

ORIGINAL

OPEN MEETING ITEM

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BOB STUMP
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PAUL NEWMAN
BRENDA BURNS



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ARIZONA CORPORATION COMMISSION

DOCKETED

2012 SEP 28 A 10:38

DATE: SEPTEMBER 28, 2012

SEP 28 2012

DOCKET NO.: E-01933A-11-0269

AZ CORP COMMISSION
DOCKET CONTROL

DOCKETED BY *ISM*

TO ALL PARTIES:

Enclosed please find the recommendation of Administrative Law Judge Teena Jibilian. The recommendation has been filed in the form of an Opinion and Order on:

TUCSON ELECTRIC POWER COMPANY
(EXTENDING TIME DEADLINE ORDERED BY DECISION NO. 72736 AND
DEFERRING THE MATTER TO DOCKET NO. E-01933A-12-0296)

Pursuant to A.A.C. R14-3-110(B), you may file exceptions to the recommendation of the Administrative Law Judge by filing an original and thirteen (13) copies of the exceptions with the Commission's Docket Control at the address listed below by **4:00** p.m. on or before:

OCTOBER 9, 2012

The enclosed is NOT an order of the Commission, but a recommendation of the Administrative Law Judge to the Commissioners. Consideration of this matter has tentatively been scheduled for the Commission's Open Meeting to be held on:

OCTOBER 16, 2012 AND OCTOBER 17, 2012

For more information, you may contact Docket Control at (602) 542-3477 or the Hearing Division at (602)542-4250. For information about the Open Meeting, contact the Executive Director's Office at (602) 542-3931.

Ernest G. Johnson
ERNEST G. JOHNSON
EXECUTIVE DIRECTOR

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THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

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

IN THE MATTER OF THE APPLICATION OF
TUCSON ELECTRIC POWER COMPANY FOR
APPROVAL OF ITS 2012 RENEWABLE ENERGY
STANDARD IMPLEMENTATION PLAN AND
DISTRIBUTED ENERGY ADMINISTRATIVE
PLAN AND REQUEST FOR RESET OF
RENEWABLE ENERGY ADJUSTOR.

DOCKET NO. E-01933A-11-0269

**ORDER EXTENDING TIME
DEADLINE ORDERED BY
DECISION NO. 72736 AND
DEFERRING THE MATTER TO
DOCKET NO. E-01933A-12-0296**

Open Meeting
October 16 and 17, 2012
Phoenix, Arizona

BY THE COMMISSION:

* * * * *

Having considered the entire record herein and being fully advised in the premises, the Arizona Corporation Commission ("Commission") finds, concludes, and orders that:

FINDINGS OF FACT

1. On July 1, 2011, Tucson Electric Power Company ("TEP" or Company") filed with the Arizona Corporation Commission ("Commission") its 2012 Renewable Energy Standard Implementation Plan and request for reset of renewable energy adjustor.
2. On January 13, 2012, the Commission issued Decision No. 72736.
3. Decision No. 72736 ordered residential, small commercial, large commercial and industrial customers who receive incentives beginning and after January 13, 2012 to pay a monthly REST charge equal to the amount they would have paid without the renewable installation, with the payment to begin when TEP reprograms its billing system to accomplish this, or with the October 2012 billing cycle, whichever is sooner.
4. On June 15, 2012, TEP filed a Request for Extension of Time to Comply with a

1 Requirement Set Forth in Decision No. 72736 and to Defer the Matter to Another Docket
2 (“Request”).

3 5. In the Request, TEP states that based on available information at the time the
4 Commission considered Decision No. 72736, the Company believed it could comply with the new
5 billing requirement by its October 2012 billing cycle. TEP states that that since that time, it has
6 worked diligently to determine what upgrades to its billing system would be necessary to comply, but
7 that the changes have proven to be more complicated than it originally believed, and that TEP is
8 consequently unable to meet the October 2012 billing cycle deadline. TEP states that it will require
9 an additional nine months to comply.

10 6. In addition, TEP states that subsequent to Decision No. 72736, the Commission
11 ordered Arizona Public Service (“APS”), in Decision No. 73183 (May 24, 2012), to require
12 customers who receive incentives to pay the monthly REST cap, instead of the REST charge they
13 would have paid without the renewable installation as required for TEP in Decision No. 72736. TEP
14 believes that it would be less burdensome for TEP to also simply charge the REST cap, as opposed to
15 having to calculate the bill in the manner required by Decision No. 72736, and that the REST cap
16 approach would eliminate the potential for dispute over what the calculations should be.

17 7. Because it will require additional time to comply with Decision No. 72736 in any
18 event, and because TEP would be filing its 2013 REST Implementation Plan (“2013 REST Plan”) on
19 July 2, 2012, TEP requested that the issue of its compliance with the new billing requirement in
20 Decision No. 72736 be deferred to its 2013 REST Plan docket.¹ TEP asserts that the Commission
21 should have an opportunity to consider whether the APS requirement should also be applied to TEP,
22 before TEP spends additional time and resources to meet the new billing requirement ordered by
23 Decision No. 72736. TEP states that its requested deferral of the matter to the 2013 REST Plan
24 docket would allow TEP to propose the monthly REST cap model, as well as submit additional
25 proposals for the Commission’s consideration that might negate or alter the need for the Company to
26 comply with the new billing requirement.

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28 ¹ TEP filed its 2013 REST Plan in Docket No. E-01933A-12-0296 on July 2, 2012.

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ORDER

IT IS THEREFORE ORDERED that the compliance deadline set by Decision No. 72736 for Tucson Electric Power Company to reprogram its billing system for customers receiving REST incentives is hereby suspended, pending our consideration of Tucson Electric Power Company's proposals on the issue in Docket No. E-01933A-12-0296, and our determination on the issue in that docket.

IT IS FURTHER ORDERED that this Decision shall become effective immediately.

BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

CHAIRMAN _____ COMMISSIONER _____

COMMISSIONER _____ COMMISSIONER _____ COMMISSIONER _____

IN WITNESS WHEREOF, I, ERNEST G. JOHNSON, Executive Director of the Arizona Corporation Commission, have hereunto set my hand and caused the official seal of the Commission to be affixed at the Capitol, in the City of Phoenix, this _____ day of _____, 2012.

ERNEST G. JOHNSON
EXECUTIVE DIRECTOR

DISSENT _____

DISSENT _____

SERVICE LIST FOR:

TUCSON ELECTRIC POWER COMPANY

DOCKET NO.

E-01933A-11-0269

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