

OPEN MEETING AGENDA ITEM



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ORIGINAL

BEFORE THE ARIZONA CORPORATION CONTROL COMMISSION

5 BOB STUMP, CHAIRMAN
6 BRENDA BURNS, COMMISSIONER
7 GARY PIERCE, COMMISSIONER
8 BOB BURNS, COMMISSIONER
9 SUSAN BITTER SMITH, COMMISSIONER

Arizona Corporation Commission

DOCKETED

NOV 12 2013

DOCKETED BY

11 IN THE MATTER OF THE APPLICATION OF
12 ARIZONA PUBLIC SERVICE COMPANY FOR
13 APPROVAL OF NET METERING COST SHIFT
14 SOLUTION.

Docket No.: E-01345A-13-0248

ARISEIA RESPONSE TO COMMISSIONER
BRENDA BURNS LETTER OF NOVEMBER 4,
2013

16 Please accept this letter as the Arizona Solar Energy Industries Association's (AriSEIA) response to Commissioner
17 Burns' letter dated November 4, 2013 in the above referenced matter. AriSEIA believes that the questions contained
18 in the letter are illustrative of the fundamental problem with this docket and with the process that Arizona Public
19 Service (APS) has chosen to try and push for a large tax on its solar customers. The problem is that the questions in
20 the above referenced letter ask the parties to introduce more unsworn and unadmitted "testimony" and "evidence"
21 into a record lacking any foundation or legally admitted evidence of any kind. In essence a response to the questions
22 would merely be layering fuzzy math on top of fuzzy math in search for an answer that needs to be flushed out in a
23 general rate case proceeding.

25 Even if the Commission could somehow divine the right number for a cost shift (one we fundamentally disagree
26 exists), without testimony, evidence, or cross examination of a single witness it would be impossible for the
27 Commission to institute a proper solution that would fairly deal with any issue outside of a rate case. All parties
28 agree this is a rate design issue related to utility cost recovery and that such issues are dealt with in rate cases. APS

1 would no doubt respond that the solar industry's request for a full and proper vetting in a rate case hearing is merely
2 a push to delay the deleterious impact of whatever changes the Commission should chose to impose. We reject this
3 response and instead offer the opposite retort; APS's failure to bring this issue before the Commission in its recently
4 decided rate case is an attempt to improperly expedite this decision in a piecemeal and improper manner. APS is
5 forum shopping and they have chosen a narrow forum where the solution will have to be a direct harm to solar
6 instead of a broad based solution which would be available in a rate case. Further, Tucson Electric Power's rate
7 case concluded just three months ago without mention of net metering, yet TEP just filed with this Commission a
8 document indicating the resolution of this issue is "urgent." In asking for this issue to be carefully and closely
9 examined in its proper setting, the solar industry is not seeking to "delay" the proceeding. Rather, the utility industry
10 in Arizona is quite clearly attempting to forum shop this issue to get to a desired result by purposefully avoiding the
11 rate case setting in favor of a cherry-picked process. We reject this attempted manipulation of process and hope the
12 Commission will as well.

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14 In an effort to assuage any concerns that the solar industry is merely trying to "kick the can" on this issue, AriSEIA
15 wishes to reiterate that it would be happy if the Commission reopened APS's last rate case to deal with this issue
16 immediately. Such an action could reopen the rate case to deal only with rate design issues and do so swiftly.
17 Importantly, this would provide a landing pad for as-of-yet-absent due process on this important issue and would
18 offer an opportunity to deal with any issue with broad rate design changes aimed at the utilities' issues related to
19 cost recovery instead of narrowly and quite arbitrarily focusing on solar only.

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21 The specific questions in Commissioner Burns' letter focus on the alleged existence of cost shifts in rates as they
22 relate to customer sited solar. AriSEIA wishes to remind the Commission of something it no doubt understands
23 already; utility rates are replete with actual proven cost shifts that are not being addressed in this docket but that
24 could be addressed in a general rate case. Given the numerous solar attack advertisements that have been run on
25 television, many of which have now been directly linked to APS funding, AriSEIA believes it is even more
26 important that this issue be dealt with along with actual cost shifts in the context of a rate case to avoid the
27 appearance that the solar industry itself is under attack. The existence of actual cost shifts that are not being
28

1 examined when coupled with this narrow focus on solar only leads one to the easy conclusion that APS is targeting
2 solar and attempting to use this improper forum to do so.

3

4 It is our hope that the Commission will reject APS's attempts to single out and harm the solar industry in this narrow
5 and improper forum and will instead deal with this issue as soon as possible in the proper rate case setting.

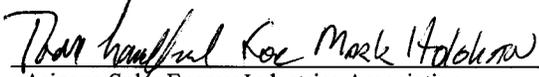
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7 AriSEIA respectfully submitted this document in the above captioned matter.

8 Dated this 7th day of November, 2013

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Arizona Solar Energy Industries Association

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Mark Holohan, Chairman

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