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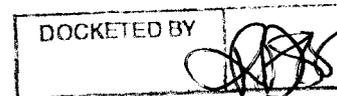
Wednesday, August 24, 2011

Gary Pierce, Chairman
Bob Stump, Commissioner
Paul Newman, Commissioner
Sandra D. Kennedy, Commissioner
Brenda Burns, Commissioner

Arizona Corporation Commission

DOCKETED

AUG 24 2011



Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

RE: Arizona Public Service (E-01345A-11-0264) – Commission Discussion, Consideration, and Possible Vote on Appropriate Proceedings for APS' 2012 RES Implementation Plan and the Scope of a Future of Evidentiary Hearing.

Dear Chairman Pierce and Commissioners:

As you are aware, the Solar Alliance is an active party in the above-referenced proceedings and we participated in the Open Meeting last week. Per the notices issued yesterday, we are aware the Commission is considering scheduling evidentiary hearings in the

matter. We appreciate the time allotted to the Solar Alliance and your willingness to address concerns raised at the August 17, 2011 Open Meeting.

The Solar Alliance supports further investigation into the key issues raised at last week's Open Meeting. We encourage, however, the Commission schedule a workshop on a limited list of issues instead of an evidentiary hearing. We recommend this approach for two reasons. First, an Open Meeting is a more collaborative approach and we think various parties can better share information with Commission, Staff and among themselves. Second, an evidentiary hearing is likely to result in significant delays to final Commission decisions on the RES plans.

A significant delay would interrupt the growing Arizona solar market; and increase investor risk (and thus discourage investment).

Specific suggestions to investigate at such a workshops:

1. Alternative Options to APS RES plan – the Solar Alliance is exploring a few alternatives and intends to present these to the APS and Commission.
2. More detailed examination of the costs of utility owned distributed generation.
3. Further consideration of various financing mechanisms customers may utilize to install solar.

We appreciate your consideration of our suggestions and look forward to working with you on this matter.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Carrie Cullen Hitt".

Carrie Cullen Hitt

President

The Solar Alliance

cc: Parties of Record