

COMMISSIONERS  
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GARY PIERCE  
BRENDA BURNS  
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July 30, 2014

RE: In The Matter of Arizona Public Service Company Application for Approval of Net Metering Cost Shift Solution, Docket # E-01345A-13-0248; Innovations and Technological Developments, ~~Docket # E-00000J-13-0375~~

Dear Interested Parties and Stakeholders:

Since July 22, 2014, when the Commission voted to open Decision # 74202, pursuant to A.R.S. §40-252, Chairman Bob Stump and Commissioner Bob Burns have offered sound ideas for how we could proceed in Commission dockets E-01345A-13-0248 (*Value and Cost of Distributed Generation*) or E-00000J-13-0375 (*Emerging Technologies*), respectively. Chairman Stump raised good questions regarding rate design issues impacted by net metering. Commissioner Burns made an intriguing argument that the Emerging Technologies docket would be the better forum to consider whether or not to remove the requirement that Arizona Public Service Company ("APS") file its next general rate case in June 2015.

In the Staff Meeting, where this Commission vote took place, I described my position as a "soft no." The reason I voted that way is because I believe, if a majority of this Commission decides to remove the rate case filing requirement, we should first design the parameters of this discussion upon which the crucial rate design question rests. A docket that attempts to address rate design matters, without clearly defined goals and guidelines, could become a confusing process and adversely affect many stakeholders.

Chairman Stump introduced great questions regarding net metering rate design issues and the reasons why APS should or should not be required to file a general rate case and I look forward to seeing them answered by stakeholders. I think Commissioner Burns makes a compelling argument that the Emerging Technologies docket is the proper venue for the answers to those questions because that docket addresses a wider range of issues and technologies that can impact rate design issues.

Yet, I reiterate that, more importantly, it is incumbent upon all of us to make sure we have set proper parameters and are clear in how we envision this unique process to unfold.

Sincerely,

Brenda Burns  
Commissioner

Arizona Corporation Commission

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