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BEFORE THE ARIZONA CORPORATION COMMISSION

BOB STUMP
Chairman
GARY PIERCE
Commissioner
BRENDA BURNS
Commissioner
BOB BURNS
Commissioner
SUSAN BITTER SMITH
Commissioner

Arizona Corporation Commission

DOCKETED

FEB - 6 2013

DOCKETED BY	nr
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IN THE MATTER OF THE APPLICATION OF ARIZONA PUBLIC SERVICE COMPANY REQUEST FOR APPROVAL OF UPDATED GREEN POWER RATE SCHEDULE GPS-1, GPS-2, AND GPS-3.

DOCKET NO. E-01345A-10-0394

IN THE MATTER OF THE APPLICATION OF ARIZONA PUBLIC SERVICE COMPANY FOR APPROVAL OF ITS 2013 RENEWABLE ENERGY STANDARD IMPLEMENTATION FOR RESET OF RENEWABLE ENERGY ADJUSTOR.

DOCKET NO. E-01345A-12-0290

DECISION NO. 73660

ORDER

Open Meeting
January 30 and 31, 2013
Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

1. On June 29, 2012, Arizona Public Service Company filed its 2013 Renewable Energy Standard and Tariff ("REST") Implementation Plan with the Arizona Corporation Commission ("Commission" or "ACC") for approval. Interested parties filed comments on APS's proposed Implementation Plan. Staff filed a Report and Proposed Order regarding the Implementation Plan on October 18, 2012.

2. The Commission considered APS's Implementation Plan at an Open Meeting on January 23, 2013. The Commission adopted much of APS's proposed Implementation Plan with modifications. It deferred some portions of the Plan to a hearing, including Track and Record.

1 3. It also directed APS to develop a proposal to implement specific charges and/or
2 surcharge limits within the Company's Adjustment Schedule REAC-1 for those customers that
3 interconnect a renewable resource to the Company's distribution system.

4 4. On January 25, 2013, APS filed a letter stating that in an effort to be consistent with
5 the language approved by the Commission on January 23, 2013 for Tucson Electric Power and
6 UNS Electric, APS proposed the following ordering language:

7 "IT IS FURTHER ORDRED that customers who have a renewable installation
8 that is interconnected with APS's system shall pay the average of the REAC-1
9 surcharge paid by members of their customer class beginning on the day APS's
10 2014 REAC-1 becomes effective. The requirement shall apply to renewable
11 systems reserved on and after February 1, 2013 and those systems that received
12 an incentive under the RES rules installed on and after July 1, 2012."

13 5. While we appreciate APS's suggestions, we do not believe that this language
14 completely captures the intent of the discussion at the January 23rd Open Meeting on this issue.
15 The discussion contemplated that all customers who have interconnected a renewable installation
16 on or after February 1, 2013, regardless of having received an incentive or not, be required to pay
17 the average of the REAC-1 surcharge paid by members of their customer class. Therefore, the
18 following modification to APS's proposed language is appropriate to clarify this point:

19 "IT IS FURTHER ORDERED that customers who have a renewable
20 installation that is interconnected with APS's system shall pay the average
21 of the REAC-1 surcharge paid by members of their customer class
22 beginning no later than January 1, 2014. This requirement shall apply to
23 renewable systems installed on and after February 1, 2013."

24 6. We also desire to point out that in Decision No. 73183, customers who have a
25 renewable installation and receive incentives under the REST rules are required to pay a fixed cost,
26 the monthly REST cap. This payment will begin when APS reprograms its billing system or with
27 the March 2013 billing, whichever is sooner. This requirement only applies to renewable systems
28 installed on or after July 1, 2012.

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CONCLUSIONS OF LAW

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1. Arizona Public Service Company is a public service corporation within the meaning of Article XV, Section 2, of the Arizona Constitution.

2. The Commission has jurisdiction over Arizona Public Service Company and over the subject matter of APS’s application concerning its 2013 REST Implementation Plan.

3. The Commission concludes that it is in the public interest to approve Arizona Public Service Company’s proposed charges and/or surcharge limits within the Company’s Adjustment Schedule REAC-1 for those customers with renewable installations that interconnect to the Company’s distribution system as modified by Findings of Fact 5 and 6 above.

ORDER

IT IS THEREFORE ORDERED that consistent with Decision No. 73183, beginning on the earlier of the date APS reprograms its billing system or the March 2013 billing and continuing until January 1, 2014, APS shall charge residential, small commercial, large commercial and industrial customers who receive incentives under the REST rules a fixed cost, the monthly REST cap. Consistent with Decision No. 73183, this requirement shall only apply to renewable systems installed on and after July 1, 2012.

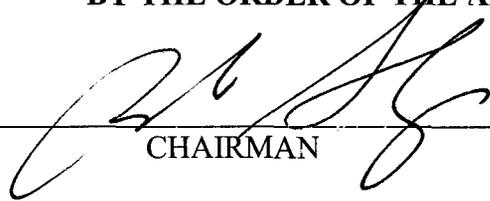
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1 IT IS FURTHER ORDERED that customers who have a renewable installation, who did
2 not receive an incentive, that is interconnected with APS's system shall pay the average of the
3 REAC-1 surcharge paid by members of their customer class beginning no later than January 1,
4 2014. This requirement shall apply to renewable systems installed on and after February 1, 2013.

5 IT IS FURTHER ORDERED that with respect to customers receiving an incentive for a
6 renewable installation interconnected with APS' system and who were being billed the cap for
7 their customer group pursuant to Decision No. 73183, those customers shall pay the average of the
8 REAC-1 surcharge paid by members of the customer class beginning January 1, 2014.

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

10 **BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION**

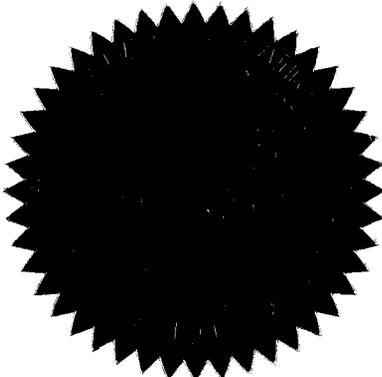
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CHAIRMAN


COMMISSIONER

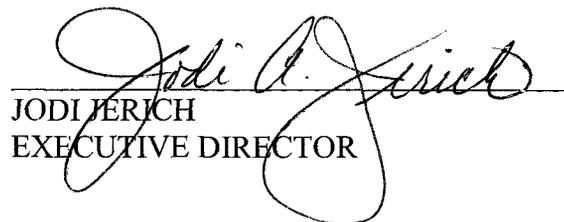
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14 
15 COMMISSIONER


COMMISSIONER


COMMISSIONER



17 IN WITNESS WHEREOF, I, JODI JERICH, Executive Director
18 of the Arizona Corporation Commission, have hereunto, set my
19 hand and caused the official seal of this Commission to be
20 affixed at the Capitol, in the City of Phoenix, this
21 6th day of February, 2013.

22 
JODI JERICH
EXECUTIVE DIRECTOR

23
24 DISSENT: _____

25
26 DISSENT: _____

27 SMO:MAS:sms

28

1 SERVICE LIST FOR: ARIZONA PUBLIC SERVICE COMPANY
2 DOCKET NOS.: E-01345A-10-0394 & E-01345A-12-0290

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