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BEFORE THE ARIZONA CORPORATION COMM

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AZ CORP COMMISSION
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OCT 27 2010

ARIZONA CORP. COMM
400 W CONGRESS STE 218 TUCSON AZ 85704

DOCKET NO. E-01461 A-09-0450

IN THE MATTER OF THE TRICO ELECTRIC)
COOPERATIVE, INC.'S APPLICATION FOR)
APPROVAL OF A NET METERING TARIFF.)

INTERVENOR COMMENTS ON)
WHY TRICO'S NET METERING)
ADMINISTRATIVE CHARGE IS)
NOT REASONABLE AND DOES)
NOT COMPLY WITH ACC RULES)

Arizona Corporation Commission

DOCKETED

OCT 29 2010

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Intervenor, James M. Arkoosh, hereby files comments asserting TRICO's Net Metering Administrative charge (under its Net Metering Tariff) is not fair and reasonable and does not comply with the Arizona Corporation Commission Rules.

I. **Issues:** There are several issues to decide.

A) Is the Smart Synch Metering System, as described by TRICO in its filing dated September 30, 2010, the most efficient system for collecting information required by the ACC Net Metering rules (i.e. monthly "delivered" and "received" kWh amounts)?

B) Does the daily collection of "30 minute interval" (as filed) or "15 minute interval" (as installed) data greatly exceed the information required by the ACC Net Metering Rules and thereby place an unreasonable burden on and discriminate against Net Metering customers?

C) Has TRICO met its burden to provide a reasonable study of facts and alternatives and a review of cost/benefit of various suggested alternatives?

D) Has TRICO met its "Burden of Proof" by its original submission and various belated data submissions? Or is this data merely a late defense of their unsupported original submission?

II. **Legal:** The controlling law to resolve these issues is found in the Arizona Corporation Commission's Article 23 "Net Metering Rules" which were approved by the Commission on October 26th 2008 and certified into Arizona law on May 23, 2009. I find no Arizona interpretation of these new laws and believe this is a case of first impression

Relevant net metering rules include:

R14-2-2305: Establishing limits on new and additional charges with these basic principles:

- 1) Net metering charges shall be nondiscriminatory.
- 2) Such charges shall be filed with and approved by the Commission.
- 3) Any charges shall be **fully supported** with cost of service **studies** and benefit/cost analysis.
- 4) The utility shall **bear the burden of proof** on any proposal for a new or changed fee.

In addition to rules on qualifications and eligibility (R14-2-2303), the net metering rules place additional requirements of registry and the monthly

accumulation of the kilowatt-hour (kWh) of electricity flowing in both directions in each billing period. R14-2-2304. (Note: Two numbers are needed at the end of each billing period. The amount “delivered” and the amount “received”. **No more.** R14-2-2305 and R14-2-2306.

III. Analysis: “Charges shall be fully supported with cost of service studies and benefit/cost analysis.” The enactment of Net Metering Rule R14-2-2305 has added discipline and protection to residential solar generation customers. No longer can utilities simply throw a proposed rate at the Commission and see what the staff throws back. The standard is more than fair and reasonable. It requires more thorough analysis, disclosure and puts the burden on the utilities and staff to get it right.

Fully Supported – Cost of Service Studies – Benefit/Cost Analysis

This Court must look to the “plain meaning” of these words in the context of the strengthened standard and clear burden of proof in evaluating TRICO’s submission and staff conclusions.

- 1) Clearly no one can find, in either form or substance, a “fully supported cost of service study with benefit/cost analysis” in TRICO’s submission of September 18, 2009 and staff’s order of January 5, 2010. These submitted documents totally fail to meet the standards imposed by R14-2-2305. In fact neither TRICO nor Staff mention R14-2-32205 in their submissions.

- 2) In addition, TRICO's belated submission of additional information (dated April 8, 2010) to the docket to support its position was a weak attempt to submit information (not provided originally to staff and consisting mainly of prior answers to this Intervenor's questions). There is no attempt to form these items into a study, include analysis or consider benefit/cost issues. This is hardly a "fully supported study with benefit/cost analysis" but more an attempt to toss in everything they have in their files and see if anything sticks.

- 3) TRICO's most recent submission dated September 30, 2010, while more informative than prior submissions, it continues to fail to meet the test of R14-2-2305 as follows:
 - a) TRICO provided additional support for its position but failed to provide even the most basic study. It merely tries to justify its prior submissions. Interestingly, while mentioning R14-2-2305, TRICO never discusses its compliance with the Rule.
 - b) A fully supported study would warrant independent third party opinion or information; not solely TRICO's voice. Net Metering is new and a thorough review of options should be presented.
 - c) The new administrative requirement under the Net Metering Rules is the collection of two numbers which are needed for billing: Monthly **kWh** Delivered and Received. Instead, TRICO seeks to charge Net Metering customers for a sophisticated software system

that gathers data every 15 minutes and transmits 30 times a month via more expensive cellular technology. Why all the data collection when the Net Metering rules require **only two month end numbers**? As a Net metering customer I never see any of this data; only month end numbers on my billing statement? Why is TRICO burdening Net Metering customers with all this extra data collection and expense?

d) TRICO states in several documents that interval reporting is required but provides no reasoning or support. **See Exhibit A**, where on February 22, 2010, an independent Solar Installer states “...**there is no need to collect anything more than monthly readings.**” [We are not disputing the need for bi-directional hardware but assert that the Smart Synch software gathers data (nearly 96 times a day) and communicates 30 times per month when the Net Metering Rule requires just two numbers at the end of each month.] Charges for this added information is not included in the Net Metering Rules and should not be charged to Net Metering customers

e) TRICO provides no justification for this excess data collection nor do they discuss alternatives you might find in a “fully supported study”.

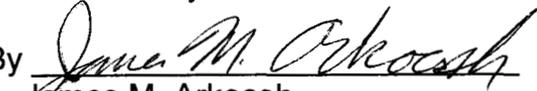
f) **TRICO’s one attempt to provide some analysis and cost benefit information falls flat.** In its September 30, 2010 submission it tries to compute a hypothetical monthly cost to physically collect data from the Intervenor. This fully costed computation is \$38.31 for one

resident. But it ignores potentially 30 or more additional Net Metering customer in the nearby area, Using TRICO's reasoning this would lower hypothetical costs (\$38.31 divided by 30) to an average monthly cost for physical data collection to a charge of \$1.28. Less that the standard customer costs of data collection - \$1.62 which TRICO has previously received Tariff approval.

IV. Relief Requested

- 1) On behalf of all Net Metering customers, I request that this Court and the Commission provide clarification to the meaning and application of R14-2-2305.
- 2) For all TRICO Net Metering customers, I request the Commission suspend the current \$3.38 per month Net Metering Administrative charge until TRICO provides a fully supported cost of service study, including benefit/cost analysis.
- 3) For all TRICO Net Metering customers, Order TRICO to refund to each applicable member all Net Metering Administrative charges collected since February 2010.

Respectfully submitted this 27th day of October 2010

By 
James M. Arkoosh
65227 E. Emerald Ridge Dr.
Tucson, AZ 85739

Enclosure: Exhibit A

Original and 13 copies of the foregoing
Filed this 27th day of October, 2010 with:

Docket Control
Arizona Corporation Commission
400 West Congress
Tucson AZ 85701-1347

Copy of the foregoing hand-delivered/mailed
This 27th day of October, 2010 to:

Jane L. Rodda, Administrative Judge
Arizona Corporation Commission
400 West Congress St.
Tucson Az.85201

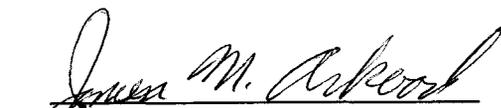
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By


James M. Arkoosh

REHEARING MAR 15 2010



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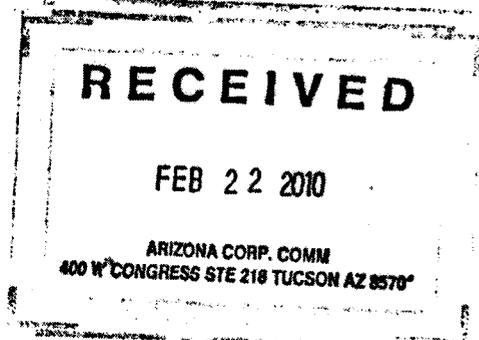
ORIGINAL

Before the Arizona Corporation Commission

February 22nd, 2010

Commissioners

Kristen K. Mayes, Chairman
Gary Pierce
Paul Newman
Sandra D. Kennedy
Bob Stump



Comments on the APPLICATION FOR REHEARING

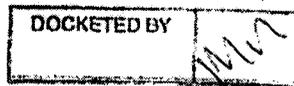
Docket No. E-01461A-09-0450

Decision No. 71462

Arizona Corporation Commission

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FEB 23 2010



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Submitted by:
Kevin Koch, President
Technicians For Sustainability, LLC
612 N. 7th Ave.
Tucson, AZ. 85705

This document is filed in support of the application for Rehearing filed on February 3, 2010.

We feel that deeper consideration should be given to the matter of a monthly charge for metering electricity for homes with solar systems. Although the requirements of the Trico net metering tariff are appropriate for customers who wish to have Time Of Use (TOU) net metering, it is unnecessary and onerous for non-TOU customers. The majority of the Trico customers we have worked with do not have TOU metering, nor would it be advantageous for them with a solar electric system. Without TOU metering, there is no need to collect anything more than monthly readings. TEP does not require such meters, and does not have a charge for reading the meters of customers with solar systems.

Although this will not have a big impact on the cost of large systems, customers with modest electrical usage and small systems will lose a significant portion of their return on investment to this unnecessary monthly metering charge. In keeping with your history of strong advocacy and support for distributed generation, we hope that you will reconsider this aspect of the TRICO net metering tariff.

Based on the discussion above, we believe the proposed TRICO monthly Administrative Fee for Net Metering data collection and communication is **not needed or supported** by TRICO and fails to satisfy the Rules under R14-2-2305.

Sincerely,

Kevin Koch

Exhibit A