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Arizona Corporation Commission

**DOCKETED**

DEC 16 2009

DOCKETED BY

IN THE MATTER OF THE SULPHUR SPRINGS  
VALLEY ELECTRIC COOPERATIVE, INC.

DOCKET NO. E-01575A-09-0429

NET METERING TARIFF FILING

**Sulphur Springs Valley Electric, Inc,  
Amendment to the Proposed NET  
Metering Tariff**

On September 4, 2009 SSVEC filed it's 2010 REST plan and the NET Metering Tariff for ACC approval. In reviewing comments filed by Staff and consumers SSVEC would like to propose an amendment to the NET Metering Tariff portion of the filing.

SSVEC would like to delete the following section from the September 4<sup>th</sup> filing:

**Monthly Service Availability Charge**

In 2008 the Cost of Service Study (which has been reviewed and approved by the Commission) showed the following Monthly Service Availability Charges were found to be required to cover the Cooperatives fixed cost for each rate class. Since NET Metering can allow the customer to become a "NET Zero" account we have to be able to recover our fixed charges that are normally recovered in the kWh sales. To prevent rate subsidization from other rate payers, customers choosing to use NET Metering will have the following Service Availability Charges applied:

Residential	\$23.31
Commercial	\$41.78
Large Power	\$173.14
Irrigation	\$357.84
GS TOU	\$109.42
LP TOU	\$224.52
LP Industrial	\$605.51
RV Parks	\$161.70

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SSVEC would like to replace the section on the previous page with the following:

**Monthly Service Availability Charge**

The monthly Service Availability Charge for Net Metering Customers shall be the same as all the other customers in the same rate class.

**Monthly Minimum kWh Charge**

In the 2008 Cost of Service Study for the 2009 rate case, it was demonstrated and agree by ACC Staff, that the monthly service charge does not recover all of SSVEC's fixed cost and a portion of the fixed costs are recovered from the sale of kWh. Because a NET Metering Customer has the potential to become a Net Zero Customer, (a customer who provides for all his kWh needs) the portion of the fixed costs that is normally recovered in kWh sales will be passed on to the other members of the Cooperative when the renewable source is large enough to reach the Net Zero production level. To prevent cross subsidization between the rate payers and rate classes, SSVEC would apply a minimum monthly kWh charge listed below based on the 2008 Cost of Service Study by rate class.

Minimum Monthly kWh charge	
Residential .....	\$ 15.06
Commercial.....	\$ 28.28
Large Power.....	\$ 128.89
Irrigation .....	\$ 332.84
GS TOU .....	\$ 94.97
LP TOU .....	\$ 180.27
LP Industrial .....	\$ 372.01
RV Parks.....	\$ 118.15

Justification for change on following page;

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1 Comparison of Minimum kWh charge vs. Monthly Service Charge on Consumers

2 The renewable energy systems that have received a rebate from SSVEC vary in size. It would be rare  
 3 to find a small system (less than 3kW) that can create enough kWh to become a NET Zero residential  
 4 Customer. Based on comments in the docket, we reconsidered our position and found that a fixed monthly  
 5 Service Charge (SC) has a negative impact on the customer with a small system which is also the customer  
 6 who is contributing the "cost to serve" with their purchase of kWh from SSVEC. We therefore propose using  
 7 a minimum kWh charge as a more equitable way to recover fixed costs. The residential analysis below shows  
 8 how using the proposed kWh minimum passes on the fixed monthly cost to the members based on how many  
 9 kWh they purchase from SSVEC.

10 The chart below clearly shows that using a minimum kWh charge instead of an increased Service  
 11 Charge, the Net Zero Customer is paying his fixed costs with the SC and kWh Minimum and those customers  
 12 who are not large enough to be a Net Zero Customer are paying their fixed costs from the SC and the kWh  
 13 they purchase to maintain the level of energy consumption for their lifestyle and needs.

14 **Residential Analysis Using kWh minimums instead of Increase Service Charges**

15 **Assumptions:**

Typical Home =	800 kWh per month	2kW system =	360 kWh per month
Rate R Service Charge =	\$ 8.25 Per Month	4kW system =	720 kWh per month
Rate R kWh rate =	\$ 0.1217 per kWh	5kW system =	900 kWh per month
Proposed Monthly Minimum kWh \$ =	\$ 15.06		
As submitted Net Meter Service Charge \$ =	\$ 23.31		

	2kW system ≈ 360 kWh per month		4kW system ≈ 720 kWh per month		5kW system ≈ 900 kWh per month	
	as Submitted	as Proposed	as Submitted	as Proposed	as Submitted	as Proposed
Rate R Service Charge		\$ 8.25		\$ 8.25		\$ 8.25
Net Meter SC	\$ 23.31		\$ 23.31		\$ 23.31	
kWh from SSVEC	440	\$ 53.55	80	\$ 9.74	0	\$ -
PV kWh consumed on Site	360	\$ -	720	\$ -	800	\$ -
kWh to grid	0		0		100	
kWh Upcharge to meet minimum		\$ -		\$ 5.32		\$ 15.06
Total prior to taxes and Surcharges	\$ 76.66	\$ 61.80	\$ 33.05	\$ 23.31	\$ 23.31	\$ 23.31

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The Cooperative would also like to modify the section on Metering as follows:

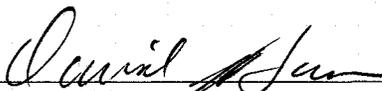
**Metering**

Metering installed for the service provided under this tariff shall be capable of registering and accumulating the kilowatt-hours (kWh) of electricity flowing in both directions in a billing period.

~~The customer requesting Net Metering shall pay for the incremental cost difference of the bi-directional meter required for Net Metering and the standard meter, as a one-time charge. The charges will be reviewed annually and updated meter costs will be provided to the ACC staff for their review. The incremental meter cost shall be posted on the SSVEC website and available at any SSVEC office along with the annual avoided kWh cost.~~

The incremental cost increase, for a meter capable of meeting the Net Metering requirements that are compatible with SSVEC's Automated Meter Reading system, shall be collected via a monthly meter charge set at \$2.70 per month per meter (Time of Use customers will require two meters to meet metering standards). This assumes the incremental meter cost is \$300.00, cost of funds at 7% and a 15 year service life. The meter cost and amortization will be updated and submitted to Commission Staff no less than every two years.

RESPECTFULLY SUBMITTED this 16<sup>th</sup> day of December, 2009.

By:   
David K. Bane  
Key Account Manager  
Sulphur Springs Valley Electric Co-op  
311 E. Wilcox  
Sierra Vista, Arizona 85635  
Ph: 520-515-3472 E-Mail: dbane@ssvec.com

Original and thirteen copies of the foregoing filed this 16<sup>th</sup> day of December, 2009, with:

Docket Control  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007