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State Regulation

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March 28, 2013

ARIZONA CORPORATION COMMISSION  
DOCKET CONTROL

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

RE: Arizona Public Service Company's 2012 Demand Side Management Progress Report  
Docket No. E-00000U-13-0031

Arizona Public Service ("APS") filed its Demand Side Management Annual Progress report on March 1, 2013 pursuant to R-14-2-2409(A) and Commission Decision No. 73089. APS is providing replacement pages with revisions. For your convenience, APS is providing a clean copy of the replacement pages as well as a version including highlights over the numbers that were revised.

If you have any questions regarding this information, please contact me at (602)250-2661.

Sincerely,

Jeffrey W. Johnson

JJ/cd

cc: Candrea Allen  
Barbara Keene  
Brian Bozzo

Arizona Corporation Commission  
DOCKETED

MAR 28 2013

DOCKETED BY

**Replacement Pages  
Clean**

# ARIZONA PUBLIC SERVICE COMPANY

## DSM ANNUAL PROGRESS REPORT FOR THE PERIOD: JANUARY THROUGH DECEMBER 2012

### REVISED TABLE 3

**Year-to-Date: DSM Electric Savings: January 2012 – December 2012<sup>1, 4, 6</sup>**

DSM Program	Gross Peak MW Capacity Savings	Gross Annual MWh Savings	Gross Lifetime <sup>2</sup> MWh Savings	Net <sup>5</sup> Peak MW Capacity Savings	Net <sup>5</sup> Annual MWh Savings	Net <sup>5</sup> Lifetime <sup>2</sup> MWh Savings
<b>Residential:</b>						
Consumer Products	14.9	142,774	915,718	14.9	142,774	915,718
Existing Homes	13.7	22,069	270,665	13.7	22,069	270,665
New Construction	7.7	14,002	280,044	7.7	14,002	280,044
Appliance Recycling	2.1	11,873	71,241	2.1	11,873	71,241
Behavioral	3.9	23,543	23,543	3.9	23,543	23,543
Multi-Family	0.4	5,380	45,896	0.4	5,380	45,896
Shade Trees	0.3	477	14,297	0.3	477	14,297
Low Income <sup>3</sup>	0.3	2,503	43,809	0.3	2,503	43,809
<b>Totals for Residential</b>	<b>43.3</b>	<b>222,621</b>	<b>1,665,213</b>	<b>43.3</b>	<b>222,621</b>	<b>1,665,213</b>
<b>Non-Residential:</b>						
Large Existing Facilities	26.4	192,263	2,530,369	26.4	192,263	2,530,369
New Construction	4.9	31,905	467,012	4.9	31,905	467,012
Small Business	4.3	25,595	343,337	4.3	25,595	343,337
Energy Information Services	0	0	0	0	0	0
Schools	3.8	24,523	340,383	3.8	24,523	340,383
<b>Total Non-Residential</b>	<b>39.4</b>	<b>274,286</b>	<b>3,681,101</b>	<b>39.4</b>	<b>274,286</b>	<b>3,681,101</b>
<b>Segment Totals</b>	<b>82.7</b>	<b>496,907</b>	<b>5,346,314</b>	<b>82.7</b>	<b>496,907</b>	<b>5,346,314</b>
Codes & Standards	0.6	2,332	23,320	0.6	2,332	23,320
DR Contribution		52,400			52,400	
<b>DSM Total</b>	<b>83.3</b>	<b>551,639</b>	<b>5,369,634</b>	<b>83.3</b>	<b>551,639</b>	<b>5,369,634</b>

1. Savings for 2008 and after are MER adjusted, per Decision No. 69663, and savings prior to 2008 are NOT MER adjusted.
2. Refers to savings over the expected lifetime of all program measures.
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4. Savings are adjusted for line losses (energy 7.0%, demand 11.7%) and a capacity reserve factor of 15%.
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6. APS includes measure level savings in work-papers submitted to ACC Staff, as measure level savings are too voluminous to include in this report.

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# ARIZONA PUBLIC SERVICE COMPANY

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Consumer Products	115.4	973,016	5,727,926	97.0	826,923	4,894,517
Existing Homes	63.4	98,011	1,320,740	52.9	86,877	1,156,357
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<b>Total Non-Residential</b>	<b>132.1</b>	<b>1,027,736</b>	<b>14,120,694</b>	<b>122.5</b>	<b>936,426</b>	<b>12,841,784</b>
<b>Segment Totals</b>	<b>352.2</b>	<b>2,243,981</b>	<b>22,715,213</b>	<b>312.0</b>	<b>1,988,001</b>	<b>20,365,791</b>
Codes & Standards	0.6	2,332	23,320	0.6	2,332	23,320
DR Contribution		96,533			96,533	
<b>DSM Total</b>	<b>352.8</b>	<b>2,342,846</b>	<b>22,738,533</b>	<b>312.6</b>	<b>2,086,866</b>	<b>20,389,111</b>

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**ARIZONA PUBLIC SERVICE COMPANY**

**DSM ANNUAL PROGRESS REPORT FOR THE PERIOD:  
JANUARY THROUGH DECEMBER 2012**

**REVISED TABLE 5  
EE Societal Benefits and Performance Incentive  
Year-to-Date: January 2012 – December 2012**

<b>EE Program</b>	<b>Program Cost</b>	<b>Societal Benefits</b>	<b>Societal Costs</b>	<b>Net Benefits</b>
<b>Residential:</b>				
Consumer Products	\$7,808,068	\$48,939,398	\$12,750,266	\$36,189,132
Existing Homes	\$10,536,630	\$27,649,345	\$17,883,116	\$9,766,229
New Construction	\$3,625,080	\$27,814,331	\$11,253,052	\$16,561,279
Appliance Recycling	\$1,198,578	\$4,543,334	\$914,576	\$3,628,758
Behavioral	\$871,396	\$949,706	\$871,396	\$78,310
Multi-Family	\$1,270,368	\$2,495,498	\$1,618,226	\$877,272
Shade Trees	\$264,655	\$2,201,373	\$836,100	\$1,365,273
Low Income <sup>1,2</sup>	\$2,433,020	\$2,179,336	\$2,179,336	\$0
<b>Totals for Residential</b>	<b>\$28,007,795</b>	<b>\$116,772,321</b>	<b>\$48,306,068</b>	<b>\$68,466,253</b>
<b>Non-Residential:</b>				
Large Existing Facilities	\$20,578,115	\$148,993,238	\$52,727,137	\$96,266,101
New Construction	\$3,693,689	\$27,929,281	\$7,529,683	\$20,399,598
Small Business	\$3,515,739	\$21,053,740	\$5,550,593	\$15,503,147
Energy Information Svcs.	\$30,772	\$0	\$30,772	(\$30,772) <sup>4</sup>
Schools	\$3,897,179	\$21,053,027	\$9,456,651	\$11,596,376
<b>Total Non-Residential</b>	<b>\$31,715,494</b>	<b>\$219,029,286</b>	<b>\$75,294,836</b>	<b>\$143,734,450</b>
<b>Segment Totals</b>	<b>\$59,723,289</b>	<b>\$335,801,607</b>	<b>\$123,600,904</b>	<b>\$212,200,703</b>
Codes & Standards	\$91,700	\$1,491,162	\$618,798	\$872,364
Measurement, Evaluation & Research	\$1,929,312		\$1,929,312	(\$1,929,312)
Performance Incentive Amount	\$8,631,364		\$8,631,364	(\$8,631,364)
<b>Total</b>	<b>\$70,375,665</b>	<b>\$337,292,769</b>	<b>\$134,780,378</b>	<b>\$202,512,391</b>

1. Program Costs include weatherization and bill assistance. Societal Costs do not include bill assistance because it does not contribute to electric savings.
2. Consistent with the ACC Staff's analysis in Decision No. 68647, the societal benefit is equal to the societal cost, resulting in a benefit to cost ratio of 1.00 and net benefits of 0.
3. The ACC approved a revised Performance Incentive calculation in Decision No. 71448, on December 30, 2009, as follows. "The existing Performance Incentive shall be modified to be a tiered Performance Incentive as a % of net benefits, capped at a tiered % of program costs.
4. There were no new 2012 installations to report, and therefore, no incremental savings for Energy Information Services. However, the program remains cost effective based on on-going savings.

**DSM Goal**

2011 Retail Sales with Losses	29,957,370
DSM % Goal	1.75%
DSM MWh Goal	524,254

**2012 Annual DSM MWh Savings**

From EE Programs	499,239
From DR Programs (at 10% of Goal)	52,400
<b>Total DSM Savings</b>	<b>551,639</b>

# ARIZONA PUBLIC SERVICE COMPANY

## DSM ANNUAL PROGRESS REPORT FOR THE PERIOD: JANUARY THROUGH DECEMBER 2012

Achievement relative to the Company's EE goal equals 551,639 MWh / 524,254 MWh, or 105% achieved, which placed APS in the 96% to 105% PI range. The 2012 Performance Incentive amount is the minimum of Net Benefits or Program costs:

<b>Achievement Relative to the EE Goal</b>	<b>Performance Incentive as % of Net Benefits</b>	<b>Performance Incentive Capped at % of Program Costs</b>
96% to 105%	7%	14%
Net Benefits, Program Costs (prior to PI and codes & standards)	\$210,271,391	\$61,652,601
Calculated PI Amount	\$14,718,997	<b>\$8,631,364</b>

# ARIZONA PUBLIC SERVICE COMPANY

## DSM ANNUAL PROGRESS REPORT FOR THE PERIOD: JANUARY THROUGH DECEMBER 2012

**REVISED TABLE 6**  
**EE Societal Benefits and Performance Incentive**  
**Program-to-Date January 2005 – December 2012**

EE Program	Program Cost	Societal Benefits	Societal Costs	Net Benefits
<b>Residential:</b>				
Consumer Products	\$37,510,041	\$272,636,604	\$60,831,016	\$211,805,589
Existing Homes	\$44,565,913	\$100,646,220	\$72,595,597	\$28,050,589
New Construction	\$12,795,449	\$74,878,965	\$24,919,389	\$49,959,576
Appliance Recycling	\$3,668,625	\$12,233,188	\$2,869,432	\$9,363,756
Behavioral	\$1,777,310	\$1,541,715	\$1,777,310	(\$235,595) <sup>4</sup>
Multi-Family	\$2,139,990	\$4,026,950	\$2,635,764	\$1,391,186
Shade Trees	\$571,018	\$3,994,458	\$1,767,808	\$2,226,650
Low Income <sup>1,2</sup>	\$12,772,503	\$10,953,543	\$10,953,543	\$0
<b>Totals for Residential</b>	<b>\$115,800,849</b>	<b>\$480,911,643</b>	<b>\$178,349,893</b>	<b>\$302,561,750</b>
<b>Non-Residential:</b>				
Large Existing Facilities	\$66,820,748	\$414,304,108	\$140,793,564	\$273,510,544
New Construction	\$18,048,819	\$118,577,790	\$36,842,464	\$81,735,326
Small Business	\$11,452,022	\$73,342,110	\$16,660,757	\$56,681,353
Building Operator Training	\$102,203	\$424,302	\$183,392	\$240,910
Energy Information Services	\$344,941	\$1,694,660	\$633,172	\$1,061,488
Schools	\$11,132,143	\$58,557,689	\$22,973,258	\$35,584,431
<b>Total Non-Residential</b>	<b>\$107,900,876</b>	<b>\$666,900,659</b>	<b>\$218,086,607</b>	<b>\$448,814,052</b>
<b>Segment Totals</b>	<b>\$223,701,725</b>	<b>\$1,147,812,302</b>	<b>\$396,436,500</b>	<b>\$751,375,802</b>
Codes & Standards	\$91,700	\$1,491,162	\$618,798	\$872,364
Measurement, Evaluation & Research	\$11,034,012		\$11,034,012	\$(11,034,012)
Performance Incentive <sup>3</sup>	\$23,193,752		\$23,193,752	\$(23,193,752)
<b>Total</b>	<b>\$258,021,490</b>	<b>\$1,151,025,727</b>	<b>\$431,283,063</b>	<b>\$718,020,401</b>

1. Program Costs include weatherization and bill assistance. Societal Costs do not include bill assistance because it does not contribute to electric savings.
2. Consistent with the ACC Staff's analysis in Decision No. 68647, the societal benefit is equal to the societal cost, resulting in a benefit to cost ratio of 1.00 and net benefits of 0.
3. The ACC approved a revised Performance Incentive calculation in Decision No. 71448, on December 30, 2009, as follows. "The existing Performance Incentive shall be modified to be a tiered Performance Incentive as a % of net benefits, capped at a tiered % of program costs.
4. The Behavioral Program was cost effective in 2012, as evidenced above in Table 5. However, the PTD results includes start-up costs that will be offset over time with additional savings.

**ARIZONA PUBLIC SERVICE COMPANY**

**DSM ANNUAL PROGRESS REPORT FOR THE PERIOD:  
JANUARY THROUGH DECEMBER 2012**

**MER Adjusted Gross kW and kWh Savings**

Measure	# of Homes Completed	Annual kWh Savings per Home	Total Annual MWh Savings	Est. Measure Life (yrs.)	Total Lifetime MWh	kW Demand Savings Per Home	Total MW Savings
APS ENERGY STAR Homes (Jan. - Apr.)	151	2,922.28	441	20	8,825	2.4	0.4
Second Tier - HERS 70 (Jan. - Apr.)	571	4,828.40	2,757	20	55,140	2.5	1.5
APS ENERGY STAR HOMES V3	1,913	5,301.72	10,142	20	202,844	2.9	5.6
APS ENERGY STAR HOMES V3 - HERS 60	102	6,487.68	662	20	13,235	3.1	0.3
<b>TOTAL</b>	<b>2,737</b>		<b>14,002</b>		<b>280,044</b>		<b>7.7</b>

*MER savings are adjusted for line losses (energy 7.0%, demand 11.7%) and a capacity reserve factor of 15%.*

In addition, program consumer education and homebuilder training efforts produce significant additional energy savings and benefits that are not quantified here.

**Benefits and Net Benefits/Performance Incentive Calculation**

The MER adjusted net benefits and performance incentive are provided in Tables 5 and 6.

**Problems Encountered and Proposed Solutions**

Nothing to report during this Reporting Period.

**Revised Costs Incurred**

Costs incurred for this program during this Reporting Period are listed below:

	Incentives	Training & Technical Assistance	Consumer Education	Program Implementation	Program Marketing	Planning & Admin.	Program Total Cost
Res. New Home Construction	\$2,762,550	\$77,795	\$0	\$447,945	\$204,717	\$132,073	\$3,625,080

DSM Program	Implementation (Contractor)	Implementation (APS)	Program Implementation
Res. New Home Construction	\$0	\$447,945	\$447,945

During the Reporting Period, participation in the Res. New Construction program was higher than expected, resulting in the program exceeding the budget for the 2012 program year. To accommodate an unexpected level of participation in the Res. New Construction program, APS shifted addition budget from the Res. Exiting HVAC program.

**Replacement Pages  
Highlighted**

# ARIZONA PUBLIC SERVICE COMPANY

## DSM ANNUAL PROGRESS REPORT FOR THE PERIOD: JANUARY THROUGH DECEMBER 2012

### REVISED TABLE 3

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Schools	11.5	77,949	1,115,032	10.6	72,661	1,034,903
<b>Total Non-Residential</b>	<b>132.1</b>	<b>1,027,736</b>	<b>14,120,694</b>	<b>122.5</b>	<b>936,426</b>	<b>12,841,784</b>
<b>Segment Totals</b>	<b>352.2</b>	<b>2,243,981</b>	<b>22,715,213</b>	<b>312.0</b>	<b>1,988,001</b>	<b>20,365,791</b>
Codes & Standards	0.6	2,332	23,320	0.6	2,332	23,320
DR Contribution		96,533			96,533	
<b>DSM Total</b>	<b>352.8</b>	<b>2,342,846</b>	<b>22,738,533</b>	<b>312.6</b>	<b>2,086,866</b>	<b>20,389,111</b>

1. Savings for 2008 and after are MER adjusted, per Decision No. 69663, and savings prior to 2008 are NOT MER adjusted.
2. Refers to savings over the expected lifetime of all program measures.
3. Semi-Annual Reports submitted prior to the July-December 2007 Report inadvertently reported only annual MWh savings for the Low Income Program.
4. Savings are adjusted for line losses (energy 7.0%, demand 11.7%) and a capacity reserve factor of 15%.
5. Based on 2010 MER NTGR analysis, APS is utilizing a NTGR of 1.0 for all DSM programs and measures.

#### **Definitions**

**Gross Savings** – Demand and energy savings related to the DSM programs prior to accounting for free-riders or spillover.

**Net Savings** – Demand and energy savings related to the DSM programs after accounting for free-riders and spillover.

**Free-riders** – Program participants who would have installed the energy-efficient DSM measures anyway, even if the program were not in operation.

**Spillover** – Refers to indirect energy impacts of the program and estimates savings from customers who take the energy-efficient action as a result of knowledge of the program, but who do not receive an incentive through the program.

**ARIZONA PUBLIC SERVICE COMPANY**

**DSM ANNUAL PROGRESS REPORT FOR THE PERIOD:  
JANUARY THROUGH DECEMBER 2012**

**REVISED TABLE 5  
EE Societal Benefits and Performance Incentive  
Year-to-Date: January 2012 – December 2012**

<b>EE Program</b>	<b>Program Cost</b>	<b>Societal Benefits</b>	<b>Societal Costs</b>	<b>Net Benefits</b>
<b>Residential:</b>				
Consumer Products	\$7,808,068	\$48,939,398	\$12,750,266	\$36,189,132
Existing Homes	\$10,536,630	\$27,649,345	\$17,883,116	\$9,766,229
New Construction	\$3,625,080	\$27,814,331	\$11,253,052	\$16,561,279
Appliance Recycling	\$1,198,578	\$4,543,334	\$914,576	\$3,628,758
Behavioral	\$871,396	\$949,706	\$871,396	\$78,310
Multi-Family	\$1,270,368	\$2,495,498	\$1,618,226	\$877,272
Shade Trees	\$264,655	\$2,201,373	\$836,100	\$1,365,273
Low Income <sup>1, 2</sup>	\$2,433,020	\$2,179,336	\$2,179,336	\$0
<b>Totals for Residential</b>	<b>\$28,007,795</b>	<b>\$116,772,321</b>	<b>\$48,306,068</b>	<b>\$68,466,253</b>
<b>Non-Residential:</b>				
Large Existing Facilities	\$20,578,115	\$148,993,238	\$52,727,137	\$96,266,101
New Construction	\$3,693,689	\$27,929,281	\$7,529,683	\$20,399,598
Small Business	\$3,515,739	\$21,053,740	\$5,550,593	\$15,503,147
Energy Information Svcs.	\$30,772	\$0	\$30,772	(\$30,772) <sup>4</sup>
Schools	\$3,897,179	\$21,053,027	\$9,456,651	\$11,596,376
<b>Total Non-Residential</b>	<b>\$31,715,494</b>	<b>\$219,029,286</b>	<b>\$75,294,836</b>	<b>\$143,734,450</b>
<b>Segment Totals</b>	<b>\$59,723,289</b>	<b>\$335,801,607</b>	<b>\$123,600,904</b>	<b>\$212,200,703</b>
Codes & Standards	\$91,700	\$1,491,162	\$618,798	\$872,364
Measurement, Evaluation & Research	\$1,929,312		\$1,929,312	(\$1,929,312)
Performance Incentive Amount	\$8,631,364		\$8,631,364	(\$8,631,364)
<b>Total</b>	<b>\$70,375,665</b>	<b>\$337,292,769</b>	<b>\$134,780,378</b>	<b>\$202,512,391</b>

1. Program Costs include weatherization and bill assistance. Societal Costs do not include bill assistance because it does not contribute to electric savings.
2. Consistent with the ACC Staff's analysis in Decision No. 68647, the societal benefit is equal to the societal cost, resulting in a benefit to cost ratio of 1.00 and net benefits of 0.
3. The ACC approved a revised Performance Incentive calculation in Decision No. 71448, on December 30, 2009, as follows. "The existing Performance Incentive shall be modified to be a tiered Performance Incentive as a % of net benefits, capped at a tiered % of program costs.
4. There were no new 2012 installations to report, and therefore, no incremental savings for Energy Information Services. However, the program remains cost effective based on on-going savings.

**DSM Goal**

2011 Retail Sales with Losses	29,957,370
DSM % Goal	1.75%
DSM MWh Goal	524,254

**2012 Annual DSM MWh Savings**

From EE Programs	499,239
From DR Programs (at 10% of Goal)	52,400
<b>Total DSM Savings</b>	<b>551,639</b>

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**DSM ANNUAL PROGRESS REPORT FOR THE PERIOD:  
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Achievement relative to the Company's EE goal equals 551,639 MWh / 524,254 MWh, or 105% achieved, which placed APS in the 96% to 105% PI range. The 2012 Performance Incentive amount is the minimum of Net Benefits or Program costs:

<b>Achievement Relative to the EE Goal</b>	<b>Performance Incentive as % of Net Benefits</b>	<b>Performance Incentive Capped at % of Program Costs</b>
96% to 105%	7%	14%
Net Benefits, Program Costs (prior to PI and codes & standards)	\$210,271,391	\$61,652,601
Calculated PI Amount	\$14,718,997	\$8,631,364

# ARIZONA PUBLIC SERVICE COMPANY

## DSM ANNUAL PROGRESS REPORT FOR THE PERIOD: JANUARY THROUGH DECEMBER 2012

**REVISED TABLE 6**  
**EE Societal Benefits and Performance Incentive**  
**Program-to-Date January 2005 – December 2012**

EE Program	Program Cost	Societal Benefits	Societal Costs	Net Benefits
<b>Residential:</b>				
Consumer Products	\$37,510,041	\$272,636,604	\$60,831,016	\$211,805,589
Existing Homes	\$44,565,913	\$100,646,220	\$72,595,597	\$28,050,589
New Construction	\$12,795,449	\$74,878,965	\$24,919,389	\$49,959,576
Appliance Recycling	\$3,668,625	\$12,233,188	\$2,869,432	\$9,363,756
Behavioral	\$1,777,310	\$1,541,715	\$1,777,310	(\$235,595) <sup>4</sup>
Multi-Family	\$2,139,990	\$4,026,950	\$2,635,764	\$1,391,186
Shade Trees	\$571,018	\$3,994,458	\$1,767,808	\$2,226,650
Low Income <sup>1,2</sup>	\$12,772,503	\$10,953,543	\$10,953,543	\$0
<b>Totals for Residential</b>	<b>\$115,800,849</b>	<b>\$480,911,643</b>	<b>\$178,349,893</b>	<b>\$302,561,750</b>
<b>Non-Residential:</b>				
Large Existing Facilities	\$66,820,748	\$414,304,108	\$140,793,564	\$273,510,544
New Construction	\$18,048,819	\$118,577,790	\$36,842,464	\$81,735,326
Small Business	\$11,452,022	\$73,342,110	\$16,660,757	\$56,681,353
Building Operator Training	\$102,203	\$424,302	\$183,392	\$240,910
Energy Information Services	\$344,941	\$1,694,660	\$633,172	\$1,061,488
Schools	\$11,132,143	\$58,557,689	\$22,973,258	\$35,584,431
<b>Total Non-Residential</b>	<b>\$107,900,876</b>	<b>\$666,900,659</b>	<b>\$218,086,607</b>	<b>\$448,814,052</b>
<b>Segment Totals</b>	<b>\$223,701,725</b>	<b>\$1,147,812,302</b>	<b>\$396,436,500</b>	<b>\$751,375,802</b>
Codes & Standards	\$91,700	\$1,491,162	\$618,798	\$872,364
Measurement, Evaluation & Research	\$11,034,012		\$11,034,012	\$(11,034,012)
Performance Incentive <sup>3</sup>	\$23,193,752		\$23,193,752	\$(23,193,752)
<b>Total</b>	<b>\$258,021,490</b>	<b>\$1,151,025,727</b>	<b>\$431,283,063</b>	<b>\$718,020,401</b>

1. Program Costs include weatherization and bill assistance. Societal Costs do not include bill assistance because it does not contribute to electric savings.
2. Consistent with the ACC Staff's analysis in Decision No. 68647, the societal benefit is equal to the societal cost, resulting in a benefit to cost ratio of 1.00 and net benefits of 0.
3. The ACC approved a revised Performance Incentive calculation in Decision No. 71448, on December 30, 2009, as follows. "The existing Performance Incentive shall be modified to be a tiered Performance Incentive as a % of net benefits, capped at a tiered % of program costs.
4. The Behavioral Program was cost effective in 2012, as evidenced above in Table 5. However, the PTD results includes start-up costs that will be offset over time with additional savings.

**ARIZONA PUBLIC SERVICE COMPANY**

**DSM ANNUAL PROGRESS REPORT FOR THE PERIOD:  
JANUARY THROUGH DECEMBER 2012**

**MER Adjusted Gross kW and kWh Savings**

Measure	# of Homes Completed	Annual kWh Savings per Home	Total Annual MWh Savings	Est. Measure Life (yrs.)	Total Lifetime MWh	kW Demand Savings Per Home	Total MW Savings
APS ENERGY STAR Homes (Jan. - Apr.)	151	2,922.28	441	20	8,825	2.4	0.4
Second Tier - HERS 70 (Jan. - Apr.)	571	4,828.40	2,757	20	55,140	2.5	1.5
APS ENERGY STAR HOMES V3	1,913	5,301.72	10,142	20	202,844	2.9	5.6
APS ENERGY STAR HOMES V3 - HERS 60	102	6,487.68	662	20	13,235	3.1	0.3
<b>TOTAL</b>	<b>2,737</b>		<b>14,002</b>		<b>280,044</b>		<b>7.7</b>

*MER savings are adjusted for line losses (energy 7.0%, demand 11.7%) and a capacity reserve factor of 15%.*

In addition, program consumer education and homebuilder training efforts produce significant additional energy savings and benefits that are not quantified here.

**Benefits and Net Benefits/Performance Incentive Calculation**

The MER adjusted net benefits and performance incentive are provided in Tables 5 and 6.

**Problems Encountered and Proposed Solutions**

Nothing to report during this Reporting Period.

**Revised Costs Incurred**

Costs incurred for this program during this Reporting Period are listed below:

	Incentives	Training & Technical Assistance	Consumer Education	Program Implementation	Program Marketing	Planning & Admin.	Program Total Cost
Res. New Home Construction	\$2,762,550	\$77,795	\$0	\$447,945	\$204,717	\$132,073	\$3,625,080

DSM Program	Implementation (Contractor)	Implementation (APS)	Program Implementation
Res. New Home Construction	\$0	\$447,945	\$447,945

During the Reporting Period, participation in the Res. New Construction program was higher than expected, resulting in the program exceeding the budget for the 2012 program year. To accommodate an unexpected level of participation in the Res. New Construction program, APS shifted addition budget from the Res. Exiting HVAC program.