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Arizona Corporation Commission  
**DOCKETED**

**Tucson Electric Power**

**ORIGINAL**

88 East Broadway Blvd., Post Office Box 711  
Tucson, AZ 85702

MAR 11 2014

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March 11, 2014

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2014 MAR 11 P 1:15  
CORP COMMISSION  
DOCKET CONTROL

Docket Control  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, AZ 85007

Re: Notice of Compliance Filing – Tucson Electric Power Company  
Decision No. 73912, Docket No. E-01933A-12-0291

Pursuant to Section 18.2 of the Settlement Agreement approved by Arizona Corporation Commission (“Commission”) Decision No. 73912 (June 27, 2013), Tucson Electric Power Company (“TEP” or the “Company”) is required to:

*“TEP agrees to meet with Staff within 180 days of the effective date of the approval of this Agreement to address: (i) potentially increasing the pace of upgrading critical circuits in need of preventative maintenance; (ii) establishing a routine of periodic load-flow analysis of its system and confirming the accuracy of utilized model; and (iii) equip feeder circuits with meters or other equipment so that power information can be relayed to Energy Management Service (“EMS”) through Supervisory Control and Data Acquisition (“SCADA”) to determine losses on a circuit-by-circuit basis.”*

Specifically, TEP provided the following with respect to items (i), (ii), and (iii) identified above:

- (i) TEP provided Engineering Procedures on how it addresses the ranking for distribution circuit performance and distribution cable replacement. Following these procedures lets TEP pinpoint problem circuits and prioritizes maintenance needs, which aid the Company in 1) its annual review of its performance indices and 2) its decisions on the need to increase the pace of upgrades. In 2013, the schedule for performing this analysis was moved up to the beginning of the calendar year, rather than the end, allowing for high risk circuits to gain attention sooner. In addition, a practice of always keeping the next most “Critical Circuit” in queue was adopted to eliminate any patrolling downtime.

- (ii) TEP has and will continue to confirm load-flow analysis and confirm the accuracy of its models. TEP provided copies of its model validation processes, along with case studies showing how the processes are used.
- (iii) TEP has initiated a pilot program using new technology devices that are placed on distribution circuits that will provide SCADA-like visibility of the system at a lower cost. These devices will provide loading information for use in planning and in determining system losses, as well as outage indications. TEP also provided its processes for validating its models to determine circuit losses, along with a case study demonstrating how these processes are used by the Company.

TEP provided the information and supporting documents to Commission Staff regarding the above compliance requirement on December 13, 2013 and met with Commission Staff on December 18, 2013 to discuss the documents that were provided. TEP and Commission Staff hereby consider the requirements set forth in Section 18.2 of the Settlement Agreement fulfilled.

If you have any questions, please contact me at (520) 884-3680.

Sincerely,



Jessica Bryne  
Regulatory Services

cc: Compliance Section, ACC  
Ed Stoneburg, Utilities Division, ACC