

OPEN MEETING AGENDA ITEM



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ARIZONA CORPORATION COMMISSION  
DOCKET CONTROL  
December 13, 2013

Chairman Bob Stump  
Commissioner Gary Pierce  
Commissioner Brenda Burns  
Commissioner Bob Burns  
Commissioner Susan Bitter Smith  
Arizona Corporation Commission  
1200 West Washington  
Phoenix, Arizona 85007

Arizona Corporation Commission  
DOCKETED  
DEC 13 2013

DOCKETED BY

RE: UNS ELECTRIC, INC. – 2013 ENERGY EFFICIENCY IMPLEMENTATION  
PLAN – DOCKET NO. E-4204A-12-0219

Dear Chairman Stump and Commissioners:

UNS Electric has reviewed Commissioner Pierce's two proposed amendments in this docket and fully supports those amendments. In light of the concerns raised in Commissioner Pierce's December 5, 2013 letter to the docket, the Company believes the amendments are an appropriate and timely way to address those concerns.

More importantly, the amendments will allow the proposed EE Implementation Plan to go into effect now, which will result in an *immediate and significant reduction* in the Demand Side Management surcharge for customers – from \$0.004382 per kWh to \$0.002660 per kWh – an approximate 40% reduction from the current DSM surcharge. Staff will still have an opportunity to confirm that the programs included in the Implementation Plan are cost effective, which the Company already believes they are. Indeed, UNS Electric carefully monitors its programs to ensure that its programs continue to be cost-effective and will terminate any program that is no longer cost-effective. Moreover, under the amendments, should Staff or the Company subsequently identify any programs that are no longer cost effective, the DSM surcharge could be reduced further at that time.

Moreover, should Staff or the Commission identify any additional energy efficiency programs that should be adopted, those programs could be addressed in the contemplated Staff review.

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Finally, it is important that the Commission adopt the 2013 EE Implementation Plan at this time because it is expressly linked to the UNS Electric rate case in Docket No. E-04204A-12-0504 that you will be considering at the same Open Meeting and will help to mitigate the bill impact of the rate increase.

We look forward to addressing these issues more fully at the December 17, 2013 open meeting.

Sincerely,



Michael W. Patten

MWP:mi

cc: Docket Control (Original and 13 copies)  
Jane Rodda, Administrative Law Judge, Hearing Division  
Robin Mitchell, Attorney, Legal Division  
Steve Olea, Director, Utilities Division