

ORIGINAL

Revised NEWMAN PROPOSED AMENDMENT NO. 1



TIME/DATE PREPARED: January 11, 2012

COMPANY: Tucson Electric Power Company

AGENDA ITEM NO. 7

DOCKET NO(S). E-01933A-11-0055

OPEN MEETING DATE: Jan. 10-11, 2012

Arizona Corporation Commission

DOCKETED

JAN 11 2012

Page 57, line 26, INSERT New Findings of Fact:

DOCKETED BY The Energy [Signature]

"We agree that the Energy Efficiency Rules should not be waived for TEP. Efficiency Rules serve an important public interest and provide significant benefits to TEP's customers. It is vitally important to maintain those benefits at this time."

"We also recognize that the Energy Efficiency Rules require TEP to reduce its kWh sales. To the extent that TEP recovers its fixed costs through its kWh charges, a reduction in kWh sales could affect TEP's ability to recover its fixed costs and could therefore negatively affect TEP's financial health. We also note that TEP is currently subject to a general rate case stay-out provision, approved by the Commission in TEP's last rate case."

"We believe that in our balancing of the goals of the Commission and interests of TEP and its customers, an appropriate remedy under the circumstances presented in this matter would be to authorize TEP to defer the unrecovered fixed costs related to lost revenues associated with energy efficiency savings incurred following the effective date of this Decision, for consideration in its next rate case. Tucson Electric Power Company should file in this Docket, within 30 days of the effective date of this Decision, its proposed methodology for calculating and recording the unrecovered fixed costs. This methodology should be approved by Staff before Tucson Electric Power Company may record any amounts in a deferral account. Tucson Electric Power Company should file, as a compliance item in this docket, quarterly reports of the account, detailing the current balance and all transactions recorded during the quarter, including the calculations used to determine the recorded amounts. The reports should be filed each April, July, October and January, covering the preceding calendar quarter."

Page 68, line 15-1/2, INSERT:

"IT IS FURTHER ORDERED that Tucson Electric Power Company is authorized to defer the unrecovered fixed costs related to lost revenues associated with energy efficiency savings incurred following the effective date of this Decision, for consideration in its next rate case. Tucson Electric Power Company shall file in this Docket, within 30 days of the effective date of this Decision, its proposed methodology for calculating and recording the unrecovered fixed costs. This methodology shall be approved by Staff before Tucson Electric Power Company may record any amounts in the deferral account. Tucson Electric Power Company shall file, as a compliance item in this docket, quarterly reports of the account, detailing the current balance and all transactions recorded during the quarter, including the calculations used

<b>THIS AMENDMENT:</b>	
<input type="checkbox"/> Passed	<input type="checkbox"/> Passed as amended by _____
<input type="checkbox"/> Failed	<input type="checkbox"/> Not Offered

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to determine the recorded amounts. The reports shall be filed each April, July, October and January, covering the preceding calendar quarter.”

**Renumber Findings of Fact and Make All Conforming Changes.**