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PIERCE PROPOSED AMENDMENT NO. 1

ORIGINAL

TIME/DATE PREPARED: 9:45AM / February 5, 2014

COMPANY: Morenci Water And Electric Company

AGENDA ITEM NO. 8

DOCKET NO(S). E-01049A-13-0160

OPEN MEETING DATE: February 6, 2014

The purpose of this amendment is to: (1) require the Company to include certain information in its annual progress report concerning comparisons of the cost effectiveness for EE measures, and (2) direct Staff to recalculate the cost effectiveness of EE measures.

Page 6, Line 23: Insert new Headings and Finding of Facts, and number accordingly as necessary:

Annual Demand-Side Management (DSM) Progress Reports

21. We find that it is in the public interest to require Morenci to include in its Annual DSM Progress Reports, beginning with the report filed in March 2014, a chart that lists all Commission-approved programs and measures, the Commission-approved budgeted expenditures by program, the actual annual expenditures by program, the planned cost effectiveness ratio per measure (last calculated by Staff), and the actual cost effectiveness ratio per measure (using the Staff-approved method with all criteria updated with the most recent data available). In addition, the Annual DSM Progress Reports shall include data on program annual kWh savings and lifetime kWh savings (plan and actual data), plus program cost-effectiveness test benefits, costs, and net benefits (plan and actual data).

Re-calculation of the EE Plan's Measures' Cost-Effectiveness for Purposes of a Possible Early Reset of the Energy Efficiency Adjustor Mechanism (EEAM) Rate

22. We find that it is important and in the public interest to ensure that only EE measures that are truly cost effective continue to be funded. Because Morenci's Plan's measures' cost effectiveness have not been recently re-calculated, we find it reasonable and necessary to direct Staff to review and re-calculate the cost effectiveness of all the measures included in the EE Plan. To ensure consistent consideration of all available EE measures, Staff should also review and calculate the cost-effectiveness of any new proposed EE measures. By June 27, 2014, Staff shall file a report on its review of the measures, and include recommendations based on its re-calculations for possible early reset of the EEAM rate. Interested parties and stakeholders shall file any comments on the Staff report and recommendations within 30 days of Staff filing its report and recommendations.

23. We find the EEAM rate approved herein interim and subject to possible early reset upon further Commission consideration of the Staff report and comments concerning the re-calculation of the cost effectiveness of the EE Plan's measures.

Arizona Corporation Commission

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AZ CORP COMMISSION
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DOCKETED BY		THIS AMENDMENT:		
		Passed	Passed as amended by	
		Failed	Not Offered	Withdrawn

Page Line 7, Line 10: INSERT new Ordering Paragraphs:

IT IS FURTHER ORDERED that Morenci Water and Electric Company shall include in its Annual DSM Progress Reports, beginning with the report filed in March 2014, a chart that lists all Commission- approved programs and measures, the Commission-approved budgeted expenditures by program, the actual annual expenditures by program, the planned cost effectiveness ratio per measure (last calculated by Staff), and the actual cost effectiveness ratio per measure (using the Staff-approved method with all criteria updated with the most recent data available). In addition, the Annual DSM Progress Reports shall include data on program annual kWh savings and lifetime kWh savings (plan and actual data), plus program cost-effectiveness test benefits, costs, and net benefits (plan and actual data).

IT IS FURTHER ORDERED that Staff shall re-calculate the cost effectiveness of all of Morenci Water and Electric Company's EE Plan's measures, review and calculate the cost-effectiveness of any new EE measures and file a report and recommendations by June 27, 2014. Interested parties and stakeholders shall file any comments on the Staff report and recommendations within thirty (30) days of Staff filing its report and recommendations.

*****Please make all conforming changes.**