

ORIGINAL

INTERVENTION



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1733 E Crown Ridge Way
Oro Valley, AZ 85735
March 17, 2008

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Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

AZ CORP COMMISSION
DOCKET CONTROL

REF: Docket No. E-01933A-07-0594

Please consider this an intervention in the proceedings on Reference Docket No. which is an application of Tucson Electric Power Company (TEP) for approval of its Renewable Energy Standard and Tariff (REST) Implementation Plan.

The intent of this intervention is not to object to either option 1 or option 2 as there are more qualified people to evaluate these options; rather this intervention is in relation to the REST Adjustor Mechanism which is proposed to be implemented with either option. This proposal is at best a devious way to implement future tariff increases without having to return to the Commission to justify such increases. As understood by reading the Public Notice mailed with my monthly statement (a copy with the pertinent paragraph highlighted in yellow is attached), increases would be implemented "to reconcile any previous year's difference between REST Tariff revenue and REST program expenses". These differences can be caused by legitimate cost overruns, acts of Nature (God), labor disputes, management incompetence, and corporate or individual greed. No tariff increases should be left to factors under only the control of the Corporation and none should be permitted without Commission evaluation and approval.

Every Corporation operating under supervision of the Commission would like to have a REST Adjustor Mechanism as proposed by TEP; however, this concept places the consumer in the proverbial position of being the Chicken in the Hen house being watched by the Fox. Should this proposal be approved and implemented the rate payer, i.e., the consumer, is not being represented or protected by the Commission, and the Commission will have abdicated one of it's primary responsibilities, that of protecting the consumer/ratepayer. This proposal/idea must be rejected!

As required in the Public Notice, my name is as stated in the signature block below. My address is as stated above and below my signature block. My telephone number is 520-825-8229 and is repeated below my signature block. As of this date I have not provided a copy of this correspondence to any other entity/person, however I reserve the right to share this document with friends and neighbors yet undetermined.

My interest in this proceeding is that of a consumer/ratepayer of Tucson Electric Power Company electric services.

Arizona Corporation Commission

DOCKETED

MAR 20 2008

RECEIVED

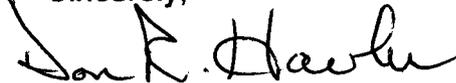
MAR 19 2008

DOCKETED BY

AZ CORP COMMISSION
Director Utilities

This also certifies that I have mailed a copy of this letter to Tucson Electric Power Company at P.O. Box 80077, Prescott, AZ 86304-8077, an address provided on my monthly statement. Since the Public Notice did not provide the address of their legal counsel I can not meet this requirement and will rely on the Company to provide a copy to their counsel.

Sincerely,



Don Havlu
1733 E Crown Ridge Way
Oro Valley, AZ 85755-7106
Tel. No. 520-825-8229

Enclosure: Copy of Public Notice received with monthly statement

CC: Tucson Electric Power Company
P.O. Box 80077
Prescott, AZ 86304-8077

PUBLIC NOTICE OF THE APPLICATION OF TUCSON ELECTRIC POWER COMPANY FOR APPROVAL OF ITS RENEWABLE ENERGY STANDARD AND TARIFF IMPLEMENTATION PLAN AND RELATED TARIFFS DOCKET NO. E-01933A-07-0594

On October 12, 2007, Tucson Electric Power Company ("TEP") filed its 2008 Renewable Energy Standard Implementation Plan ("The Plan"), its Renewable Energy Standard and Tariff ("REST") Tariff, its REST Adjustor Mechanism, its Uniform Credit Purchase Plan ("UCPP"), and its Customer Self-Directed tariff.

The Plan filed by TEP includes two options for Commission consideration. Option 1 is its "Full Compliance Opportunity Plan." This Option is what TEP believes the Commission should approve since it will provide sufficient funding for TEP to meet the 2008 REST target of 1.75% kWh sales from renewables. TEP will require \$22.7 million in additional annual revenue to implement Option 1. To collect this revenue, TEP proposes a surcharge of 0.4988 cents per kWh as included in the REST "Sample Tariff" but would increase the maximum caps beyond those specified in the Sample Tariff. TEP proposes maximums of \$5.20 per month for residential customers, \$39.00 per month for commercial customers, and increasing to \$1,500 per month for large commercial customers.

Option 2 is the "Sample Tariff Funding Plan" and would also be funded from the "Sample Tariff" surcharge of 0.4988 cents per kWh but with the Tariff-stated caps of \$1.05 per month for residential customers, \$39.00 for commercial, and \$117.00 per month for large commercial customers. TEP's Option 2 proposal would increase revenues by \$10.5 million. TEP's position is that it could not meet the 2008 goal of 1.75% kWh sales from renewables with Option 2.

Both Options represent a rate increase over the Environmentally Portfolio Surcharge ("EPS") which is currently in place for TEP. The proposed REST Surcharge of 0.4988 cents per kWh is greater than the present EPS Surcharge which is 0.0875 cents per kWh. In addition, with either Option 1 or Option 2, the maximum monthly cost per customer increases from the current EPS monthly caps of \$0.35 for residential, \$13.00 for commercial, and \$39.00 for large commercial customers.

With either Option, TEP is asking the Commission to approve a REST Adjustor Mechanism which would change the REST Tariff rate to reconcile any previous year's difference between REST Tariff revenue and REST program expenses.

For each Option, TEP presents a UCPP proposal for Commission consideration. For Option 1, TEP proposes to increase its residential renewable energy system incentives to \$4.50 per Watt. For Option 2, TEP proposes using the existing SunShare incentive rate for residential solar installations which is \$3.00 per Watt.

TEP's Customer Self-Directed Tariff applies to either Option and provides Eligible Customers with information needed to apply for and maximize the benefits of TEP REST Tariff funds.

The application is available for public inspection during regular business hours at the Commission's offices at 1200 West Washington Street, Phoenix, Arizona 85007, and on the internet via the Commission website (www.azcc.gov) using the eDocket function.

You may have the right to intervene in the proceeding. Intervention shall be in accordance with A.A.C. R14-3-105. If you wish to intervene, you must file a timely written motion to intervene with the Commission and send a copy of the motion to the applicant or their counsel and to all parties of record. A motion to intervene shall be considered timely if it is filed within (1) 5 days of the last date of publication or (2) 5 days of the date of direct notice by mail. The motion shall, at the minimum, contain the following:

1. Your name, address, and telephone number and the name, address, and telephone number of any party upon whom service of documents is to be made, if different from the intervener.
2. A short statement of your interest in the proceeding (e.g. a customer or potential customer of the Applicant, a shareholder of the Applicant, etc.)