

OPEN MEETING AGENDA ITEM

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AZ CORP COMMISSION  
DOCKET CONTROL November 4, 2013

Arizona Corporation Commission  
DOCKETED

NOV 04 2013

RE: Net Metering; Docket No. E-01345A-13-0248

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Parties to the Docket:

The Residential Utility Consumer Office (RUCO) determined that net metering has created a cost-shift situation for non-solar ratepayers.

RUCO stated that "solar customers need to pay for the grid they rely on" and "the benefits of rooftop solar do not cover the cost shifts to non-solar ratepayers." They concluded that the short and long-term cost-shifts are currently \$20 per month, per customer. In addition, they said on pages 5-6, "there is evidence of a \$50 near term shift which can be further analyzed."

The filing went on to propose an "interim solution" that would be a "gradual phase-in tied to market demand", suggesting a graduated mechanism of 20MW increments which would then trigger increases of 50 cents per KW. Those incrementally-graduated charges to the new solar customer would be locked in for twenty (20) years.

It would be helpful to me if RUCO would provide an analysis of how much the total "cost shift" paid by non-solar customers would be for each 20 MW 'increment' of assessment (\$7, \$7.50, etc.) annually, as well as over the 20 year period. In your calculation, please show the number of installations being assumed in that analysis for each 20 MW increment.

Likewise, it would be helpful if the solar industry, staff, APS and other interested parties could give a similar rendering of the cost-shift impact on non-solar ratepayers if RUCO's phased-in approach were used, based on their own analysis of the cost-shift (or lack thereof).

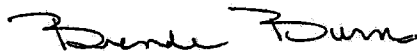
Further, it is notable that while RUCO believes the cost shift is \$20 (or perhaps even \$50 in the short term), per month, per new solar customer, they seem to have taken the position that non-solar customers should continue to subsidize each of the solar-customer systems for a full 20 years. It would be helpful to have greater insight into RUCO's decision-making on that point.

Do the parties believe that RUCO's proposal protects ratepayers from a 'ballooning cost shift', why or why not?

Please submit answers by Friday November 8, 2013.

I am cognizant that all sides differ on whether or not there is a cost-shift, and, among those who agree there is, what that amount is. I am also aware of the compliance requirements of the DG carve out rules and will make my determination in consideration of all factors.

Sincerely,

A handwritten signature in black ink that reads "Brenda Burns". The signature is written in a cursive style with a large initial "B" and a long, sweeping underline.

Brenda Burns  
Commissioner