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BEFORE THE ARIZONA CORPORATION COMMISSION

- BOB STUMP
CHAIRMAN
- GARY PIERCE
COMMISSIONER
- BRENDA BURNS
COMMISSIONER
- BOB BURNS
COMMISSIONER
- SUSAN BITTER SMITH
COMMISSIONER

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AZ CORP COMMISSION
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ORIGINAL

IN THE MATTER OF THE APPLICATION OF
ARIZONA PUBLIC SERVICE COMPANY-
APPLICATION FOR APPROVAL OF
ITS 2013 DEMAND-SIDE MANAGEMENT
IMPLEMENTATION PLAN AND
REQUEST FOR RELIEF FROM ARIZONA
ADMINISTRATIVE CODE R14-2-
2404 (E) AND (H) (DOCKET NO. E-01345A-
12-0224

Docket No. E-01345A-12-0224

Arizona Corporation Commission

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JOINT AMENDMENTS TO STAFF'S MEMORANDUM

The Residential Utility Consumer Office ("RUCO") submits the following comments and amendments to Staff's October 30th, 2013, Recommended Order on the approval of Arizona Public Service Company's ("APS") 2013 Demand-Side Management ("DSM") Implementation Plan ("2013 DSM Plan"). In winter of 2013 and 2014, RUCO, APS and the Southwest Energy Efficiency Project ("SWEEP") met several times to discuss and identify opportunities to make the 2013 DSM Plan more beneficial for ratepayers and more responsive to market conditions and evolving technologies. The exhibits attached contain three amendments jointly supported by RUCO, APS, and SWEEP that are designed to accomplish these objectives.

RUCO, SWEEP, and APS urge the adoption of all three amendments.

1 RESPECTFULLY SUBMITTED this 4th day of March, 2014

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4 Daniel W. Pozefsky
5 Chief Counsel

6 AN ORIGINAL AND THIRTEEN COPIES
7 of the foregoing filed this 4th day of March,
8 2014 with:

9 Docket Control
10 Arizona Corporation Commission
11 1200 W. Washington
12 Phoenix, AZ 85007

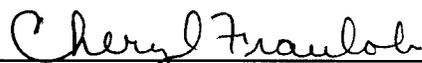
13 COPIES of the foregoing hand delivered/
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EXHIBIT 1
APS 2013 Demand Side Management Implementation Plan
Docket No. E-01345A-12-0224

Proposed Amendment #1 Supported By APS, RUCO and SWEEP

The proposed amendment would enable APS to reduce customer incentive levels after giving the Commission notice. The proposed amendment would support better management of program spending and programs that are more responsive to market conditions and customer demand.

Reduction in Incentive Levels

Page 42, Line 17

INSERT: New Ordering Paragraph

“IT IS FURTHER ORDERED that Arizona Public Service Company may, upon providing 30-day advance notice to the Commission, reduce incentive levels in order to more effectively manage program spending or respond to market conditions.”

MAKE CONFORMING CHANGES

1 EXHIBIT 2
2 APS 2013 Demand Side Management Implementation Plan
3 Docket No. E-01345A-12-0224

4 **Proposed Amendment #2 Supported By APS, RUCO and SWEEP**

5 *This proposed amendment would enable APS to better respond to market conditions and*
6 *customer interest by allowing APS to shift funds between programs in the same sector by*
7 *up to 50%, with the exception of low income and schools programs.*

8 **Change 25% Budget Shift Limit Between Programs in the Same Sector to 50%**

9 Page 42, Line 13-16

10 DELETE: Ordering Paragraph

11 INSERT: New Ordering Paragraph

12 "IT IS FURTHER ORDERED that the twenty-five percent budget shifting limits contained
13 in Decision Nos. 68488 and 68648 be changed to fifty percent to allow Arizona Public
14 Service Company to mitigate the impact of a reduced budget while effectively responding
15 to market needs among program segments to maximize customer value. However, the
16 requirement prohibiting funds budgeted for the low income customers and schools
17 programs from being shifted to other programs shall remain in effect."

18 MAKE CONFORMING CHANGES
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1 EXHIBIT 3
2 APS 2013 Demand Side Management Implementation Plan
3 Docket No. E-01345A-12-0224

4 **Proposed Amendment #3 Supported By APS, RUCO and SWEEP**

5 *The proposed amendment enables APS to implement four new energy efficiency*
6 *measures that were found to be cost effective by Staff. The proposed amendment would*
7 *not increase the cost of programs or the adjustor. It would simply provide customers with*
8 *more options to save energy.*

9 **New Measures Found to Be Cost Effective**

10 **Page 38, Line 27**

11 **"IT IS FURTHER ORDERED** that the four new measures, specifically 2X incandescent
12 light bulbs, LED light bulbs, prescriptive duct test and repairs, and smart strips found by
13 Staff to be cost effective are approved."

14 **2X Incandescent Light Bulb Measure**

15 Page 38, Line 27

16 STRIKE: the word "not"

17 **LED Bulb Measure**

18 Page 38, line 28

19 STRIKE: the word "not"

20 **Prescriptive Duct Test and Repair Measure**

21 Page 39, Line 6

22 STRIKE: the word "not"

23 **Smart Strip Measure**

24 Page 39, line 13

STRIKE: the word "not"

MAKE CONFORMING CHANGES