

ORIGINAL

BRENDA BURNS PROPOSED AMENDMENT NO. 2



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TIME/DATE PREPARED: Tuesday, November 12, 2013

RECEIVED

COMPANY: Arizona Public Service Company

AGENDA ITEM NO. 10

DOCKET NO(S). E-01345A-13-0248

OPEN MEETING DATE: November 13-14, 2013

2013 NOV 12 P 4 59
AZ CORP COMMISSION
DOCKET CONTROL

Page 20, line 26 INSERT:

“While we appreciate Staff’s recommendation that we should wait until the next rate case, we are also cognizant of Staff’s acknowledgement of the “magnitude and significance” of a cost shift. RUCO, too, has agreed that a cost shift problem exists. To delay action until a rate case several years away, would only create a far greater problem in the future. Therefore, we need to arrive at an answer than can serve as a bridge to a complete, thorough examination in which a rate case would be the proper setting.

Consequently, Staff Alternative #2 and RUCO’s proposals are intriguing. RUCO maintains there is a \$20 cost shift impact to ratepayers. Staff Alternative #2 utilizes a method that arrives at around \$20 for an average rooftop solar system.

However, RUCO’s “phased-in” proposal does little to ameliorate the problem. In addition, RUCO’s method of 20MW would create a larger cost-shift problem because it seeks to lock in those systems for another 20 years. Also, RUCO asks us to approve a “locked-in” grandfathering method to bind future Commissions, which we are unable to do.

Staff Alternative #2 is the preferred method. Staff has come up with a LFCR DG premium, based on the difference between APS’s cost for purchasing a DG customer’s excess generation and its cost to purchase an equivalent amount of energy from a wholesale PPA. An average sized system of 6.4 kW would be liable for about \$21.88 per month, i.e., \$3.42 per kW.

We think Staff Alternative #2 is the preferred solution for the cost shift problem until further order of the Commission.

Page 21, line 12-14 DELETE and REPLACE with:

IT IS FURTHER ORDERED that Staff Alternative #2, of \$3.42 per kW, is implemented for DG installations after December 21, 2013 (see Finding of Fact No. 71), and will be in place until further order of the Commission or until Arizona Public Service Company’s next rate case.

Arizona Corporation Commission
DOCKETED
NOV 12 2013

PLEASE MAKE ALL CONFORMING CHANGES

DOCKETED BY

THIS AMENDMENT:		
<input type="checkbox"/> Passed	<input type="checkbox"/> Passed as amended by _____	
<input type="checkbox"/> Failed	<input type="checkbox"/> Not Offered	<input type="checkbox"/> Withdrawn