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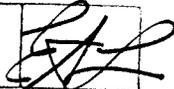
February 7, 2014

**ORIGINAL**

Arizona Corporation Commission  
**DOCKETED**

FEB 07 2014

Docket Control  
Arizona Corporation Commission  
1200 W. Washington  
Phoenix, AZ 85007

DOCKETED BY 

RE: Voluntary Solar Contributions Program  
Arizona Public Service Company 2014 RES Implementation Plan  
Docket No. E-01345A-13-0140

Pursuant to Decision No. 74237, APS is required to:

IT IS FURTHER ORDERED that Arizona Public Service Company shall file by February 7, 2014, a proposed plan or plans of administration for a voluntary contributions program consistent with the requirements set forth herein in the Commission's findings.

Attached please find the Company's proposed Voluntary Solar Contribution Program Plan of Administration. APS estimates that the program will require approximately six to eight months to implement (due to customer information and billing system programming, testing, and scheduling) and would incur significant initial implementation costs. APS remains concerned about the implementation and ongoing operation and maintenance costs, which are not presently budgeted for in the 2014 RES Implementation Plan, and which may exceed the contributions received through this program.

If you have any questions regarding this information, please contact Greg Bernosky at (602)250-4849.

Sincerely,



Lisa Malagon

LM/cd

cc: Steve Olea  
Terri Ford  
Brian Bozzo



**VOLUNTARY SOLAR CONTRIBUTION PROGRAM  
PLAN OF ADMINISTRATION**

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1. GENERAL DESCRIPTION:

This document describes the administration of the Voluntary Solar Contribution Program (VSCP) approved for Arizona Public Service Company (APS or Company) by the Arizona Corporation Commission (Commission) in Decision No. \_\_\_\_\_. The VSCP provides a way for APS customers to support solar rooftop distributed energy projects by voluntarily contributing funds over and above those collected through the Commission's mandatory Renewable Energy Standard adjustor mechanism. All funds collected through the VSCP will be utilized to augment residential or non-residential up-front incentives (UFIs) offered through an active UFI program authorized by the Commission and as defined in the Company's annual Renewable Energy Standard Implementation Plan (RES IP).

2. ELIGIBILITY:

Any current APS customer of record (as defined in the Company's Service Schedule 1, Terms and Conditions for Standard Offer and Direct Access Services) receiving monthly bills from the Company may participate in the VSCP. Pre-pay customers, who are billed on a daily basis, are not eligible to participate in this program.

3. BILLING AND COLLECTION OF FUNDS:

3.1 A customer of record may make voluntary contributions to the VSCP through recurring charges on the customer's monthly bill in a dollar amount specified by the customer. Customers may participate in the VSCP by placing a call to the Company's customer service representatives at 602-371-7171 or toll-free at 800-253-9405.

3.2 Customer billing, including delinquencies, will be subject to the Company's Service Schedule 1. Any partial bill payment made by a customer participating in the VSCP will be allocated first to the rate portion of the bill, while any overpayment will be allocated to the rate portion of the customer's subsequent monthly bill. VSCP contributions are not tax deductible.

3.3 Funds collected through the VSCP will be accounted for as follows:

3.3.1 Funds collected from participating residential customers will be separately accounted for and designated for use in an active residential solar rooftop distributed generation UFI program as approved by the Commission in the Company's annual RES IPs.



**VOLUNTARY SOLAR CONTRIBUTION PROGRAM  
PLAN OF ADMINISTRATION**

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- 3.3.2 Funds collected from participating non-residential customers will be separately accounted for and designated for use in an active non-residential solar rooftop distributed generation UFI program as approved by the Commission in the Company's annual RES IPs.
- 3.4 Customers may discontinue participation in the VSCP at any time without penalty through a call to the Company's customer service representatives.
- 4. DISTRIBUTION OF FUNDS:
  - 4.1 Funds collected through the VSCP will be distributed annually in accordance with the APS Distributed Energy Administration Plan at the grid-tied solar photovoltaic UFI levels authorized by the Commission in the Company's annual RES IPs.
    - 4.1.1 Funds collected from residential customers will be distributed to residential incentive programs only.
    - 4.1.2 Funds collected from non-residential customers will be distributed to non-residential incentive programs only.
  - 4.2 In the event the Company has no active approved solar rooftop distributed generation UFI programs during the time the VSCP is in effect, the Company may annually distribute the funds through a different active UFI program approved by the Commission (such as a solar thermal program).
  - 4.3 If no UFI program is active, funds collected through the VSCP will be held by the Company and will accrue interest until the accounts collectively reach \$50,000.
    - 4.3.1 Interest will accrue at a rate equal to the one-year Nominal Treasury Maturities rate from the Federal Reserve H-15 or its successor publication, adjusted annually on the first business day of the calendar year.
    - 4.3.2 If, once the VSCP funding collectively reaches \$50,000 the Company continues to have no active UFI program, APS will propose to the Commission an alternative use for the funds in an active renewable program.



**VOLUNTARY SOLAR CONTRIBUTION PROGRAM  
PLAN OF ADMINISTRATION**

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4.4 If, after administering the VSCP for a period of time, the Company believes in good faith that the funding through the VSCP will not reach \$50,000, APS will apply to the Commission to discontinue the program and to release any funds remaining in the VSCP accounts as directed by the Commission.

5. REPORTING:

The Company will provide a status report of the VSCP in its annual RES Compliance Report. The report will contain information regarding the number of participating customers, funds collected in the reporting period, total funds held with any applicable interest accrued, and any expenses associated with the VSCP.

Should the Company determine the VSCP is no longer effective and request the Commission to close the program and release any funds collected, any such request will be made within the Company's annual RES IP.