

ORIGINAL

REVISED PIERCE PROPOSED AMENDMENT NO. 1



TIME/DATE PREPARED: Tuesday, January 22, 2013

COMPANY: Arizona Public Service Company AGENDA ITEM NO. 4

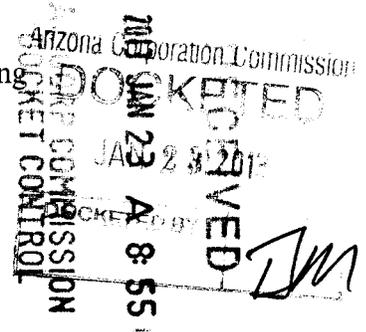
DOCKET NO(S). E-01345A-10-0394 & E-01345A-12-0290

OPEN MEETING DATE: January 23, 2013

Page 3, Line 24

DELETE the words "Indeed, the" at line 24 and REPLACE with the following

"Staff believes"



Page 13, Line 5

INSERT the following

"However, the Commission believes that any reduction in incentives should result in a corresponding reduction of the budget for residential incentives. The Commission believes that a total of approximately \$4,480,000 is an appropriate amount of funding for incentives in 2013."

Page 13, Line 11

INSERT the following

"The Commission agrees with Staff that the incentive should be \$0.40/kWh. However, the Commission believes that the budget for residential non-PV incentives should be \$1,500,000."

Page 13, Line 14

Table 15, Part A, INSERT new column labeled "Modified Option 3"

Budget Item	APS Option 1	APS Option 2	Staff's Option 3	Modified Option 3
Residential PV	\$0	\$5.30	\$6.96	\$2.65
Residential Non-PV	0	3.00	2.00	1.50
Energy Star/Homebuilder	0	0.70	0.50	0.23
Total Residential	0	9.00	9.46	4.38
Small Non-Residential	0	0.40	0.30	0.10
Large Non-Residential	0	0.20	0.20	0.00
Total	0	\$9.60	\$9.96	\$4.48

THIS AMENDMENT:

_____ Passed _____ Passed as amended by _____

_____ Failed _____ Not Offered _____ Withdrawn

Page 13, Line 21

Table 15, Part B, INSERT new column labeled “Modified Option 3”

Budget Item	APS Option 1	APS Option 2	Staff's Option 3	Modified Option 3
Residential PV incentive	\$0	\$0.20/Watt	\$0.10/Watt	\$0.10/Watt
Solar Water Heating Incentive	0	\$0.45/kWh	\$0.40/kWh	\$0.40/kWh
Energy Star Homebuilder Incentive	0	\$0.30/Watt	\$0.25/Watt	\$0.10/Watt
Non-Residential Up Front Incentive	0	\$0.40/Watt	\$0.25/Watt	\$0.10/Watt
Schools & Gov't 15-Year Incent Cap	0	\$0.106/kWh	\$0.09/kWh	\$0.09/kWh
Schools & Gov't 20-Year Incent Cap	0	\$0.096/kWh	\$0.085/kWh	\$0.085/kWh
Production Based Incentive Cap	0	\$0.07/kWh	\$0.065/kWh	\$0

Page 14, Line 4

Table 15, Part C, INSERT new column labeled “Modified Option 3”

Budget Item	APS Option 1	APS Option 2	Staff's Option 3	Modified Option 3
Solar Install Education	\$0.35	\$0.35	\$0	\$0
New Lifetime PBI Commitment 2012 S&G Program	0	\$8.00	\$6.00	\$6.00
New Lifetime PBI Commitment	0	*	\$20.70	\$0
APS Proposed 4 PBI Blocks	0	*	3 blocks	n/a

Page 14, Line 10

INSERT the following

“However, The Commission believes that if the Homebuilders could take advantage of the Residential Incentives at \$0.10/Watt, should their funding run out, then their initial incentive should be also be \$0.10/Watt. Therefore, the Commission believes the Homebuilder budget should be \$230,000.”

Page 14, Line 13

INSERT the following

“The Commission believes the incentive should be \$0.10/Watt and the budget should be set at \$100,000.”

Page 14, Line 14

INSERT the following sentence

“However, the Commission disagrees and does not feel there should be any funding for large non-residential projects.”

Page 16, Line 3

DELETE Paragraphs 50 through 52

Page 17, Line 6

INSERT the following,

“However, the Commission believes that Ratepayers have already made substantial, cumulative investments for research & development in previous years. Therefore, there will be no budget allocation for Commercialization & Integration, but for the DOE study with an allocation of \$125,000 and the Commission does endorse continued support of the ArizonaGoesSolar.org website.”

Page 17, Line 14

INSERT new ordering paragraph, “Those who receive REST incentives continuing to pay REST surcharge.”

“The Commission believes that customers who either receive incentives and/or participate in net metering, under the REST rules, should provide an equitable contribution to future REST benefits for other customers. This requirement shall only apply to renewable systems installed on and after July 1, 2012.”

Page 17, Line 27

INSERT new paragraph

“In a filing docketed on January 17, 2013 Staff indicated that APS had funds from cancelled projects totaling \$4,151,000. The Commission believes these funds should be applied against the budget, thus lowering what is needed to be collected from the REST surcharge.”

Page 23, Line 25

DELETE “\$108.4 million” and INSERT the following “\$98.77 million”

Page 24, Line 1

DELETE Ordering Paragraph and REPLACE with

“IT IS FURTHER ORDERED that the residential PV incentive funding of \$2.65 million, residential non-PV funding of \$1.5 million, home builder program funding of \$230,000, small non-residential funding of \$100,000, is approved.”

Page 24, Line 5

DELETE the following sentence,

“The \$350,500 would be reallocated to residential PV incentive funding.”

Page 24, Line 9

DELETE “\$0.25” and REPLACE with “\$0.10”

Page 24, Line 11

DELETE “0.25” and REPLACE with “\$0.10”

Page 24, Line 16

DELETE the ordering paragraph

Page 24, Line 20

DELETE the ordering paragraph

Page 25, Line 1

DELETE the ordering paragraph and REPLACE with

“IT IS FURTHER ORDERED that the funding requested for the Innovative Renewable Energy Projects Initiative and a \$125,000 allocation for a DOE study (Commercialization & Integration), the continued of the ArizonaGoesSolar.org website is approved, as discussed therein.”

Page 25, Line 10

DELETE the ordering paragraph

Page 25, Line 17

DELETE the ordering paragraph

Page 25, Line 25

“IT IS FURTHER ORDERED that the \$4.1 million in unallocated funds is applied toward the budget approved herein, and applied against the amount that is needed to be collected in the REST surcharge.”

Page 26, Line 3

INSERT new ordering paragraph

“IT IS FURTHER ORDERED that customers who have a renewable installation that is interconnected with APS’ system, shall pay the average of the REST surcharge paid by members of their customer class. This requirement shall only apply to renewable systems installed on and after July 1, 2012.”

PLEASE MAKE ALL CONFORMING CHANGES.