

ORIGINAL

OPEN MEETING AGENDA ITEM



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BEFORE THE ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission

DOCKETED

MAY 15 2012

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JM.

COMMISSIONERS

GARY PIERCE, Chairman
BOB STUMP
SANDRA D. KENNEDY
PAUL NEWMAN
BRENDA BURNS

Docket No. E-01345A-11-0224

IN THE MATTER OF THE APPLICATION OF
ARIZONA PUBLIC SERVICE COMPANY FOR A
HEARING TO DETERMINE THE FAIR VALUE OF
THE UTILITY PROPERTY OF THE COMPANY
FOR RATEMAKING PURPOSES, TO FIX A JUST
AND REASONABLE RATE OF RETURN
THEREON, TO APPROVE RATE SCHEDULES
DESIGNED TO DEVELOP SUCH RETURN.

**NRDC's STATEMENT IN SUPPORT
OF SWEEP's EXCEPTIONS TO
RECOMMENDED OPINION AND
ORDER**

Natural Resources Defense Council ("NRDC") by and through its attorney hereby files the following statement of support for Southwest Energy Efficiency Project's (SWEET) Exceptions to the Recommended Opinion and Order (ROO) in the above-referenced matter:

NRDC fully supports and joins SWEEP's position on its exceptions to the ROO in this matter. As NRDC has held throughout the proceedings in this case, and in workshops held by the Commission on utility disincentives in 2010, full revenue decoupling is a superior mechanism to the lost fixed-cost recovery (LFCR) mechanism adopted in this settlement. The Commission should substitute full revenue decoupling, as originally proposed by APS, for the compromise LFCR mechanism in the settlement. Doing so would be consistent with the Commission's Final Policy

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Statement on decoupling adopted in December, 2010, and would uphold the Commission's options to fully explore disincentives to delivering energy efficiency, rather than tying its hands with the hybrid LFCR and straight fixed-variable rate design proposed by the parties to the settlement.

RESPECTFULLY SUBMITTED this 14th day of May, 2012.

By 
Laura E. Sanchez
NRDC
PO Box 65623
Albuquerque, NM 87193

ORIGINAL and 13 COPIES of the foregoing filed this 14th day of May, 2012 to:

Docketing Supervisor
Docket Control
Arizona Corporation Commission
1200 W. Washington
Phoenix, AZ 85007

COPIES of the foregoing electronically mailed this 14th day of May, 2012 to:

All Parties of Record

By: 