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AZ CORP COMMISSION
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BEFORE THE ARIZONA CORPORATION COMMISSION

9 KRISTIN K. MAYES, CHAIRMAN
10 GARY PIERCE
11 PAUL NEWMAN
12 SANDRA D. KENNEDY
13 BOB STUMP

14 IN THE MATTER OF THE APPLICATION
15 OF ARIZONA PUBLIC SERVICE
16 COMPANY FOR A HEARING TO
17 DETERMINE THE FAIR VALUE OF THE
18 UTILITY PROPERTY OF THE COMPANY
19 FOR RATEMAKING PURPOSES, TO FIX A
20 JUST AND REASONABLE RATE OF
21 RETURN THEREON, TO APPROVE RATE
22 SCHEDULES DESIGNED TO DEVELOP
23 SUCH RETURN

Docket No. E-01345A-08-0172

**NOTICE OF FILING SUMMARY
OF TESTIMONY**

Arizona Corporation Commission
DOCKETED

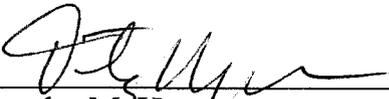
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23 The Arizona School Boards Association ("ASBA"), through its undersigned
24 counsel, hereby provides notice that it has this day filed the written summary of the
25 testimony of Robert Rice in connection with the above-captioned matter.

1
2 DATED this 26th day of August, 2009.

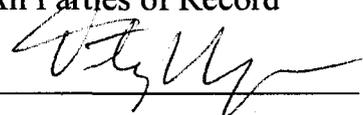
3 ARIZONA CENTER FOR LAW IN
4 THE PUBLIC INTEREST

5
6 By 
7 Timothy M. Hogan
8 202 E. McDowell Rd., Suite 153
9 Phoenix, Arizona 85004
10 Attorneys for Arizona School Board
11 Association

12 ORIGINAL and 13 COPIES of
13 the foregoing filed this 26th day
14 of August, 2009, with:

15 Docket Control
16 Arizona Corporation Commission
17 1200 W. Washington
18 Phoenix, AZ 85007

19 COPIES of the foregoing
20 electronically transmitted
21 this 26th day of August, 2009 to:

22 All Parties of Record
23
24
25


**SUMMARY OF TESTIMONY OF ROBERT RICE
ARIZONA SCHOOL BOARDS ASSOCIATION
APS RATE CASE SETTLEMENT
DOCKET NO. E-01345A-08-0172**

The Arizona School Boards Association (“ASBA”) is a 501(c)(3) non-profit, membership- driven association of more than 240 Arizona public school governing boards. Its members represent 1200 plus school board members and over 1.12 million Arizona children. ASBA’s mission is to promote community volunteer governance of public education and continue improvement of student success by providing leadership and assistance to public school governing boards.

This is the first time that ASBA has intervened in a utility rate proceeding at the Commission. In the past we have provided public comment but have been challenged by Commissioners to become more involved in rate proceedings to advance the interests of Arizona public schools and their governing boards. This case has represented our first effort at doing so. In entering this case as a party our hope was that we can provide support to our member districts in manage in their energy demand, thus reducing their cost, with the potential of having more funding available for school governing boards to devote to classroom learning. We believe this has been accomplished and urge the Commissioners to approve the proposed settlement, which contains many positive provisions for Arizona’s public schools.

This settlement includes important incentives for energy efficiency projects to assist school districts to become more energy self-sufficient. These energy efficiency projects are “shovel-ready” projects. These types of projects can be started in a few weeks or a few months. These projects generally payback in less than five years.

We want to work with APS to improve their demand side management (“DSM”) programs to help school districts become more energy efficient. Through these efforts, we hope to reduce demands on the energy production needs of the state and also contribute to a reduction in utility costs for school districts.

Included in this effort would be a simplified pre-approval process for lighting improvements and equipment upgrades with all of the funding of those projects coming from an APS DSM funding program. The districts’ share of the costs comes from district payments to APS as outlined in A.R.S. § 15-213.02. Improvements to the DSM program will be of assistance to both APS and the school districts that purchase their electric power from APS.

While school districts will continue to take advantage of incentives that are in place for the installation of renewable energy resources, we believe that school districts and APS could also work on cooperative programs to expand renewable energy resources. Under this proposal, APS would use school property for solar projects. APS could lease school property and compensate the school district for the use of the school property.

Compensation could reflect reduced costs for electricity to the participating school districts. A cooperative effort between school districts and APS could benefit both entities and the effort could provide valuable assistance to Arizona in becoming more energy efficient.

In addition to these proposals, we expect to provide rate design testimony to address the manner in which rates could be designed for Arizona's public schools to promote the more efficient use of electric energy and reduce utility costs.

We urge the Commission to accept the settlement as presented which requires the Arizona Public Service Company to work corporately with Arizona school districts to ascertain and implement cost saving measures that can lower the utility demand that schools have. The settlement includes measures that will allow Arizona school districts to be energy producers and not just consumers, including programs that assist districts in attaining alternative energy production devices such as photo-cell solar panel collectors and attendant equipment. Again, we urge the Commission to approve the proposed settlement.