

**ORIGINAL**

**OPEN MEETING AGENDA ITEM**



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**Tucson Electric Power Company**

88 East Broadway, P. O. Box 711  
Tucson, Arizona 85702

2011 NOV 18 P 4: 34

November 18, 2011

AZ CORP COMMISSION  
DOCKET CONTROL

Arizona Corporation Commission  
**DOCKETED**

NOV 18 2011

DOCKETED BY

Chairman Gary Pierce  
Commissioner Bob Stump  
Commissioner Paul Newman  
Commissioner Sandra Kennedy  
Commissioner Brenda Burns  
Arizona Corporation Commission  
1200 West Washington  
Phoenix, Arizona 85007

**Re: Tucson Electric Power Company 2012 REST Plan – E-0<sup>19</sup>133A-11-0269  
Responses to Commissioner Questions Posed during November 8, 2011 Open  
Meeting**

Dear Chairman Pierce and Commissioners:

This letter responds to the questions raised by Chairman Pierce, Commissioner Stump, and Commissioner Burns during the November 8, 2011 Open Meeting. Tucson Electric Power Company ("TEP") appreciates the opportunity to provide this additional information regarding TEP's 2012 Renewable Energy Standard Implementation Plan.

**1. Do other utilities run investment recovery of renewable resources through PPFAC-type mechanisms?**

There does not seem to be a clear pattern regarding recovery of renewable investments through PPFAC-type mechanisms. While all of the Renewable Portfolio Standards ("RPS") that we reviewed allow recovery of prudently incurred renewable costs through the annual RPS surcharge, it appears to be state-specific with respect to recovering a portion of those costs through a PPFAC mechanism. Missouri, for instance, expressly forbids recovery of renewables through the PPFAC (all costs must be recovered in the surcharge.) However other states, such as South Dakota, do allow a utility to petition their Commission for permission to include renewable costs in their fuel surcharge.

**2. Is there a national trend regarding the recovery of metering costs?**

Similar to the recovery of renewable investment in a fuel surcharge, the cost recovery mechanism for meters is generally considered a prudent renewable expense and may be captured under the REST surcharge. However, we were unable to find any consistent approach regarding how bi-directional or net-meter costs are recovered. We are aware of some entities that have a separate direct charge to a customer where net metering was voluntary. On the other hand, other entities provided the meters at no additional customer cost if the incentive received was somehow tied to net-metering or renewable energy credit (REC) procurement.

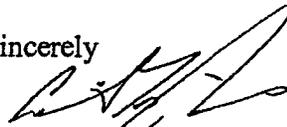
Chairman Gary Pierce  
Commissioner Bob Stump  
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**3. Please provide an example of how the meter data would show a system that was not producing.**

Please see the attached spreadsheet, which presents a number of system meter outputs (which is representative of the renewable energy generated by the system) taken on various read dates. If a particular system was no longer operating or poorly performing, then the monthly meter data would be significantly different than the previous months.

If you have additional questions, please do not hesitate to contact me.

Sincerely



Carmine Filghman  
Director of Renewable Resources

CT:mi

cc: Docket Control (Original and 13 copies)  
Parties of Record

Read Date	8/10/2011	8/11/2011	8/12/2011	9/9/2011	9/12/2011	9/13/2011	10/10/2011	10/11/2011	10/12/2011	Total kWh	System Size kW	Total kWh	System Size kW
1,355				2,999		1,014	1,162			5,516	7.8	705	
	638		897		734			725	957	2,868	6.6	436	
	451		736		488			477	622	2,097	5.0	416	
	1,132		404		1,259			1,198	436	2,030	5.0	403	
			691		782				719	1,416	3.1	454	
			1,047		1,197				1,157	1,287	3.2	400	
	789				855			791		3,589	7.9	453	
	449				477			458		2,192	5.0	437	
2,092	890			2,204			1,969	872		3,401	7.7	439	
	529				948			613		2,435	5.2	472	
					642					1,384	3.2	430	
										6,265	15.0	416	
										2,710	5.9	457	
										1,784	4.6	386	
			285			450			436	1,171	3.1	383	
			768		848				829	2,445	5.6	434	
										3,502	8.1	430	
	1,165				1,232			1,105		2,098	4.9	426	
			627		736				735	4,169	9.6	436	
			1,280		1,468				1,421	2,033	4.7	433	
	625				732			676		4,857	11.0	440	
	1,568				1,683			1,606		2,023	4.5	450	
			614		719			2,141		6,370	13.3	478	
	2,040				2,189					1,477	3.2	459	
			453		528				496	3,584	8.2	439	
			1,087		1,264				1,233	1,849	4.1	447	
			575		655				619				

Read Date	Total										System Size kW	kWh/kW
	8/17/2011	8/18/2011	8/19/2011	9/16/2011	9/19/2011	9/20/2011	10/17/2011	10/18/2011	10/19/2011	10/19/2011		
1124			2449	1114		2690	1067		2474	7613	17.28	440.567
859				910			1029			3305	8.19	403.541
1128				1140			1224			2798	6.3	444.127
1563				1596			1702			3492	8.19	426.374
974				1012			1059			4861	10.92	445.147
602				620			670			3045	8.82	345.238
310				498			705			1892	4.5	420.444
812				866			1228			1513	4.7	321.915
										2906	7.755	374.726
										1736	12.22	445.827
706						1957			767	2504	5.6	447.143
						890				2242	5.13	437.037
										3426	7.59	451.383
1506						1207			1127	4956	11.04	448.913
										4217	9.2	458.37
742										2348	5.06	464.032
468										1468	3.22	455.901
										2314	7.59	304.875
										1281	2.76	464.13
										6494	14.26	455.4
2111										3068	6.9	444.638
993										1766	3.68	479.891
572										3213	6.9	465.652
										5460	11.96	456.522
										4849	9.996	485.094
										1051	6.9	465.652
										1772	11.96	456.522
										4849	9.996	485.094
										1724		