THIS AMENDMENT:

_____ Passed _____ Passed as amended by _____

_____ Failed _____ Not Offered _____ Withdrawn

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AZ CORP COMMISSION
DOCKET CONTROL

MAYES PROPOSED AMENDMENT 1

TIME/DATE PREPARED: August 11, 2010

COMPANY: Tucson Electric Power

AGENDA ITEM NO. 8

DOCKET NO. E-01933A-10-0278

OPEN MEETING DATE: 8-12-10

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Page 5, line 10 through line 12, DELETE:

"Staff recognizes that some customers may have signed up since July 7th, expecting the $2.25 per watt incentive level TEP has proposed, but Staff believes that the lower incentive levels are justified given market conditions."

AND REPLACE WITH:

"The Commission is concerned about residential customers who were ready to submit applications on July 1, 2010 at the previous incentive levels but had not submitted applications until July 2 or after. The problem is that approving the full incentives for all future applications will exhaust the remaining incentive funds before year end. However, given the industry expectation of the $2.25 per watt incentive level TEP proposed, we believe it is fair to both customers and the industry to allow applications submitted to TEP between July 2, 2010 and August 11, 2010 to be paid in two installments. For grid-tied PV systems, the first installment of the incentive will be paid in 2010 at $2.00 per installed watt and the balance of the incentive, or $.25 per installed watt will be paid in the first quarter of 2011. We direct TEP to calculate the costs for the second installment and include those costs in the TEP 2011 REST Plan budget."

Page 7, line 7, INSERT NEW ORDERING PARAGRAPH:

"IT IS FURTHER ORDERED that the Tucson Electric Power shall grant applications submitted by residential customers between July 2, 2010 and August 11, 2010 an overall $2.25 per watt incentive to be paid in two installments. For grid-tied PV systems, the first installment of the incentive will be paid in 2010 at $2.00 per installed watt and the balance of the incentive, or $.25 per installed watt will be paid in the first quarter of 2011. We direct TEP to calculate the costs for the second installment and include those costs in the TEP 2011 REST Plan budget."

Make all conforming changes.

Arizona Corporation Commission
DOCKETED

AUG 11 2010

DOCKETED BY