

ORIGINAL

BRENDA BURNS PROPOSED AMENDMENT NO. 2



TIME/DATE PREPARED: Monday, June 10, 2013

COMPANY: Tucson Electric Power Company

AGENDA ITEM NO. 20

DOCKET NO(S). E-01933A-12-0291

OPEN MEETING DATE: June 11-12, 2013

The purpose of Brenda Burns Proposed Amendment #2 is for the Commission to decline to approve a method for recovery of EE/DSM program costs, at this time, and instead deliberate solely on the evidence concerning energy efficiency programs (approved and not yet approved), and method of recovery, in a separate Decision. However, this amendment is meant to allow all other provisions of the Settlement Agreement to move forward, as discussed herein. The intent is that there is no delay but that the vote on EE/DSM programs takes place immediately after the vote on overall rates.

Page 59, Lines 11-13

DELETE the last sentence that begins "We find..." through the end of the sentence.

Page 61, Lines 15-20

DELETE the paragraph.

Page 61, Line 15

INSERT the following paragraphs

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Nonetheless, we disagree with the parties that EERP is a reasonable way to recover the costs of approved EE/DSM programs. In addition, the current method in which EE/DSM is implemented is not ideal, either. We recognize and appreciate that the parties were working in a paradigm constrained by the current EE Rules. However, Commissioner Gary Pierce, in a letter to docket no. RE-00000C-09-0427, on May 9, 2013, stated that "it would make sense to look at more closely aligning energy efficiency with the IRP process." We find that assessment to be more sensible. Energy Efficiency needs to be evaluated with other resources as part of an integrated resource plan.

We support Energy Efficiency but we think the process could and should be improved. We are not persuaded that either of the EE proposals is cost-effective and beneficial for ratepayers.

Therefore, we think it is not in the public interest to approve a budget, for any EE/DSM programs, at this time. We need to examine and investigate all of the proposed EE/DSM programs for 2013. In fact, nine of the twenty one programs, listed on page 58, never received approval from the Commission in previous decisions. Those nine programs represent \$2 million out of a \$12.4 million budget.

THIS AMENDMENT:		
_____ Passed _____	Passed as amended by _____	
_____ Failed _____	_____ Not Offered _____	_____ Withdrawn _____

Consequently, the EE/DSM Programs should be considered and subject to a vote in a separate decision, outside of the main of this rate case.

Page 62, lines 18-21

DELETE the sentence that begins, “Because of the earlier uncertainty...” through the end of the paragraph.

Page 62, line 27

DELETE: “as a whole” and INSERT “as modified herein”

Page 63, line 1

After “the issues presented” INSERT: “except with respect to the DSMS programs and budget, the EERP and Existing EE Rules Option as discussed herein”

After “Settlement Agreement” INSERT “as modified herein”

Page 66, line 21

INSERT: “Except for the DSM programs, DSM budget and the EERP,” at the beginning of Findings of Fact No. 34

Page 67, line 14-15

DELETE “are in the public interest and” and INSERT “not” after “should”

Page 67, line 16

INSERT: New Finding of Fact after Finding of Fact 43

“We decline, at this time, to make a determination that either the EERP or the Existing Rules Option is the best methodology for recovering the costs of approved EE/DSM programs and it is in the public interest that we hold the record open in this docket, in order to vote in a separate decision solely on the merits of the proposed 2013 EE/DSM programs. Until then, it is not in the public interest to provide a recovery of the costs of the EE/DSM programs, proposed herein, pursuant to the existing EE Rules.

Page 67, line 25

After “Settlement Agreement as” INSERT: “modified and”

Page 67, line 26

After “reasonable” INSERT:

“except that until further Order of the Commission the DSMS shall be \$0.xxxxxx per kWh for residential customers and x.xxx percent of the total bill (before RES, LFCR, assessments and taxes for non-residential customers.”

Please make conforming changes

Page 68, line 1

After “approved as” INSERT: “modified and”

Page 68, line 9 after “allow”

INSERT: “the Commission to deliberate on the merits and methodology for recover of any of the proposed 2013 EE/DSM programs and the DSM mechanism and”

Page 68, line 17

After “Settlement Agreement” INSERT “as modified herein”

PLEASE MAKE ALL CONFORMING CHANGES.