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Arizona Corporation Commission
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BEFORE THE ARIZONA CORPORAT

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AZ CORP COMMISSION
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COMMISSIONERS
GARY PIERCE- CHAIRMAN
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BRENDA BURNS

IN THE MATTER OF THE APPLICATION OF) DOCKET NO. E-01933A-11-0269
TUCSON ELECTRIC POWER COMPANY FOR)
APPROVAL OF ITS 2012 RENEWABLE) **REQUEST FOR EXTENSION OF**
ENERGY STANDARD IMPLEMENTATION) **TIME TO COMPLY WITH A**
PLAN AND DISTRIBUTED ENERGY) **REQUIREMENT SET FORTH IN**
ADMINISTRATIVE PLAN AND REQUEST FOR) **DECISION NO. 72736 AND TO**
RESET OF RENEWABLE ENERGY ADJUSTOR) **DEFER THE MATTER TO**
) **ANOTHER DOCKET**

On January 13, 2012, the Arizona Corporation Commission ("Commission") issued Decision No. 72736 ("Decision"), approving Tucson Electric Power Company's ("TEP" or "Company") 2012 REST Implementation Plan ("REST Plan"). The Decision requires the following:

IT IS FURTHER ORDERED that residential, small commercial, large commercial and industrial customers who receive incentives, from the effective date of this Decision, under the REST rules will pay a monthly REST charge equal to the amount they would have paid without the renewable installation. This payment shall begin when TEP reprograms its billing system to accomplish this, or with the October 2012 billing cycle, whichever is sooner.

At the December 16, 2011 Open Meeting where this matter was discussed, the Company indicated that, based on the limited information it had at the time, it believed it could reprogram its billing system by October 2012 in order to comply with the Decision.¹ While TEP has worked diligently since that time to determine what upgrades to its billing system would be necessary, it has proven to be more complicated than originally anticipated to implement this change in light of

¹ The Company supported the concept that customers who take incentives from the REST program should continue to pay their fair share of REST charges. See transcript of December 16, 2011 Open Meeting at page 119, lines 6-18. TEP continues to support this concept.

1 the requirement that the customer be charged an amount equal to the amount they would have paid
2 without the renewable installation. Consequently, TEP is unable to meet the October 2012 billing
3 cycle compliance deadline and will require an additional nine months from the October 1, 2012
4 compliance deadline to implement the change.

5 Moreover, subsequent to the issuance of the Decision, the Commission recently issued
6 Decision No.73183 on May 24, 2012 for Arizona Public Service Company ("APS"). In this
7 decision, the Commission stated:

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9 We believe that customers who benefit by receiving incentives under the REST
10 rules should provide an equitable contribution to future REST benefits for other
11 customers. We will therefore require that residential, small commercial, large
12 commercial and industrial customers who receive incentives under the REST
13 rules pay a fixed cost, the monthly REST cap. This payment shall begin when
14 APS reprograms its billing system to accomplish this, or with the March 2013
15 billing, whichever is sooner. The requirement shall only apply to renewable
16 systems installed on and after July 1, 2012.

17 In light of the Commission's recent decision in the APS matter to require customers who
18 receive incentives to pay the monthly REST cap (as opposed to the REST charge they would have
19 paid without the renewable installation as required in the TEP Decision), the Commission should
20 have an opportunity to consider whether the APS requirement should also be applied to TEP
21 before TEP spends additional time and resources to meet the TEP requirement. TEP also believes
22 that it would be less burdensome for TEP if it simply charged the REST cap, as opposed to having
23 to calculate the bill in the manner set forth in the Decision. This approach would eliminate the
24 potential for dispute over what the calculations should be.

25 Because TEP will require additional time to comply with the Decision in any event, and
26 because TEP will be filing its 2013 REST Implementation Plan ("2013 Plan") on July 2, 2012
27 which should be considered by the Commission before the end of 2012, TEP requests that this
matter be deferred to the 2013 Plan docket. This would provide the Company with an opportunity
to propose the APS model, as well as submit additional proposals for the Commission's

1 consideration that might negate or alter the need for the Company to comply with this aspect of
2 the Decision in the manner set forth therein.

3 For the above stated reasons, TEP believes that the request for the extension of time and
4 deferral of the matter to the TEP 2013 REST Implementation docket is reasonable and in the
5 public interest.

6 RESPECTFULLY SUBMITTED this 15th day of June 2012.

7 TUCSON ELECTRIC POWER COMPANY

8
9 By 

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