

DOCKETED

MAR 07 2014

Revised PIERCE PROPOSED AMENDMENT NO. 1



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DOCKETED BY	<i>[Signature]</i>
COMPANY:	Arizona Public Service Company

TIME/DATE PREPARED: 11:45AM / March 5, 2014

ORIGINAL

AGENDA ITEM NO. 23

DOCKET NO(S). E-01345A-12-0224

OPEN MEETING DATE: March 11-12, 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 DSM/EE measures, and (2) direct Staff to recalculate the cost effectiveness of DSM/EE measures.

Page 37, Line 6: Insert new Headings and Finding of Facts, and number accordingly as necessary:

Additional Reporting Requirements for Demand-Side Management (DSM) Annual Progress Reports

97. In addition to any other reporting requirements, we find that it is in the public interest to require APS to supplement its DSM Annual Progress Reports, beginning with the report filed in 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 DSM Annual Progress Reports shall include data on program and measure 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 DSM/EE Plan's Measures' Cost-Effectiveness for Purposes of a Possible Early Reset of the Demand-Side Management Adjustment Charge (DSMAC)

98. We find that it is important and in the public interest to ensure that only DSM/EE measures that are truly cost effective continue to be funded. Because APS'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 DSM/EE Plan. To ensure consistent consideration of all available DSM/EE measures, Staff should also review and calculate the cost-effectiveness of any new proposed DSM/EE measures. By September 19, 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 DSMAC. Interested parties and stakeholders shall file any comments on the Staff report and recommendations within 30 days of Staff filing its report and recommendations.

99. We find the DSMAC 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 DSM/EE Plan's measures.

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<b>THIS AMENDMENT:</b>			
<input type="checkbox"/> Passed	<input type="checkbox"/> Passed as amended by		
<input type="checkbox"/> Failed	<input type="checkbox"/> Not Offered	<input type="checkbox"/> Withdrawn	

**Page 43, Line 3:** INSERT new Ordering Paragraphs:

IT IS FURTHER ORDERED that Arizona Public Service Company shall include in its DSM Annual Progress Reports, beginning with a supplement to the report due by March 1, 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 DSM Annual 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). The supplement should be filed by April 30, 2014 using the latest avoided costs.

IT IS FURTHER ORDERED that Staff shall re-calculate the cost effectiveness of all of Arizona Public Service Company's DSM/EE Plan's measures, review and calculate the cost-effectiveness of any new DSM/EE measures and file a report and recommendations by September 19, 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.**