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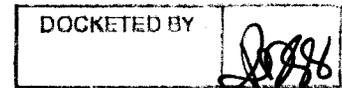
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Susan.Casady@aps.com

March 14, 2011

Arizona Corporation Commission
DOCKETED

MAR 14 2011

Docket Control
Arizona Corporation Commission
1200 W. Washington
Phoenix, AZ 85007



RE: Arizona Public Service Company Residential Demand Response Pilot Program
Decision No. 72214
Docket No. E-01345A-10-0075

Pursuant to Decision No. 72214, dated March 3, 2011:

IT IS FURTHER ORDERED that Arizona Public Service Company file with Docket Control, an Experimental Service Schedule 16 - Home Energy Information Pilot tariff consistent with the Decision in this case within 15 days of the effective date of the Decision.

Attached please find Arizona Public Service Company's Experimental Service Schedule 16 - Home Energy Information Pilot tariff.

If you have any questions regarding this information, please contact Chuck Miessner at (602) 250-3081.

Sincerely,

Susan Casady

SC/kc

cc: Barbara Keene
Steve Olea
Brian Bozzo
Terri Ford

Redline



EXPERIMENTAL SERVICE SCHEDULE 16 HOME ENERGY INFORMATION PILOT

AVAILABILITY

This experimental service schedule is available through December 31, 2012 in the Phoenix area and other areas served by the Company that are designated to be part of the pilot program. Service Schedule 16 was approved by the Arizona Corporation Commission in Decision No. 72214.

APPLICATION

The Experimental Service Schedule 16 is applicable to residential retail standard offer customers with an Advanced Metering Infrastructure (AMI) meter in place at time of service. All provisions of the customer's current applicable rate schedule will continue to apply in addition to the provisions in Service Schedule 16. The participating customer is requested to continue service under the pilot program through December 31, 2012, but may discontinue participation at any time.

The pilot program shall consist of five options with associated technology devices and eligible rate schedules. Participation shall be limited to a total of 2,800 customers capped at the designated ~~maximum~~ participation level for each option. However, the Company, at its discretion, may oversubscribe participation to allow for potential dropouts during the pilot period.

Option	Description	Eligible Residential Rate Schedules	Maximum Participation
A	Critical Peak Pricing with Customer Energy Control Device	E-12, ET-1, ET-2, with rider CPP-RES	0-300
B	In-home Energy Information Display	E-12, ET-1, ET-2, ET-SP	0-300
C	Smart Thermostat or Control Switch with APS Direct Load Control of Air Conditioner	E-12, ET-1, ET-2	0-300
D	Qualifying Smart Phone, Personal Digital Assistant, and Computer Energy Information	E-12, ET-1, ET-2, ET-SP	0-300
E	Pre-pay Energy Service	E-12, E-12 Low Income, ET-1, ET-1 Low Income, ET-2, ET-2 Low Income, ET-SP	<u>6000</u> -2,000

In addition, to be eligible for Options A, B and C the customer must own and reside in the home associated with the pilot program, and their average computed monthly bill during June through September must be \$150 or greater. Customers participating in Option D must own a qualifying smart phone, personal digital assistant or computer with required broadband service.

Customers participating in Option E must have an AMI remote disconnect function and may not participate in rider rate schedules CPP-RES, GPS-1, GPS-2, Solar-3, EPR-2, EPR-6 and E-4, or direct debit and budget billing programs. Option E shall only be available to customers for which pre-payment is a reasonable and appropriate option. Eligible customers shall be provided the rules and requirements of Pre-pay Energy Service and must confirm their full understanding of this information prior to enrolling in the service. In addition, the Company shall ensure that appropriate protections are in place for elderly and low-income customers. Customers enrolled in the Company's Medical Care Preparedness Program, may not participate in this offering.



EXPERIMENTAL SERVICE SCHEDULE 16 HOME ENERGY INFORMATION PILOT

DESCRIPTION OF SERVICES

Option A – Critical Peak Pricing with Customer Energy Control Device

Company shall provide a device in the customer's home that enables the customer to control their home energy usage to provide an automated response to critical peak pricing under Schedule CPP-RES. APS shall communicate to device to activate the customer's pre-programmed response during critical events. Customer may override the response.

Option B – In-home Energy Information Display

Company shall provide a device in the customer's home that displays various energy usage and cost information.

Option C - Smart Thermostat or Control Switch with APS Direct Load Control of Air-conditioner

The Company will install a smart thermostat or control switch in the customer's home that will allow the Company to modify the thermostat settings through a remote signal in order to reduce the customer's energy usage during hours of extremely high electrical demand, high temperature, major generation or transmission outage, energy market disruptions, or other critical events.

Customer agrees to have a smart thermostat control device or switch installed in their home at Company expense and to allow the Company to remotely control their thermostat setting during high summer peak hours in accordance with the Direct Load Control Program Guidelines, which may be revised by the Company from time-to-time during the pilot program with notification to the customer.

Option D – Qualifying Smart Phone, Personal Digital Assistant and Computer Energy Information

Company shall provide an application for the customer's qualifying smart phone, personal digital assistant, or computer that will provide energy cost and usage information.

Option E – Pre-pay Energy Service

The Company provides customers a billing option, feedback on energy usage, and energy conservation information to enable participants to better understand and manage their energy consumption, costs, and payments.

The customer periodically pre-pays an amount towards their electric service in lieu of paying a monthly bill. The Company provides the customer with updated energy usage, cost, and account balance information to assist them in managing their energy dollars. The Company alerts the customer when their account balance falls below a threshold level. Customer agrees to the provisions of pre-pay service provided in the Pre-pay Energy Service Program Guidelines, which may be revised by the Company from time-to-time with notification to the customer. The Company shall solicit a ~~maximum~~ minimum of 6300 participants to study the impact of pre-pay service on their monthly energy consumption. The sample will be adequate to reliably represent low income and elderly customer segments.



EXPERIMENTAL SERVICE SCHEDULE 16 HOME ENERGY INFORMATION PILOT

(DESCRIPTION OF SERVICES, Con't...)

Participants of Pre-pay Energy Service will not receive written notice of disconnection. Therefore, A.A.C. R14-2-211 is waived for this service. However, the Company's existing disconnection protections with respect to extreme weather events shall apply to this service. Pre-pay Energy Service shall be provided according to the terms and conditions of Service Schedule 1 and the Pre-pay Energy Service Program Guidelines. In case of a conflict, the provisions of the Pre-pay Energy Service Program Guidelines shall apply.

TERMS AND CONDITIONS

1. The customer agrees to have the specified device or application installed in their home, smart phone, personal digital assistant or computer, as applicable, at Company expense.
2. The Company may substitute other smart devices in lieu of or in addition to a smart thermostat or in-home device as agreed to by the customer.
3. The customer may be required to sign a participant agreement as applicable.
4. The customer agrees to participate in marketing research conducted as part of the pilot program.
5. Customer may keep the device or application, as applicable, at the end of the program if they participate through December 31, 2012.
6. For customers who continue participation in the pilot program through December 31, 2012, the Company shall provide a home energy audit, or comparable offering, at no expense to the customer. For Option E, the energy audit, or comparable offering, will be limited to the customers who are solicited by APS to study their monthly energy impacts.
7. If customer discontinues participation prior to December 31, 2012, the Company shall remove the device or application, as applicable, at Company expense.

Non-Redline



**EXPERIMENTAL SERVICE SCHEDULE 16
HOME ENERGY INFORMATION PILOT**

AVAILABILITY

This experimental service schedule is available through December 31, 2012 in the Phoenix area and other areas served by the Company that are designated to be part of the pilot program. Service Schedule 16 was approved by the Arizona Corporation Commission in Decision No. 72214.

APPLICATION

The Experimental Service Schedule 16 is applicable to residential retail standard offer customers with an Advanced Metering Infrastructure (AMI) meter in place at time of service. All provisions of the customer's current applicable rate schedule will continue to apply in addition to the provisions in Service Schedule 16. The participating customer is requested to continue service under the pilot program through December 31, 2012, but may discontinue participation at any time.

The pilot program shall consist of five options with associated technology devices and eligible rate schedules. Participation shall be limited to a total of 2,800 customers capped at the designated participation level for each option. However, the Company, at its discretion, may oversubscribe participation to allow for potential dropouts during the pilot period.

Option	Description	Eligible Residential Rate Schedules	Participation
A	Critical Peak Pricing with Customer Energy Control Device	E-12, ET-1, ET-2, with rider CPP-RES	0-300
B	In-home Energy Information Display	E-12, ET-1, ET-2, ET-SP	0-300
C	Smart Thermostat or Control Switch with APS Direct Load Control of Air Conditioner	E-12, ET-1, ET-2	0-300
D	Qualifying Smart Phone, Personal Digital Assistant, and Computer Energy Information	E-12, ET-1, ET-2, ET-SP	0-300
E	Pre-pay Energy Service	E-12, E-12 Low Income, ET-1, ET-1 Low Income, ET-2, ET-2 Low Income, ET-SP	600-2,000

In addition, to be eligible for Options A, B and C the customer must own and reside in the home associated with the pilot program, and their average computed monthly bill during June through September must be \$150 or greater. Customers participating in Option D must own a qualifying smart phone, personal digital assistant or computer with required broadband service.

Customers participating in Option E must have an AMI remote disconnect function and may not participate in rider rate schedules CPP-RES, GPS-1, GPS-2, Solar-3, EPR-2, EPR-6 and E-4, or direct debit and budget billing programs. Option E shall only be available to customers for which pre-payment is a reasonable and appropriate option. Eligible customers shall be provided the rules and requirements of Pre-pay Energy Service and must confirm their full understanding of this information prior to enrolling in the service. In addition, the Company shall ensure that appropriate protections are in place for elderly and low-income customers. Customers enrolled in the Company's Medical Care Preparedness Program, may not participate in this offering.



EXPERIMENTAL SERVICE SCHEDULE 16 HOME ENERGY INFORMATION PILOT

DESCRIPTION OF SERVICES

Option A – Critical Peak Pricing with Customer Energy Control Device

Company shall provide a device in the customer's home that enables the customer to control their home energy usage to provide an automated response to critical peak pricing under Schedule CPP-RES. APS shall communicate to device to activate the customer's pre-programmed response during critical events. Customer may override the response.

Option B – In-home Energy Information Display

Company shall provide a device in the customer's home that displays various energy usage and cost information.

Option C - Smart Thermostat or Control Switch with APS Direct Load Control of Air-conditioner

The Company will install a smart thermostat or control switch in the customer's home that will allow the Company to modify the thermostat settings through a remote signal in order to reduce the customer's energy usage during hours of extremely high electrical demand, high temperature, major generation or transmission outage, energy market disruptions, or other critical events.

Customer agrees to have a smart thermostat control device or switch installed in their home at Company expense and to allow the Company to remotely control their thermostat setting during high summer peak hours in accordance with the Direct Load Control Program Guidelines, which may be revised by the Company from time-to-time during the pilot program with notification to the customer.

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The Company provides customers a billing option, feedback on energy usage, and energy conservation information to enable participants to better understand and manage their energy consumption, costs, and payments.

The customer periodically pre-pays an amount towards their electric service in lieu of paying a monthly bill. The Company provides the customer with updated energy usage, cost, and account balance information to assist them in managing their energy dollars. The Company alerts the customer when their account balance falls below a threshold level. Customer agrees to the provisions of pre-pay service provided in the Pre-pay Energy Service Program Guidelines, which may be revised by the Company from time-to-time with notification to the customer. The Company shall solicit a minimum of 600 participants to study the impact of pre-pay service on their monthly energy consumption. The sample will be adequate to reliably represent low income and elderly customer segments.



EXPERIMENTAL SERVICE SCHEDULE 16 HOME ENERGY INFORMATION PILOT

(DESCRIPTION OF SERVICES, Con't...)

Participants of Pre-pay Energy Service will not receive written notice of disconnection. Therefore, A.A.C. R14-2-211 is waived for this service. However, the Company's existing disconnection protections with respect to extreme weather events shall apply to this service. Pre-pay Energy Service shall be provided according to the terms and conditions of Service Schedule 1 and the Pre-pay Energy Service Program Guidelines. In case of a conflict, the provisions of the Pre-pay Energy Service Program Guidelines shall apply.

TERMS AND CONDITIONS

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