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Tucson Electric Power

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Tucson, Arizona 85702

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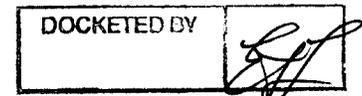
October 10, 2013

Arizona Corporation Commission

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OCT 10 2013

Docket Control
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007



Re: Notice of Filing – Tucson Electric Power Company’s ZEH Pilot Program Filing
Decision No. 71638, Docket Nos. E-01933A-07-0402 and E-01933A-05-0650

Arizona Corporation Commission Decision No. 71638 (April 14, 2010) approved Tucson Electric Power Company’s (“TEP” or the “Company”) Zero-Net Energy Homes (“ZEH”) Pilot Program. The ZEH Program was developed as an expansion of TEP’s existing Residential New Construction Program (Tier I), incorporating two new Tiers: Tier II-Energy Efficient Home Construction and Tier III-Near Zero-Net Energy Homes. Decision No. 71638, Findings of Fact No. 23 (page 10, lines 12-16) required “...forty-two months after the date of a Decision in this matter, TEP file, for Commission approval, an application to continue, modify, or terminate the ZEH Pilot Program.”

In the Proposed Order of TEP’s 2011-2012 EE Implementation Plan (“Plan”) (November 16, 2011, Docket No. E-01933A-11-0055), Staff recommended discontinuing Tiers II and III as no longer being cost-effective and recommended that TEP discontinue Tier II and Tier III once the Residential New Construction Program had met its existing commitment for those Tiers. The commitments for those Tiers were met in April 2012 and TEP discontinued offering homes at those Tiers. TEP reported in its DSM Progress Report for 2012 (March 18, 2013, Docket No. E-00000U-13-0031) that it discontinued offering both Tiers II and III during 2012. TEP’s Rate Case Settlement Agreement, Section 7.4, approved the Plan, effectively eliminating Tiers II and III from the Program. The Settlement Agreement was approved by Decision No. 73912 (June 27, 2013). TEP has hereby complied with Decision No. 71638.

If you have any questions, please contact me at (520) 884-3680.

Sincerely,

Jessica Bryne
Regulatory Services

cc: Barbara Keene, ACC
Compliance Section, ACC