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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

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

Arizona Corporation Commission

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DOCKET CONTROL

IN THE MATTER OF THE  
APPLICATION OF ARIZONA PUBLIC  
SERVICE COMPANY FOR APPROVAL OF  
ITS 2014 RENEWABLE ENERGY  
STANDARD IMPLEMENTATION PLAN  
FOR RESET OF RENEWABLE ENERGY  
ADJUSTOR.

DOCKET NO. E-01345A-13-0140

**FREEPORT-MCMORAN COPPER &  
GOLD INC. AND ARIZONANS FOR  
ELECTRIC CHOICE AND  
COMPETITION PROPOSED  
AMENDMENTS TO STAFF'S  
PROPOSED ORDER**

Freeport-McMoRan Copper & Gold Inc. ("Freeport-McMoRan") and Arizonans for Electric Choice and Competition (AECC) (collectively "AECC") hereby submit these Proposed Amendments to the Staff's Proposed Order ("Staff's Proposed Order") dated September 30, 2013, concerning Arizona Public Service Company's ("APS") 2014 REST (Docket No. E-01345A-13-0140).

**AECC PROPOSED AMENDMENTS**

**Page 11, Line 15**

After line 15 on page 11 (Paragraph 42) of Staff's Proposed Order filed September 30, 2013 ("Staff's Proposed Order") INSERT the following section:

**Additional Stakeholder Comments**

43. AECC filed a Response to Staff's Memorandum and Proposed Order. AECC notes that an additional \$36.8 million in renewable-related costs were shifted into base rates per Decision No. 73183. When these additional costs are accounted for, APS's proposed 2014 collection through the REAC-1 and base rates, including the \$6 million shown in Staff Table 5, totals \$157.2 million.

1 44. AECC explains that APS projects to meet approximately 12 percent of the  
2 Company's retail sales with renewable resources by the end of 2015, which is more than  
3 double the Commission's REST requirements. AECC recommends that, to the extent that  
4 previously-approved commitments and compliance with the 2009 Settlement can be  
5 achieved with less funding than proposed by APS, such lower-cost option should be

6 adopted.  
7  
8 45. AECC explains that the cost allocation under APS's Example 2, which is supported  
9 by Staff, would result in widely varying increases among the customer classes, with the  
10 Residential and Small Commercial caps (as well as the kWh rate) increasing 12.5% over  
11 current rates, while the Medium Commercial, Large Commercial, and Industrial caps  
12 increase by 89.3%, 278.6%, and 59.1%, respectively.

13 46. Due to the magnitude of the REST increase requested by APS, AECC recommends  
14 that the Commission not adopt any change in the customer class categories at this time,  
15 but rather recover any revenue increase via a proportionate increase in the kWh rate and  
16 caps using the current customer class categories.

17 **Page 12, Lines 5 through 7**

18 DELETE lines 5 through 7 of Staff's Proposed Order and REPLACE with the following  
19 Ordering Paragraph:

20 IT IS FURTHER ORDERED that the current three REST Surcharge customer categories  
21 be retained, and the proposed expansion to five customer categories shall not be approved  
22 at this time.

23 **Page 12, lines 11 through 14**

24 DELETE lines 11 through 14 of Staff's Proposed Order and REPLACE with the  
25 following Ordering Paragraph:

26 IT IS FURTHER ORDERED that the approved increase in annual REST Surcharge  
collections shall be effectuated via a proportionate increase to the kWh rate and  
monthly caps for each customer category. Arizona Public Service Company shall file  
tariffs in compliance with the Decision in this case within 15 days of the effective date  
of the Decision.

...

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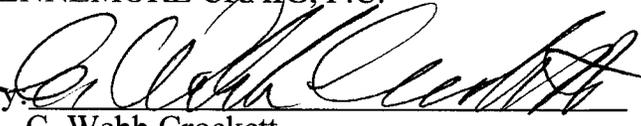
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RESPECTFULLY SUBMITTED this 25<sup>th</sup> day of October, 2013.

FENNEMORE CRAIG, P.C.

By: 

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Choice and Competition

**ORIGINAL** and 13 copies filed  
this 25<sup>th</sup> day of October, 2013 with:

Docket Control  
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**COPY** of the foregoing hand-delivered/mailed  
this 25<sup>th</sup> day of October, 2013 to:

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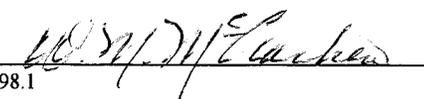
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