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AZ CORP COMMISSION
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8 Attorney for Arizona Public Service Company

9 **BEFORE THE ARIZONA CORPORATION COMMISSION**

10 **COMMISSIONERS**

Arizona Corporation Commission

DOCKETED

MAR 19 2012

11 GARY PIERCE, Chairman
12 BOB STUMP
13 SANDRA D. KENNEDY
14 PAUL NEWMAN
15 BRENDA BURNS

DOCKETED BY *MM*

16 IN THE MATTER OF ARIZONA PUBLIC
17 SERVICE COMPANY FOR APPROVAL
18 OF A TIME EXTENTION FOR THE
19 RESIDENTIAL CRITICAL PEAK PRICING
20 PROGRAM.

DOCKET NO. E-01345A-11-0250

REVISED APPLICATION

21 **I. INTRODUCTION**

22 Arizona Public Service Company ("APS" or "Company") hereby revises its
23 request to extend the time for the Critical Peak Pricing Program. APS requests that the
24 Commission approve the extension of time for both the Residential and General Service
25 Critical Peak Pricing Programs and the related Rate Schedules CPP-RES and CPP-GS
26 until its next general rate case or January 1, 2016, whichever is later. The rates will
27 otherwise be discontinued for the 2012 summer program.

28 **II. BACKGROUND FOR THE COMPANY'S REQUEST**

In Decision No. 71448, the Commission approved Rate Schedules CPP-RES and
CPP-GS, which are optional critical peak pricing program for residential and general
service customers respectively, effective January 1, 2010 through January 1, 2012. The
rates provide a price signal to incent customers to reduce their usage during APS's most

1 critical hours, when load is either difficult or expensive to serve. As a reward,
2 customers receive a kWh discount for their usage during the program months, June
3 through September. The residential rate has over 600 participants, while the general-
4 service program does not have any participants.

5 In June 2011, APS filed an Application requesting the Commission to extend the
6 time for the residential program through January 1, 2014. In the initial request, APS did
7 not seek to extend the time for the general service program due to the lack of
8 participation. However, recently APS has received interest from a large business
9 customer to participate in the program. Therefore, the Company seeks to extend the
10 time for this program as well. In addition, since the initial application in June 2011,
11 APS has reached a proposed settlement in its pending general rate case, which includes a
12 "stay-out" provision that would preclude new rates before July 1, 2016. Thus, APS also
13 requests that the time for both programs be extended until its next rate case or January 1,
14 2016, whichever is later. This will allow at least a four year extension even if the
15 pending rate settlement is not approved.

16 The extension of time will allow APS to increase program participation, further
17 assess the load response, customer bill savings and customer acceptance of critical peak
18 pricing, and test the concept against the peak time rebate program proposed in the
19 pending rate case.

20 21 **III. CONCLUSION**

22 APS requests that the time period for Rate Schedule CPP-RES and CPP-GS be
23 extended until the Company's next rate case or January 1, 2016, whichever is later. The
24 revised redline and final rate schedules are attached.
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RESPECTFULLY SUBMITTED this 19th day of March, 2012.

By: *Thomas L. Mumaw*
Thomas L. Mumaw

Attorney for Arizona Public Service Company

ORIGINAL and thirteen (13) copies
of the foregoing filed this 19th day of
March, 2012, with:

Docket Control
ARIZONA CORPORATION COMMISSION
1200 West Washington Street
Phoenix, Arizona 85007



**RATE SCHEDULE CPP-RES
CRITICAL PEAK PRICING – RESIDENTIAL**

AVAILABILITY

This rate schedule is available in all territory served by the Company at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the sites served.

APPLICATION

The Rate Schedule CPP-RES is available to residential retail Standard Offer customers. This rate requires the customer to have an Advanced Metering Infrastructure meter, or AMI, in place at time of service. All provisions of the customer's otherwise applicable rate schedule will apply in addition to the charges in Schedule CPP-RES. Schedule CPP-RES is available ~~for a period of two years from the initial availability~~ until APS's next general rate case or January 1, 2016, whichever is later.

A customer may not simultaneously participate in Schedule CPP-RES and another demand response rate or program, including Schedule ET-SP. A customer may participate in Schedule CPP-RES and a net metering rate schedule, subject to meter availability. However, any customer generation in excess of load during a CPP Event will be netted according to the customer's otherwise applicable rate schedule and will not be netted against usage during a subsequent CPP Event.

RATES

A. Critical Peak Price \$0.40000 per kWh
Critical Peak Price applies to kWh usage during a CPP Event.

B. Energy Discount
All residential customers \$(0.01891) per kWh

Energy Discount applies to Customer's total monthly kWh in the months of June through September.

CONDITIONS

- A. CPP Events: CPP Events may be invoked by the Company for the period 2 p.m. to 7 p.m., weekdays (Monday through Friday) during June through September. Holidays are excluded, which include Independence Day (July 4th) and Labor Day (first Monday in September). A CPP Event can be triggered by severe weather, high load, high wholesale prices, or a major generation or transmission outage, as determined by the Company.
- B. Number and Duration of CPP Events: The Company will invoke a minimum of 6 and a maximum of 18 CPP Events per calendar year, for 5 hours per event and 90 hours per year.
- C. CPP Event Notification/Communication: Customers shall be notified of a CPP Event in advance by 4:00 PM the day prior through a phone message, e-mail, or text message. Receipt of such notice is the responsibility of the participating customer.
- D. CPP Event Cancellation: Once a CPP event alert has been initiated, there are no conditions that would warrant the critical event to be cancelled.



**RATE SCHEDULE CPP-RES
CRITICAL PEAK PRICING – RESIDENTIAL**

AVAILABILITY

This rate schedule is available in all territory served by the Company at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the sites served.

APPLICATION

The Rate Schedule CPP-RES is available to residential retail Standard Offer customers. This rate requires the customer to have an Advanced Metering Infrastructure meter, or AMI, in place at time of service. All provisions of the customer's otherwise applicable rate schedule will apply in addition to the charges in Schedule CPP-RES. Schedule CPP-RES is available until APS's next general rate case or January 1, 2016, whichever is later.

A customer may not simultaneously participate in Schedule CPP-RES and another demand response rate or program, including Schedule ET-SP. A customer may participate in Schedule CPP-RES and a net metering rate schedule, subject to meter availability. However, any customer generation in excess of load during a CPP Event will be netted according to the customer's otherwise applicable rate schedule and will not be netted against usage during a subsequent CPP Event.

RATES

A. **Critical Peak Price** \$0.40000 per kWh
Critical Peak Price applies to kWh usage during a CPP Event.

B. **Energy Discount**
All residential customers \$ (0.01891) per kWh

Energy Discount applies to Customer's total monthly kWh in the months of June through September.

CONDITIONS

- A. **CPP Events**: CPP Events may be invoked by the Company for the period 2 p.m. to 7 p.m., weekdays (Monday through Friday) during June through September. Holidays are excluded, which include Independence Day (July 4th) and Labor Day (first Monday in September). A CPP Event can be triggered by severe weather, high load, high wholesale prices, or a major generation or transmission outage, as determined by the Company.
- B. **Number and Duration of CPP Events**: The Company will invoke a minimum of 6 and a maximum of 18 CPP Events per calendar year, for 5 hours per event and 90 hours per year.
- C. **CPP Event Notification/Communication**: Customers shall be notified of a CPP Event in advance by 4:00 PM the day prior through a phone message, e-mail, or text message. Receipt of such notice is the responsibility of the participating customer.
- D. **CPP Event Cancellation**: Once a CPP event alert has been initiated, there are no conditions that would warrant the critical event to be cancelled.



**RATE SCHEDULE CPP-GS
CRITICAL PEAK PRICING – GENERAL SERVICE**

AVAILABILITY

This rate schedule is available in all territory served by the Company at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the sites served.

APPLICATION

The Rate Schedule CPP-GS is available to retail Standard Offer customers served on Rate Schedules E-32 M, E-32 L, E-32TOU M, E-32TOU L, E-34, E-35, and E-221. The eligible customer must demonstrate the ability to reduce usage during Critical Events by a minimum of 200 kW and submit a load reduction plan, which must be approved by the Company prior to participation. The eligible customer must also have interval metering.

All provisions of the customer's otherwise applicable rate schedule will apply in addition to the charges in Schedule CPP-GS. Schedule CPP-GS is available ~~for a period of two years from the initial availability~~ until APS's next general rate case or January 1, 2016, whichever is later.

A customer may not simultaneously participate in Schedule CPP-GS and another demand response rate or program. A customer may participate in Schedule CPP-GS and a net metering rate schedule, subject to meter availability. However, any customer generation in excess of load during a CPP Event will be netted according to the customer's otherwise applicable rate schedule and will not be netted against usage during a subsequent CPP Event.

RATES

A. Critical Peak Price	\$0.40000	per kWh
Critical Peak Price applies to kWh usage during a CPP Event.		
B. Energy Discount		
Rate Schedule E-32 M	\$(0.014892)	per kWh
Rate Schedule E-32 L	\$(0.014438)	per kWh
Rate Schedule E-32 TOU M	\$(0.014892)	per kWh
Rate Schedule E-32 TOU L	\$(0.014438)	per kWh
Rate Schedule E-34	\$(0.014350)	per kWh
Rate Schedule E-35	\$(0.012470)	per kWh
Rate Schedule E-221	\$(0.011755)	per kWh

Energy Discount applies to Customer's total monthly kWh during June through September billing cycles.



**RATE SCHEDULE CPP-GS
CRITICAL PEAK PRICING – GENERAL SERVICE**

CONDITIONS

- A. CPP Events: CPP Events may be invoked by the Company for the period 2 p.m. to 7 p.m., weekdays (Monday through Friday) during June through September. Holidays are excluded, which include Independence Day (July 4th) and Labor Day (first Monday in September). A CPP Event can be triggered by severe weather, high load, high wholesale prices, or a major generation or transmission outage, as determined by the Company.
- B. Number and Duration of CPP Events: The Company will invoke a minimum of 6 CPP Events and up to a maximum of 18 CPP Events per calendar year, for 5 hours per event and a maximum of 90 hours per year.
- C. CPP Event Notification/Communication: Customers shall be notified of a CPP Event in advance by 4:00 PM the day prior through a phone message, e-mail, or text message. Receipt of such notice is the responsibility of the participating customer.
- D. CPP Event Cancellation: Once a CPP event alert has been initiated, there are no conditions that would warrant the critical event to be cancelled.



**RATE SCHEDULE CPP-GS
CRITICAL PEAK PRICING – GENERAL SERVICE**

CONDITIONS

- A. CPP Events: CPP Events may be invoked by the Company for the period 2 p.m. to 7 p.m., weekdays (Monday through Friday) during June through September. Holidays are excluded, which include Independence Day (July 4th) and Labor Day (first Monday in September). A CPP Event can be triggered by severe weather, high load, high wholesale prices, or a major generation or transmission outage, as determined by the Company.
- B. Number and Duration of CPP Events: The Company will invoke a minimum of 6 CPP Events and up to a maximum of 18 CPP Events per calendar year, for 5 hours per event and a maximum of 90 hours per year.
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- D. CPP Event Cancellation: Once a CPP event alert has been initiated, there are no conditions that would warrant the critical event to be cancelled.