

ORIGINAL

NEWMAN PROPOSED AMENDMENT NO. 1



TIME/DATE PREPARED: February 16, 2011

COMPANY: Arizona Public Service Company

AGENDA ITEM NO. U-12

DOCKET NO(S). E-01345A-10-0075

OPEN MEETING DATE: 02/17/11

Page 8, Line 1, INSERT New Finding of Fact:

“We disagree with Staff and believe that Pre-Pay Option should be approved. We find that inclusion of the Pre-Payment Option within the Residential Demand Response Pilot Program should be contingent upon it meeting the following criteria:

1. It includes adequate and appropriate energy conservation education and feedback;
2. It is offered and implemented for customers for whom pre-payment is a reasonable and an appropriate option, with adequate safeguards for low income and elderly customers;
3. It maintains disconnection protections with respect to extreme weather events and customers with life threatening medical concerns (i.e. those on medical rates);
4. It accurately analyzes the effects of pre-payment for the population of APS residential customers and in certain customer segments and sub-groups; and
5. Its results are reviewed by Commission Staff, and any Company proposals for full implementation are reviewed and approved by the Commission prior to implementation.”

Page 11, Line 9, INSERT New Ordering Paragraphs:

IT IS FURTHER ORDERED that the Pre-Payment Option shall include adequate and appropriate energy conservation education and feedback on customer energy usage to ensure that the Pre-Payment Option is not just pre-payment but is truly focused on (a) helping customers better understand and gain awareness of their energy consumption, and (b) providing information on options to reduce their energy use and energy costs. Interested stakeholders shall be given a reasonable opportunity to review and comment on the educational information and feedback approaches to be provided to customers prior to Arizona Public Service Company’s implementation of the pre-payment pilot.

IT IS FURTHER ORDERED that the Pre-Payment Option of the pilot shall be offered and implemented only for customers for whom pre-payment is a reasonable and appropriate option, and only after each such customer is provided clear information describing the rules and requirements of the Pre-Payment Option and the customer confirms his or her full understanding of such rules and requirements. Arizona Public Service Company shall ensure that appropriate protections are in place for elderly and low-income customers, in particular. Interested stakeholders shall be given a reasonable opportunity to review and comment on the information to be provided to customers and the appropriate protections and screening tools employed for elderly and low income customers prior to Arizona Public Service Company’s implementation of the pre-payment pilot.

Arizona Corporation Commission

DOCKETED

FEB 16 2011

Passed _____ Passed as amended by _____

Failed _____ Not Offered _____

DOCKETED BY

[Handwritten signature]

THIS AMENDMENT:

RECEIVED
 2011 FEB 16 12:56
 ARIZONA CORPORATION COMMISSION
 DOCKET CONTROL

Withdrawn _____

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Arizona Public Service Company

E-01345A-10-0075 (U-12)

Page 2 of 2

IT IS FURTHER ORDERED that disconnection protections with respect to extreme weather events and customers with medical concerns (those on medical rates) shall remain in place and are not waived through the waiver of other disconnection provisions proposed for the pilot. In addition, Arizona Public Service Company shall document disconnections and provide documentation of disconnection history to low income customers so that customers applying for bill assistance can provide such documentation to groups such as ACAA as part of the application process.

IT IS FURTHER ORDERED that the evaluation of the Pre-Payment Option of the pilot shall be expanded to include a minimum sample size of 600 customers to represent the population of Arizona Public Service Company residential customers overall, rather than the 200 customers proposed by Arizona Public Service Company, plus adequate sample sizes to reliably represent low income and elderly customer segments as crucial sub-groups in the analysis. A larger sample size is necessary to ensure that the study can accurately analyze the effects of pre-payment for Arizona Public Service Company residential customers overall and for certain customer segments and sub-groups, using demographic and economic data, to better determine how and why the Pre-Payment Option achieves its effects and whether pre-payment is an appropriate application for some customer segments, including elderly and low income customers. If necessary, elderly and low income customer segments shall be over-sampled in the study to ensure adequate sample sizes for the reliable analysis of the effects and research questions for these customer segments.

IT IS FURTHER ORDERED that Commission Staff shall review the results of the Pre-Payment Option of the pilot and any Arizona Public Service Company proposals for full implementation of a pre-payment program or program element, and the Commission shall review and approve any such proposals for full implementation of a pre-payment program or program element prior to implementation by Arizona Public Service Company.

Page 11, line 13, DELETE \$2,281,000 and REPLACE with \$2,835,000.

Page 11, line 15, DELETE \$236,000 and REPLACE with \$721,015.

Page 11, DELETE lines 18 and 19.

MAKE ALL CONFORMING CHANGES.