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ARIZONA CORPORATION COMMISSION

February 26, 2014

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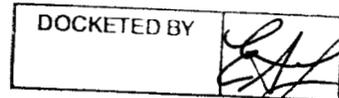
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ORIGINAL

Mr. Michael W. Patten  
Roshka, DeWulf and Patten, PLC  
One Arizona Center  
400 East Van Buren Street, Suite 800  
Phoenix, Arizona 85004



**RE: Voluntary Solar Contributions Program – UNS Electric, Inc. 2014 RES  
Implementation Plan (Docket No. E-04204A-13-0225)**

Dear Mr. Patten:

On January 7, 2014, UNS Electric, Inc. (“UNS”) filed its Voluntary Solar Contributions Program (“VSCP”) proposal in response to requirements from Commission Decision No. 74166.

Although UNS did address seven of the nine subject areas mentioned in Finding of Fact No. 58 of Decision No. 74166, Staff does not believe UNS’ proposal meets the Commission’s intent. Therefore, Staff has a number of questions that may help to clarify how the proposed VSCP will be structured, administered, and implemented to meet the intent of Commission Decision No. 74166. They are:

1. Will the VSCP funds established by UNS be interest bearing?
2. How will the billing format be modified to allow for voluntary contributions from customers?
3. The VSCP seems to exclude any person and/or entity that is not a UNS customer. Is this correct? If yes, why should non-UNS customers be excluded from making contributions?
4. Section includes reporting Marketing Expenses; will UNS also be reporting on the effectiveness of its marketing/promotional efforts?
5. What is the purpose of second paragraph under Section 8. Marketing?
6. What level of funds in the VSCP accounts would UNS consider to be sufficient to implement UFIs?

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7. What would UNS recommend as the appropriate levels of UFIs for each type of distributed generation ("DG") installation once sufficient funds are available in the VSCP account?
8. How and when would the UFIs from the VSCP program be made available?

Please provide your responses to the above questions by March 7, 2014. If you have any questions, please feel free to contact me at 602-542-0827.

Sincerely,



Robert G. Gray  
Executive Consultant  
Utilities Division

RGG:lhmm