DSM Portfolio Plan and cost recovery issues should be reviewed and addressed
4 by the Commission in the DSM Docket.

5 In terms of the issue of DSM cost recovery, SWEEP believes that it is important for the
6 Commission to review, address, and order DSM cost recovery, through a DSM adjustor or other
7 cost recovery mechanism, in the same separate DSM docket as the DSM Portfolio Plan. TEP
8 should receive reasonable assurance of cost recovery for cost-effective DSM programs approved
9 by the Commission. The issue of the specific cost recovery mechanism or approach can and
10 should be addressed in the DSM Docket and does not need to be addressed or resolved in the
11 ROO.

12 SWEEP hopes and expects that, using the process described above, cost-effective DSM
13 programs would be made available to TEP customers by January 1, 2008, significantly earlier
14 than the completion of a full TEP rate case. Since the DSM programs would be cost-effective,
15 customers would begin to experience the benefits and net benefits early in 2008.

16 RESPECTFULLY SUBMITTED this 4th day of April, 2007.

17 ARIZONA CENTER FOR LAW IN
18 THE PUBLIC INTEREST

19 By 

20 Timothy M. Hogan
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1 ORIGINAL and 13 COPIES of
2 the foregoing filed this 4th day
of April, 2007, with:

3 Docketing Supervisor
4 Docket Control
Arizona Corporation Commission
5 1200 W. Washington
Phoenix, AZ 85007

6 COPIES of the foregoing
7 electronically transmitted
8 this 4th day of April, 2007, to:

9 All Parties of Record

10  A handwritten signature in cursive script, appearing to read 'J. J. [unclear]', is written over a horizontal line.