

ORIGINAL
PIERCE PROPOSED AMENDMENT # 2



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TIME/DATE PREPARED: December 9, 2011

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COMPANY: Arizona Public Service Company AGENDA ITEM NO.: U-14
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DOCKET NO.: E-01345A-11-0264 OPEN MEETING: DATE: December 13/14, 2011

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

Page 5, Line 6

DELETE beginning at "Staff" through the end of the sentence and INSERT "we believe that rather than the \$1.30 per watt incentive proposed by APS on July 1, 2011, incentive should be set at \$0.75 per watt on January 1, 2012."

Page 5, Line 11

STRIKE "Under Staff's proposal" through Page 6, Line 3 and INSERT:

The trigger mechanism shall work as follows. All PV UFIs will be reduced to \$0.60 per watt if 25% of residential PV incentive funds are reserved on or before March 31, 2012. The second trigger would, if the March 31, 2012 trigger had been reached, reduce the incentive to \$0.45 per watt if 50% of the budget is reserved prior to June 30, 2012. If the March 31, 2012 trigger has not been reached, then the second trigger would reduce the incentive to \$0.60 per watt. The third trigger would involve a step-down in the incentive if 75% of PV incentive funding is reserved on or before September 30, 2012. The incentive would then be reduced to \$0.30 per watt if both previous triggers were reached, \$0.45 per watt if one previous trigger was reached, and \$0.60 per watt if no previous triggers were reached in 2012. If all previous triggers are reached, the incentive will reduce to \$0.10 per watt if 90% of the budget is reserved on or before November 1, 2012 and to \$0.00 per watt if 100% of the budget is reserved on or before December 31, 2012. The chart below lays out how the overall trigger mechanism will work.

Arizona Corporation Commission

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THIS AMENDMENT:			
_____ Passed _____	_____ Passed as amended by _____		
_____ Failed _____	_____ Not Offered _____	_____ Withdrawn _____	

Date of Trigger	Reservations to Activate Trigger	Incentive Level if Trigger Activated
On or before March 31, 2012	25%	\$0.60 per watt
On or before June 30, 2012	50%	\$0.60 per watt if March 31 trigger is not activated \$0.45 per watt if March 31 is activated
On or before September 30, 2012	75%	\$0.60 per watt if neither March 31 nor June 30 triggers are activated \$0.45 per watt if one 2012 trigger is activated \$0.30 per watt if two 2012 triggers are activated
On or before November 1, 2012	90%	\$0.60 per watt if no previous 2012 trigger activated \$0.45 per watt if one 2012 trigger is activated \$0.30 per watt if two 2012 triggers are activated \$0.10 per watt if three 2012 triggers activated
On or before December 31, 2012	100%	\$0.60 per watt if no previous 2012 trigger activated \$0.45 per watt if one 2012 trigger is activated \$0.30 per watt if two 2012 triggers are activated \$0.10 per watt if three 2012 triggers activated \$0.00 per watt if four previous 2012 triggers activated

Page 6, Line 11

DELETE beginning "\$0.70 per watt" through the end of sentence and INSERT "then prevailing incentive level."

Page 6, Line 19

DELETE sentence beginning "Staff proposes" and INSERT "We will reduce the non-residential Up-Front Incentive from \$1.75 per watt to \$0.60 per watt. If residential up-front incentives are reduced below \$0.60 per watt in 2012, then non-residential up-front incentives will be reduced to match the reduced residential incentives at the time each reduction to the residential incentive is made."

Conforming changes.

THIS AMENDMENT:		
_____ Passed _____	Passed as amended by _____	
_____ Failed _____	_____ Not Offered _____	_____ Withdrawn _____