

August 11, 2014

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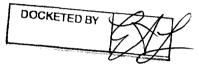
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CORP COMMISSION DOCKET CONTROL

Bob Stump, Chairman Gary Pierce, Commissioner Brenda Burns, Commissioner Bob Burns, Commissioner Susan Bitter Smith, Commissioner **Docket Control** Arizona Corporation Commission 1200 West Washington Phoenix, Arizona 85007



AUG 1 1 2014



Re: Docket No. E-01345-A-13-0248 - In the Matter of Arizona Public Service Company's Application for Approval of Net Metering Cost Shift Solution

At the July 22, 2014 staff meeting of the Arizona Corporation Commission, a majority of the commissioners voted to reopen Decision No. 74202 for the purpose of considering whether to remove the requirement that Arizona Public Service Company ("APS") file its next general rate case in June 2015. Furthermore, it was discussed at the staff meeting the possible merits of initiating a rate design proceeding.

Letters to the docket regarding the appropriateness of whether APS should be required to proceed with filing its next general rate case in June 2015 is an issue that the Arizona Association of REALTORS® hasn't taken an official position to date. In addition, as of the above-cited date, letters to Docket No. E-01345-A-13-0248 express that Commission members don't currently believe that APS is currently over earning and the utility itself has not asked for a rate case because it is under earning.

As mentioned above, the possible merits of initiating a rate design proceeding has caught our attention. Specifically, a concern to our association and we believe to others that entered into the 2012 Settlement Agreement (Commission Decision #73183) is the policy regarding line extensions in Schedule 3 in any rate design proceeding. In APS' letter dated August 7, 2014, among other Docketed letters with similar language, the utility expressed support for a set of "guiding principles" with key stakeholders for the purpose of developing consensus principles. We believe that the Commission members should provide some guidance to the stakeholders if a decision to proceed with rate design workshops is approved. In particular, the Commission could provide direction that the guidelines and ensuing conversation about potential rate design efforts focus on new technologies and potential net metering impacts not line extensions in Schedule 3 as expressed in Decision #73183.

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As always, on behalf of our over 40,000 statewide membership we appreciate the time and effort of the Commissioners and its staff in addressing important issues such as general rate cases and utility rate design. We look forward to learning how the Commission decides on both of these important issues.

Sincerely,

K. Michelle Lind, CEO

Arizona Association of REALTORS®

cc:

Nicole LaSlavic Tom Farley