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E-01345A-13-0248

**Teresa Tenbrink**

**From:** Chuck Moore <cmoore4062@aol.com>  
**Sent:** Thursday, July 25, 2013 12:05 PM  
**To:** BitterSmith-Web; RBurns-Web  
**Subject:** APS EPR-6Rate Change

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Charles E. Moore  
2620 S. Painted Mesa Trl  
Cottonwood, AZ 86326  
July 25, 2013

Arizona Corporation Commission  
Commissioners Wing  
1200 West Washington  
Phoenix, AZ 85007-2996

Arizona Corporation Commission  
DOCKETED

AUG - 5 2013

**Attention:** Susan Bitter Smith  
Bob Burns

DOCKETED BY NR

**Subject:** APS EPR-6 Rate Change

We are writing to you based on a presentation that you made at a Cottonwood, Arizona Republican Party meeting last fall. Your comments definitely told us that you are both consumer advocates.

We wish to express our displeasure with the EPR-6 Rate Change notice that was included on our APS billing dated July 23, 2013. In a July 12, 2013 letter from APS we were informed that "current rooftop solar customers be Grandfathered under today's net metering rules for 20 years". In a conversation with Vivian @ APS on July 25, 2013, we were informed that the EPR Rate change is applicable to all solar customers. At the very least APS should have mentioned in their July 12 letter that a rate change was going to happen that month for all solar customers, to avoid this misunderstanding.

There are several reasons why this rate change is not fair to pre-existing customers.

- 1) When we selected the size our system, it was done with the knowledge of the then existing EPR schedules. The capacity was set with the minimum goal of a net zero cost and hopefully an excess to help payback the system cost. Excess generation was required to yield banked KWH to be converted to funds at the end of the calendar year. These funds would pay for the several month's energy usage and miscellaneous charges while we would be building up KWH for later in this and the following year. It should be mentioned that APS agreed without comment on the size of our system. They had far more knowledge than us, about the previous electricity usage since it was a resale home.

- 2) For the record, we were being paid ~ \$0.062 per KWH for excess generation, while being charged an ~ average (on and off peak) of \$0.155/KWH for under generation, which is 2.5X what they were paying us. In 2012, we generated excess solar of ~9500 KWH for which we received ~\$590 credit. Using our then Plan average rate of \$0.155 per KWH for comparison, APS was paid ~ \$1500 by other customers for our excess generated solar energy for a 60% profit. Compare this to a 55% rate cut under the new plan. Lower natural gas prices or not, HOW CAN THIS BE JUSTIFIED?
- 3) When we signed our solar contract with APS, it came with a substantial bonus of a 50% payment by APS towards the cost of the project. In return for these funds we agreed to sign over our solar energy credits to APS so that our generation would contribute to their Federal requirements for alternative energy production. Further, they required that if we ever sell our home that we must get the new buyer to agree in writing to operate the system or pay back a prorated portion of the funds APS put forth. Even though this new EPR-6 payback rate reduction will make new buyer sign on more difficult, we intend to honor our agreement. In lowering our excess generation rates we do not believe they are doing the same.
- 4) Since lower Natural Gas prices are being used to justify the lowering of the EPR6 rate plan by 55%, APS must be using Natural Gas to generate a portion of their electricity. Why is there not a reduction to the portion of our bill that is supplied by APS?

As consumer advocates, certainly your decision to approve this rate change was difficult, but we hope that the thoughts of an individual solar generator may present a different view and persuade you to take into consideration the affect this decision has had on all APS individual solar generators in Arizona who have invested in solar both for cost savings and clean energy reasons.

We also want to mention what we believe is an unfair practice by APS. Twice this year, APS has failed to read our meter, supplying us with an estimated reading instead. They still charged us the meter reading fee. When we asked them to remove it on several occasions, they said they could not do so. While on the face this may seem trivial, when multiplied by all the affected customers it must result in a nice profit for a service not performed.

Your comments on the above would be greatly appreciated.

Sincerely,

Chuck Moore

**COMMISSIONERS**  
BOB STUMP – Chairman  
GARY PIERCE  
BRENDA BURNS  
BOB BURNS  
SUSAN BITTER SMITH



**ARIZONA CORPORATION COMMISSION**

**SUSAN BITTER SMITH**  
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August 1, 2013

Charles E. Moore  
2620 S. Painted Mesa Trail  
Cottonwood, AZ 86326

Dear Mr. Moore:

Thank you for your note regarding the EPR-6 Rate that is in the APS rate schedule. We do remember our great conversation in Cottonwood and are both indeed committed to consumers.

The EPR – 6 rate category was instituted prior to our election to the Commission and serves as the annual true up for avoided costs incurred by APS on behalf of solar customers. The Commission's recent vote was simply accepting the true up cost figure submitted by APS.

This issue is not part of the pending net metering conversation that is in front of the Commission. The July 12 letter from APS was a piece produced by them to explain their proposal they submitted to the Commission for that pending discussion. Their proposal is simply a proposal and ultimately the Commission will decide on whether there are changes needed to the current net metering proposal.

We will check on your question about meter reading, as your point is well taken about actual costs. As we discussed in Cottonwood, there is a balance required for all customer rates, those with solar and those without, that is necessary in rate making decisions. Both of us approach those decisions with all customers in mind.

Thank you for contacting us with your concerns. You might find the information filed on the pending net metering issue in the public docket of interest to you. Those filings can be found on the Commission's website at <http://edocket.azcc.gov/edocket/> and searching for the docket number E-01345A-13-0248. We would welcome hearing your thoughts on this pending matter.

Sincerely,

A handwritten signature in cursive script that reads "Susan Bitter Smith".

Susan Bitter Smith  
Commissioner

A handwritten signature in cursive script that reads "Robert G. Burns".

Robert "Bob" Burns  
Commissioner