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RECEIVED PIERCE PROPOSED AMENDMENT # 3

2010 NOV 23 A 8:51 DATE PREPARED: November 22, 2010

COMPANY: AZ CORP COMMISSION DOCKET CONTROL Tucson Electric Power

DOCKET NOS: E-01933A-10-0266

OPEN MEETING DATES: November 22-23, 2010

AGENDA ITEM: U-34

Page 2, line 21

INSERT new paragraph:

“Net Metering

TEP’s proposed budget includes \$823,231 for Net Metering. This is significantly higher than the \$120,340 and the \$144,078 net metering expense authorized in TEP’s 2009 and 2010 REST Plans. TEP bears the burden of demonstrating that each of its proposed budget line items are reasonable, prudent and *necessary to comply* with the REST rules. Based on the record before us and based on our experience, the Commission is not fully satisfied that TEP’s requested \$823,231 for Net Metering is reasonable, prudent and a necessary cost of compliance. We will approve a net metering expense of \$173,231. The remaining \$650,000 will be deducted from TEP’s overall REST budget, and we will reduce the REST surcharge accordingly.”

MAKE ALL CONFORMING CHANGES, INCLUDING TO ORDERING PARAGRAPHS

Arizona Corporation Commission

DOCKETED

NOV 23 2010

DOCKETED BY

THIS AMENDMENT:			
_____ Passed _____	Passed as amended by _____		
_____ Failed _____	_____ Not Offered _____	_____ Withdrawn _____	