

ORIGINAL

MAYES PROPOSED AMENDMENT NO. 1



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TIME/DATE PREPARED: 11-22-10

COMPANY: Tucson Electric Power

AGENDA ITEM NO. U-34

DOCKET NO(S). E-01933A-10-0266

OPEN MEETING DATE: 11-22-10

Page 15, line 20.5, INSERT New Finding of Fact: "During the Special Open Meeting on the utilities' proposed 2011 REST Implementation Plans, the Commission heard from a number of stakeholders that demand for residential solar systems is likely to continue to outstrip the Companies' proposed budgets for residential solar. Additionally, Staff has noted that residential solar has become the cheapest form of Renewable Energy Credits ("RECs") for the utilities, having reached a total cost of \$0.0514 per kwh. However, TEP would appear to be planning a decrease in its budget for residential solar over the next three years, which could portend a constriction in the ability of Arizonans to solarize their homes, and may not be in the best interest of ratepayers, in light of the reduced cost of residential solar RECs.

Given the downward trend in installed cost of residential solar and the escalating demand among Arizonans for residential solar, we believe it would be in the public interest to maintain a more levelized and certain budget for TEP's residential solar program. Therefore, we will require TEP to maintain funding for its residential solar program at \$14,358,111 million at least through 2012. If the Company believes these levels must be modified downward as a result of market factors, it may argue for those decreases in its 2012 Implementation Plan."

Page 18, line 3.5, INSERT New Ordering Paragraph: "IT IS FURTHER ORDERED THAT TEP shall maintain funding for its residential solar program at \$14,358,111 million at least through 2012."

Make all conforming changes.

Arizona Corporation Commission
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| <input type="checkbox"/> Failed | <input type="checkbox"/> Not Offered | <input type="checkbox"/> Withdrawn |