

STAFF PROPOSED AMENDMENT NO. 1



0000132581

ORIGINAL

TIME/DATE PREPARED: DECEMBER 2, 2011

COMPANY: TUCSON ELECTRIC POWER COMPANY AGENDA ITEM NO. \_\_\_\_\_

DOCKET NO. E-01933A-11-0269 OPEN MEETING DATE: DECEMBER 13 and 14, 2011

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Arizona Corporation Commission  
DOCKETED

Line 18

DEC 2 2011

INSERT New Finding of Fact:

DOCKETED BY [Signature]

*Performance-Based Incentive Levels*

Upon further review, Staff believes that the caps on the commercial performance-based incentive levels should be reduced to reflect the lower incentive costs necessary at this time and to avoid a large differential between TEP's and Staff's proposed APS' PBI levels. Staff now recommends setting the PBI caps at a slightly higher level than is recommended by Staff for APS in 2012, or \$0.92 per kWh for 70-200 kW systems, \$0.88 per kWh for 200-400 kW systems, and \$0.84 per kWh for 401 kW and higher systems for TEP. This results in a reduction to the PBI budget line item in Staff Options One and Two from \$5,972,915 to \$5,914,956."

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DELETE lines 3-5 and REPLACE with:

"Staff now recommends setting the PBI caps at \$0.92 per kWh for 70-200 kW systems, \$0.88 per kWh for 200-400 kW systems, and \$0.84 per kWh for 401 kW and higher systems for TEP. This results in a reduction to the PBI budget line item in Staff Options One and Two from \$5,972,915 to \$5,914,956."

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Lines 20-22

DELETE Ordering Paragraph and REPLACE with New Ordering Paragraph:

"IT IS FURTHER ORDERED that Tucson Electric Power shall set the commercial performance-based incentive levels for 2012 at \$0.92 per kWh for 70-200 kWh systems, \$0.88 per kWh for 200-400 kW systems, and \$0.84 per kWh for 401 kW and higher systems. This results in a reduction to the budget in Staff Option One of \$57,959."

2011 DEC 2 P 2:34

\*\*Make All Conforming changes.

<b>THIS AMENDMENT:</b>			
_____ Passed _____	Passed as amended by _____		
_____ Failed _____	Not Offered _____	_____ Withdrawn	

RECEIVED