

OPEN MEETING AGENDA ITEM

BEFORE THE ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission
DOCKETED

JUN 07 2013

DOCKETED BY 

Chairman Bob Stump
Arizona Corporation Commission
1200 West Washington
Phoenix, AZ 85007-2996

Re: Tucson Electric Power Company's Application for the Establishment of Just and Reasonable Rates and Charges Designed to Realize a Reasonable Rate of Return on the Fair Value of its Operations Throughout the State of Arizona, Docket E-01933A-12-0291

June 6, 2013

Dear Chairman Stump and Commissioners,

Conservation Services Group (CSG) is grateful for the opportunity to comment on the energy efficiency provisions addressed in the Tucson Electric Power Company's (TEP) Rate Case, E-01933A-12-0291.

CSG was founded in 1984 and is a non-profit energy services and solutions provider that serves a range of clients from utilities and public agencies to homeowners and local communities. CSG's mission is to offer clients comprehensive, economical energy efficiency programs that provide measurable value and utility bill savings for customers. We currently implement several of TEP's energy efficiency programs, and we are extremely proud of our work to help TEP's customers save money and energy on their electricity bills.

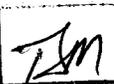
As a national program implementer with 25 years of experience, we believe that the success we have had in the TEP service territory from 2010-2011 is unprecedented. During this short period of time, we ramped up programs to achieve very high levels of customer participation and delivered significant money and energy savings for customers. This work was an important reason why Arizona was recently recognized as the twelfth most energy efficient state in the nation. This is a significant improvement over 2009, when Arizona ranked among the nation's most wasteful states.

For example, in one year alone we saw:

- \$500,000 in incentives help homeowners make energy efficiency improvements;
- A 24% month-over-month increase in customer program participation;
- Nearly one million kWh in savings;

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- The growth of a robust workforce of Tucson-area contractors who employed local citizens and contributed to Tucson's economy; and
- Recognition of TEP's programs as "Exemplary" by the American Council for an Energy Efficient Economy.

Unfortunately, much of this momentum was lost when TEP's energy efficiency programs were suspended and indefinitely delayed in March of 2012. These setbacks resulted in significant missed opportunities for customers to save money and energy on their utility bills.

Fortunately, the Commission now has an opportunity to drive down total energy costs for customers by putting TEP's energy efficiency programs back on track. To that end, CSG strongly urges the Commission — in any decision it makes on the TEP rate case — to ensure that energy efficiency programs are fully reinstated, expanded, and funded so that customers can benefit from money and energy savings opportunities. Furthermore, any Commission decision should ensure that energy efficiency programs are afforded stable policy and funding support, so that all TEP customers can benefit from the opportunity to lower their energy bills now and in the future.

With the cooling season already underway, we are hopeful that the Commission acts expeditiously to support TEP's energy efficiency programs. Indeed, the summertime represents one of the best times of the year for customers to experience utility bill savings by participating in energy efficiency programs. With TEP's energy efficiency programs fully reinstated and expanded, TEP ratepayers will quickly see a positive impact on their energy bills.

Thank you again for the opportunity to comment.

Pat Stanton
Senior Vice President of Policy
Conservation Services Group