



0000155684

RECEIVED

2014 AUG 29 P 4: 13

ARIZONA CORPORATION COMMISSION  
DOCKET CONTROL

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

BOB STUMP, CHAIRMAN  
GARY PIERCE  
BRENDA BURNS  
SUSAN BITTER SMITH  
BOB BURNS

**ORIGINAL**

IN THE MATTER OF THE  
APPLICATION OF ARIZONA PUBLIC  
SERVICE COMPANY FOR A HEARING  
TO DETERMINE THE FAIR VALUE OF  
THE UTILITY PROPERTY OF THE  
COMPANY FOR RATEMAKING  
PURPOSES, TO FIX A JUST AND  
REASONABLE RATE OF RETURN  
THEREON, AND TO APPROVE RATE  
SCHEDULES DESIGNED TO DEVELOP  
SUCH RETURN.

DOCKET NO. E-01345A-11-0224

Arizona Corporation Commission

**DOCKETED**

AUG 29 2014

DOCKETED BY

**JOINT INITIAL CLOSING BRIEF (FOUR CORNERS APPLICATION) OF  
WAL-MART STORES, INC. AND SAM'S WEST, INC.,  
FREEPORT-MCMORAN COPPER & GOLD, INC.,  
ARIZONANS FOR ELECTRIC CHOICE & COMPETITION,  
NOBLE AMERICAS ENERGY SOLUTIONS L.L.C.,  
and THE KROGER CO.**

Wal-Mart Stores, Inc. and Sam's West, Inc. (collectively "Walmart"); Freeport-  
McMoRan Copper & Gold Inc. and Arizonans for Electric Choice and Competition  
(collectively, "AECC"); Noble Americas Energy Solutions L.L.C., ("Noble Solutions");  
and The Kroger Co. ("Kroger") hereby file this Joint Initial Closing Brief in this matter.  
Walmart, AECC, Noble Solutions and Kroger shall be referred to collectively as the "AG-  
1 Intervenors." The AG-1 Intervenors take no position on whether the Arizona  
Corporation Commission ("Commission") approves the Four Corners Rate Rider ("FC

1 Rider”) proposed by Arizona Public Service Company (“APS”). However, if the  
2 Commission approves the FC Rider, it should not apply the FC Rider to any portion of the  
3 bills paid by customers taking service under APS’s Experimental Rate Rider Schedule  
4 AG-1 (“Schedule AG-1”).

5 APS has proposed that the FC Rider apply to a portion of the bill paid by  
6 customers who take service under Schedule AG-1. However, the explicit terms of the  
7 Settlement Agreement adopted in APS’s 2011 rate case (the “Settlement Agreement”)  
8 require that AG-1 customers shall not pay generation charges, and the costs to be  
9 recovered through the FC Rider are entirely generation costs.

10  
11 **BACKGROUND**

12 Schedule AG-1 provides for alternative generation buy-through service whereby  
13 APS customer participants arrange a power purchase from a third-party Generation  
14 Service Provider (“GSP”) that is facilitated by APS through its tariff. Exh. ANK-1 at 6,  
15 lines 6-16. The alternative buy-through generation is utilized for the Schedule AG-1  
16 customers in lieu of APS’s own generation supply. Exh. ANK-1 at 6, lines 12-14; Tr. at  
17 313, lines 13-16. AG-1 customers are required to obtain firm power (including both  
18 capacity and energy) from their respective GSPs. Attachment J at 3; Tr. at 173, lines 7-9;  
19 193, lines 22-26.

20 Schedule AG-1 is available to a limited amount of load on APS’s Rate Schedules  
21 E-32, E-34 and E-35. Exh. ANK-1 at 6, lines 8-10. Schedule AG-1 explicitly provides  
22 that “[a]ll provisions, charges and adjustments in the customer’s applicable retail rate  
23 schedule will continue to apply except...[t]he generation charges will not apply.”  
24 Decision No. 73183, Exhibit A at Attachment J (“Attachment J”), page 4 of 5. There are  
25 exceptions to the general exemption of generation costs, which are set forth in the list of  
26 five specific items to be charged to AG-1 customers (the “AG-1 Specific Charges”).

1 Attachment J at 4. Otherwise, generation charges are not recoverable from AG-1  
2 customers. The AG-1 Specific Charges include certain specified transition-type charges,  
3 and a charge for generation reserves. The FC Rider is not listed among those “exceptions  
4 to the exemption,” however. Accordingly, other than the generation-related AG-1  
5 Specific Charges, Schedule AG-1 customers do not pay for APS generation service. Exh.  
6 ANK-1 at 6, lines 14-16.

7 APS originally proposed Schedule AG-1 in its 2011 rate case, and it was adopted,  
8 with modifications, as part of the Settlement Agreement of that matter. Exh. ANK-1 at 6,  
9 lines 6-8. As originally proposed by APS, Schedule AG-1 would have provided that “all  
10 kWh and kW charges in a Customer’s current applicable parent rate schedule and any  
11 other applicable adjustment schedules will be applied to the Energy or Demand, as  
12 applicable,” except “the unbundled Generation component” and adjustment schedules  
13 PSA, ERA-1 and EIS. Exh. Walmart-1 at Attachment CAM-7 at 2. The settling parties,  
14 however, modified the language concerning the scope of generation-related charges from  
15 which AG-1 customers would be exempt. Instead of excluding “the unbundled  
16 Generation component” of the customer’s “parent rate schedule,” as APS has originally  
17 proposed, the settling parties utilized broader language of an exemption of “[t]he  
18 generation charges will not apply.” *Compare* Exh. Walmart-1 at Attachment CAM-7 at 2  
19 to Attachment J at 4. Schedule AG-1 as agreed to by the settling parties also added a  
20 definition of the term “Standard Generation Service,” which definition describes what is  
21 often referred to as unbundled generation service. *Id.* If the settling parties had intended  
22 to exclude AG-1 customers from only APS’s charges for unbundled generation service,  
23 they could have done so, either by retaining the phrasing that APS had originally  
24 proposed, or by utilizing the defined term Standard Generation Service when describing  
25 the charges that would not apply to AG-1 customers. Tr. at 189, line 11 to pg 190, line 1.  
26 However, they did neither.

1 In Decision No. 73183 the Commission approved Schedule AG-1 as proposed by  
2 the Settlement Agreement. Exh. Walmart-2 at 6, lines 14-16. Approximately 700  
3 accounts from 8 separate customers currently take service under Schedule AG-1. Tr. at  
4 319, line 20 to pg 320, line 1. Approximately 40 of Walmart's 49 facilities in APS's  
5 service territory take service under AG-1. Exh. Walmart-2 at 5, lines 5-7; Tr. at 195, lines  
6 1-2.

7 At the time the Settlement Agreement was being negotiated, APS had pending  
8 before the Commission its Application for Authorization for the Purchase of Generating  
9 Assets from Southern California Edison and For an Accounting Order (the "Four  
10 Corner's Application"), Docket No. E-01345A-10-0474. In that proceeding, APS sought  
11 approval to acquire Southern California Edison's ("SCE") share of Four Corners  
12 generation Units 4 and 5 and to retire Four Corners generation Units 1, 2 and 3. APS  
13 already owned 15% of those facilities, and was seeking approval to acquire the 48% share  
14 owned by SCE. Tr. at 134, lines 9-15. In the Settlement Agreement, the costs of APS's  
15 15% share of Four Corners generation Units 4 and 5 were recovered as part of rate base.  
16 Tr. at 74, lines 10-15. AG-1 customers have been excluded from paying for those costs  
17 pursuant to the terms of Schedule AG-1. Tr. at 364, line 19 to pg 365, line 1.

18 The 2011 rate case Settlement Agreement included a provision that APS would not  
19 file another general rate case prior to May 31, 2015, and that new rates from APS's next  
20 general rate case would not become effective prior to July 1, 2016. Decision No. 73183,  
21 Exhibit A § 2.1. In order for APS to accept that "stay-out" term in the Settlement  
22 Agreement, it was critical to APS that the impact of acquiring SCE's share of Four  
23 Corners generation Units 4 and 5 be addressed in the Settlement Agreement. Exh. APS-1  
24 at 5, line 10 to pg 6, line 6; Tr. at 141, line 14 to pg 142, line 21. As a result, the  
25 Settlement Agreement and Decision No. 73183 provided that the docket would remain  
26 open in order for APS to file an application for an adjustment to its rates to reflect the

1 proposed Four Corners transaction, should it be approved and close. Decision No. 73183,  
2 Exh. A § 10.2. The Settlement Agreement provided that any such application include an  
3 “adjustment rider that recovers the rate base and non-PSA related expenses associated  
4 with any Four Corners acquisition on an equal percentage basis across all rate schedules.”  
5 Decision No. 73183, Exh. A § 10.3(5) (“Section 10.3”).  
6

### 7 **APS’S CURRENT APPLICATION**

8 On December 30, 2013, APS filed its Application to Approve Four Corners Rate  
9 Rider (“FC Rider Application”). In the FC Rider Application, APS proposes that the  
10 Commission approve the FC Rider to recover in rates the rate base and expenses  
11 associated with its acquisition of SCE’s 48% share of Four Corners generation Units 4  
12 and 5, the retirement of Four Corners generation Units 1, 2 and 3, and any cost deferrals  
13 authorized in Docket No. E-01345A-10-0474. Exh. APS-1 at 5, lines 2-5. The charges to  
14 be recovered through the FC Rider are generation costs. Exh. ANK-1 at 7, lines 10-13;  
15 Exh. Walmart-2 at 9, line 22 to pg 10, line 3; Tr. at 362, lines 10-13.

16 APS has proposed that the FC Rider be applied to the “APS” portion of AG-1  
17 customers’ bills, but not to the portion of their bills representing a pass-through of  
18 charges from the third-party GSP. Exh. APS-1 at 10, lines 18-21. APS’s proposal would  
19 apply the FC Rider to about 30% of an AG-1 customer’s total bill, and would result in  
20 \$581,410 being billed under the FC Rider to AG-1 customers. Tr. at 322, lines 1-10; 327,  
21 lines 4-8; Exh. APS-5 at 10, lines 22-23. APS’s proposal is rooted in its mistaken belief  
22 that there is a conflict between Section 10.3 and Attachment J. Tr. at 72, lines 5-24; 326,  
23 lines 14-18.<sup>1</sup>  
24

25 \_\_\_\_\_  
26 <sup>1</sup> Though APS does not propose to fully exempt AG-1 customers from the FC Rider, it does acknowledge that such  
treatment would be consistent with the terms of the Settlement Agreement. Tr. at 76, lines 3-7; 82, lines 15-23.

1 **THE SETTLEMENT AGREEMENT IS NOT AMBIGUOUS; THE FC RIDER IS A**  
2 **GENERATION CHARGE, AND THE SETTLEMENT AGREEMENT**  
3 **EXPRESSLY PROVIDES THAT AG-1 CUSTOMERS SHALL NOT PAY**  
4 **GENERATION CHARGES.**

5 Exempting AG-1 customers from charges under the FC Rider is required, both  
6 conceptually and grammatically, by the Settlement Agreement. The “buy-through”  
7 generation that serves AG-1 customers is from third-party GSPs, and is in lieu of both  
8 energy and capacity from APS’s generation resources. Exh. ANK-1 at 6, lines 12-14; 7,  
9 line 23 to pg 8, line 1 (“AG-1 customers....are purchasing the entirety of their AG-1  
10 generation supply from non-APS sources”); Tr. at 173, lines 3-22; 193, lines 22-25; 204,  
11 lines 20-22. The FC Rider charges are without question generation charges. Tr. at 66,  
12 line 23 (costs “relate[] to a power plant”) (Guldner); at 169, lines 8-11 (Higgins); at 201,  
13 lines 10-11 (Chriss); at 362, lines 6-13; 364, lines 19-24 (Kalbarczyk); Exh. RUCO-3 at  
14 5, lines 19-20 (FC Rider “represents the actual investment costs of the acquired  
15 [generation] units”) (Huber). APS’s costs of its initial 15% ownership in Units 4 and 5  
16 are currently recovered as generation costs, and pursuant to Attachment J AG-1 customers  
17 are not paying such generation charges. Tr. at 74, lines 13-15; 364, lines 19-24.  
18 Whether Four Corners Units 4 and 5 provide any capacity-related benefits to APS’ system  
19 at this time is irrelevant. Capacity costs and energy costs are both generation costs that  
20 are to be excluded under Schedule AG-1. Tr. at 169, lines 17-21. Four Corners Units 4  
21 and 5 provide no more service to AG-1 customers than do any other APS generation  
22 plants, and the costs of those other plants are not borne by AG-1 customers. Tr. at 170,  
23 lines 22-24. AG-1 customers should not pay charges related to APS obtaining generation  
24 resources used to serve its non-AG-1 customers.

25 Contrary to the claims of some parties, the language used in the Settlement  
26 Agreement is neither ambiguous nor inconsistent regarding whether AG-1 customers  
should pay the FC Rider charges related to the Four Corners acquisition. Attachment J

1 explicitly provides that “generation charges will not apply” to AG-1 customers. Section  
2 10.3(5) requires that the FC Rider recover costs “on an equal percentage basis across all  
3 rate schedules.” As explained herein, these two provisions are not inconsistent.

4 AG-1 customers take service pursuant to an underlying rate schedule, such as E-  
5 34, E-35 or E-32-L. Attachment J at 1; Exh. ANK-1 at 6, lines 8-10. Every party agrees  
6 that the FC Rider should be applied to each of these underlying rate schedules, and all  
7 other rate schedules, as required by Section 10.3(5). But Schedule AG-1 is a rate rider  
8 schedule, not a rate schedule. As a rate rider, the terms of Schedule AG-1 “overlay” the  
9 terms of a customer’s underlying rate schedule, and to the extent the terms of the rider  
10 schedule are inconsistent with those of the underlying rate schedule, the terms of the rider  
11 supercede those of the underlying schedule. This “trumping” effect is specifically stated  
12 in Schedule AG-1, which provides “[a]ll provisions of the customer’s applicable rate  
13 schedule will apply in addition to this Schedule AG-1, except as modified herein.”  
14 Attachment J, page 1. The provision in Schedule AG-1 that “generation charges will not  
15 apply” modifies the otherwise applicable provisions of the customers’ underlying rate  
16 schedules, and therefore the generation charges recovered through the FC Rider cannot be  
17 applied to AG-1 customers. Exempting AG-1 customers from the FC Rider is consistent  
18 with both Section 10.3(5) (the FC Rider will be applied to rate schedules E-34, E-35, etc.)  
19 and with Attachment J (generation charges, including the FC Rider, are not applied to  
20 AG-1 customers).

21 Schedule AG-1 does require AG-1 customers to pay some (but not all) generation  
22 related charges. Included among the AG-1 Specific Charges are a reserve capacity  
23 charge, a buy-out charge related to fuel hedging costs, and a generation service provider  
24 default charge. Attachment J at 4. No other generation charges are paid by AG-1  
25 customers, and AG-1 customers are only responsible for these costs because they are  
26 specifically identified in Schedule AG-1 as “exceptions to the exemption” that generation

1 charges do not apply to AG-1 customers. If the parties to the Settlement Agreement had  
2 intended to apply to the FC Rider to AG-1 customers, they would have included those  
3 charges in the list of the AG-1 Specific Charges, but they did not. Tr. at 171, lines 18-  
4 23; Attachment J at 4.

5  
6 **EVEN IF THE SETTLEMENT AGREEMENT WERE AMBIGUOUS, THE**  
7 **SPECIFIC TERMS OF SCHEDULE AG-1 SUPERSEDE THE MORE GENERAL**  
8 **TERMS OF SECTION 10.3**

9 Several parties assert that the Settlement Agreement is ambiguous or inconsistent  
10 about whether or to what degree the FC Rider should apply to AG-1 customers. Tr. at 72,  
11 line 8; 75, lines 15-19; 326, lines 14-17(APS); at 345, line 21 (RUCO). Staff, though not  
12 willing to label the Settlement Agreement as “ambiguous” nonetheless believes that there  
13 are a number of possible resolutions that are within the scope of interpretations of the  
14 Settlement Agreement. Tr. at 363, lines 16-17; 364 at 16-17; 367, lines 14-21.

15 The AG-1 Intervenors do not agree that the Settlement Agreement is ambiguous or  
16 inconsistent regarding the application of the FC Rider to AG-1 customers. Ambiguity is  
17 not established by the mere fact that parties disagree about the meaning of a contract’s  
18 terms. *Autonumerics, Inc. v. Bayer Industries, Inc.*, 144 Ariz. 181, 186, 696 P.2d 1330,  
19 1335 (App. 1984). All parts of the Settlement Agreement are to be read in relationship  
20 with each other and harmonized, if possible. *See, Brisco v. Mertiplan Ins. Co.*, 132 Ariz.  
21 72, 75-76, 643 P.2d 1042, 1045-46 (App. 1982). Because Attachment J explicitly  
22 recognizes that its provisions will trump any contrary provisions of AG-1 customers’  
23 other tariffs, Attachment J and Section 10.3 can be harmonized.

24 However, if the Commission cannot harmonize the parts of the Settlement  
25 Agreement, and believes that the Settlement Agreement is ambiguous, longstanding  
26 principles of contract interpretation dictate that the Settlement Agreement be interpreted

1 to exempt AG-1 customers from the FC Rider. Where there are inconsistent provisions in  
2 a contract, one general and one specific, the specific provision qualifies the meaning of  
3 the general provision and controls over the general provision. *Brady v. Black Mountain*  
4 *Inv. Co.*, 105 Ariz. 87, 89, 459 P.2d 712, 714 (1969); *Autonumerics, Inc. v. Bayer*  
5 *Industries, Inc.*, 144 Ariz. 181, 188, 696 P.2d 1330, 1337 (App. 1984) (where there is  
6 inconsistency in a contract, specific provisions qualify the meaning of general  
7 provisions); *Elm Retirement Center LP v. Callaway*, 226 Ariz. 287, 291 ¶18; 246 P.3d  
8 938, 942 (App. 2010) (because specific contract provisions express the parties' intent  
9 more precisely than general provision[s], specific provisions qualify meaning of general  
10 provisions).

11 Here, the Settlement Agreement's provisions regarding rates to be paid by AG-1  
12 Customers are in a portion of the Agreement that is far more specific than those terms  
13 regarding the FC Rider. The Settlement Agreement's language regarding application of  
14 the FC Rider was stated as general parameters in the text of body of the Settlement  
15 Agreement, whereas language describing the terms of AG-1 service is included in both  
16 general parameters in the body of the Settlement Agreement, and in specific language of a  
17 five-page tariff attached to the Settlement Agreement. Decision No. 73183 at Exh. A, §§  
18 10.2, 10.3, 17.1, 17.2 and Attachment J; Tr. at 316 (Snook).

19 At the time the Settlement Agreement was negotiated by the parties and adopted by  
20 the Commission, the FC Rider was recognized as a possibility, but it was not a foregone  
21 conclusion that the FC Rider would ever come to fruition. The FC Rider could only come  
22 into existence if the Four Corners transaction were approved by the Commission and  
23 closed within the time frame provided for in the Settlement Agreement. The Settlement  
24 Agreement, therefore, did not include the text of an FC Rider upon which the parties  
25 agreed, but only stated the general principles under which the costs of the Four Corners  
26 transaction could be recovered prior to the next APS rate case. The language of the

1 Settlement Agreement excluding AG-1 customers from paying generation charges is  
2 found in the more specific portion of the Settlement Agreement, namely, the five-page  
3 tariff that established the precise terms under which the buy-through service is available.  
4 The more specific terms regarding what is and is not to be included in charges under the  
5 AG-1 tariff qualify the more general language regarding the application of the charges of  
6 the prospective FC Rider. Further, the text of Section 10.3 of the Settlement Agreement  
7 contemplates a future tariff that will have more specific language in it. The Settlement  
8 Agreement inherently demonstrates that the language of Attachment J is more specific  
9 than the general text of 10.3, which speaks to a future tariff that shall include certain  
10 provisions yet to be determined. As the more specific provision, Attachment J qualifies  
11 the meaning of Section 10.3.

12 To the contrary, elevating the language of Section 10.3 over the express language  
13 of Attachment J would achieve an absurd result, which should be avoided. *See, Aztar*  
14 *Corp. v. U.S. Fire Ins. Co.*, 223 Ariz. 463, 476-77 ¶¶46, 48, 224 P.3d 960, 973-74 (App.  
15 2010). The costs APS incurred to own and operate the 15% of Units 4 and 5 have been  
16 treated as generation costs, and AG-1 customers have not paid those costs. APS's  
17 proposal, however, would result in inconsistent recovery from AG-1 customers, who  
18 would nonetheless be required to pay a portion of the generation costs of the recently-  
19 acquired additional 48% ownership interest in those same Units. Tr. at 177, lines 8-12;  
20 365, line 20 to pg 366, line 1. Notably, where the question is the degree to which APS  
21 will recover its costs (rather than from whom it will recover its costs), APS supports  
22 applying a consistent cost-recovery approach to its newly-acquired 48% share in the Units  
23 and its earlier 15% share. Tr. at 144, line 24 to pg 145, line 10 (objecting to RUCO's  
24 proposal to apply a different cost of capital to the 48% than was applied to the 15%). If  
25 APS were seeking recovery of its newly-acquired 48% interest in Units 4 and 5 in a full  
26 rate case, rather than in a hold-over phase in an earlier rate case docket, it would not

1 likely be proposing that the cost of acquiring SCE's interest should be recovered from a  
2 different set of customers than the costs of APS's original 15% interest. The proposed  
3 disparate treatment here in question only arises due to the unique timing of APS's request  
4 to include its newly purchased share of the Units in rates. Tr. at 200, line 17 to pg 201,  
5 line 2.

6 RUCO's proposal to apply the FC Rider even more broadly to AG-1 customers  
7 than APS has suggested would achieve an even more absurd result. RUCO advocates  
8 applying the FC Rider to the "reserve capacity" charge that is one of the AG-1 Specific  
9 Charges. Exh. RUCO-3 at 4, lines 11-12. The "reserve capacity" charge is computed as  
10 a percentage of APS's cost-based reserve capacity charge filed at the Federal Energy  
11 Regulatory Commission ("FERC"). Attachment J at 4. To the extent APS may incur  
12 additional costs associated with its reserve capacity as a result of acquiring SCE's share  
13 of Units 4 and 5, APS is free to seek an increase in the charge at FERC, and any such  
14 increase will flow through to AG-1 customers as provided in Schedule AG-1. Tr. at 174,  
15 lines 21-25. To permit APS to both recovery increased costs through its FERC tariff, and  
16 recover costs from AG-1 customers directly as proposed by RUCO, would in essence  
17 allow APS to recover twice for the same cost. Tr. at 175. This illogical result should be  
18 avoided.

19  
20 **CONCLUSION**

21 AG-1 customers pay their full freight for use of APS's system. Tr. at 206, lines  
22 21-23. Exempting them from the FC Rider would not shift costs to non-AG-1 customers,  
23 because the costs to be recovered through the FC Rider are not costs incurred to serve  
24 AG-1 customers. Tr. at 207, lines 11-12. Rather, exempting AG-1 customers from the  
25 FC Rider is consistent with the express terms, and the spirit, of Schedule AG-1 and the  
26 Settlement Agreement.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

Dated this 29<sup>th</sup> day of August, 2014.

**RIDENOUR HIENTON, P.L.L.C.**

By Scott S. Wakefield  
Scott S. Wakefield  
201 North Central Avenue, Suite 3300  
Phoenix, Arizona 85004-1052  
Attorneys for Wal-Mart Stores, Inc. and  
Sam's West, Inc.

**FENNEMORE CRAIG, P.C.**

By C. Webb Crockett  
C. Webb Crockett  
Patrick J. Black  
2394 E. Camelback Rd., Suite 600  
Phoenix, Arizona 85016-3429  
Attorneys for Freeport-McMoRan Copper  
and Gold Inc. and Arizonans for Electric  
Choice and Competition

By Lawrence V. Robertson, Jr.  
Lawrence V. Robertson, Jr.  
Of Counsel to Munger Chadwick, PLC  
P.O. Box 1448  
Tubac, Arizona 85644  
Attorney for Noble Americas Energy  
Solutions, L.L.C.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

Dated this <sup>th</sup> ~~28~~ day of August, 2014.

**RIDENOUR HIENTON, P.L.L.C.**

By \_\_\_\_\_  
Scott S. Wakefield  
201 North Central Avenue, Suite 3300  
Phoenix, Arizona 85004-1052  
Attorneys for Wal-Mart Stores, Inc. and  
Sam's West, Inc.

**FENNEMORE CRAIG, P.C.**

By  \_\_\_\_\_  
C. Webb Crockett  
Patrick J. Black  
2394 E. Camelback Rd., Suite 600  
Phoenix, Arizona 85016-3429  
Attorneys for Freeport-McMoRan Copper  
and Gold Inc. and Arizonans for Electric  
Choice and Competition

By \_\_\_\_\_  
Lawrence V. Robertson, Jr.  
Of Counsel to Munger Chadwick, PLC  
P.O. Box 1448  
Tubac, Arizona 85644  
Attorney for Noble Americas Energy  
Solutions, L.L.C.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

Dated this 28<sup>th</sup> day of August, 2014.

**RIDENOUR HIENTON, P.L.L.C.**

By \_\_\_\_\_  
Scott S. Wakefield  
201 North Central Avenue, Suite 3300  
Phoenix, Arizona 85004-1052  
Attorneys for Wal-Mart Stores, Inc. and  
Sam's West, Inc.

**FENNEMORE CRAIG, P.C.**

By \_\_\_\_\_  
C. Webb Crockett  
Patrick J. Black  
2394 E. Camelback Rd., Suite 600  
Phoenix, Arizona 85016-3429  
Attorneys for Freeport-McMoRan Copper  
and Gold Inc. and Arizonans for Electric  
Choice and Competition

By Lawrence V. Robertson, Jr.  
Lawrence V. Robertson, Jr.  
Of Counsel to Munger Chadwick, PLC  
P.O. Box 1448  
Tubac, Arizona 85644  
Attorney for Noble Americas Energy  
Solutions, L.L.C.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

**BOEHM, KURTZ & LOWRY**

By   
Kurt Boehm  
Jody M. Kyler  
36 E. Seventh St., Suite 1510  
Cincinnati, Ohio 45202  
Attorneys for The Kroger Co.

1 **ORIGINAL** and 13 copies  
filed this 29<sup>th</sup> day of August,  
2014, with:

2  
3 Docket Control  
4 Arizona Corporation Commission  
1200 W. Washington Street  
Phoenix, AZ 85007

5 **COPIES** of the foregoing **HAND-**  
6 **DELIVERED** this 29<sup>th</sup> day  
of August, 2014 to:

7 Steve M. Olea  
8 Director, Utilities Division  
1200 W. Washington Street  
Phoenix, AZ 85007

9  
10 Janice Alward, Chief Counsel  
Legal Division  
11 **ARIZONA CORP. COMMISSION**  
1200 W. Washington Street  
Phoenix, Arizona 85007

13 Lyn Farmer  
14 Chief Administrative Law Judge  
Hearing Division  
15 Arizona Corporation Commission  
1200 W. Washington  
Phoenix, AZ 85007-2927

16 **COPIES** of the foregoing **MAILED/**  
17 **E-MAILED** this 29<sup>th</sup> day of August, 2014 to:

18 Maureen A. Scott, Senior Staff Counsel  
19 Charles H. Hains, Attorney  
Janet Wagner, Assistant Chief Counsel  
20 Scott Hesla, Attorney  
Legal Division  
21 Arizona Corporation Commission  
1200 W. Washington Street  
Phoenix, AZ 85007  
22 [mescott@azcc.gov](mailto:mescott@azcc.gov)  
23 [chains@azcc.gov](mailto:chains@azcc.gov)  
[jwagner@azcc.gov](mailto:jwagner@azcc.gov)  
[shesla@azcc.gov](mailto:shesla@azcc.gov)

24 Daniel Pozefsky, Chief Counsel  
25 Residential Utility Consumer Office  
1110 West Washington, Suite 220  
Phoenix, AZ 85007  
26 [dpozefsky@azruco.gov](mailto:dpozefsky@azruco.gov)

1 Timothy Hogan  
2 Arizona Center for Law in the Public Interest  
3 202 E. McDowell Road, Suite 153  
4 Phoenix, AZ 85004  
5 *Attorney for Western Resource Advocates*  
6 *of Southwest Energy Efficiency Project, ASBA/AASBO*  
7 *and Natural Resources Defense Council*  
8 [thogan@aclpi.org](mailto:thogan@aclpi.org)

9 C. Webb Crockett  
10 Patrick J. Black  
11 FENNEMORE CRAIG  
12 3003 N. Central Ave, #2600  
13 Phoenix, AZ 85012  
14 *Attorneys for Freeport-McMoRan and*  
15 *AECC*  
16 [wcrockett@fclaw.com](mailto:wcrockett@fclaw.com)  
17 [pblack@fclaw.com](mailto:pblack@fclaw.com)

18 Meghan H. Grabel  
19 Thomas L. Mumaw  
20 Pinnacle West Capital Corp.  
21 400 North 5<sup>th</sup> Street  
22 P.O. Box 53999, MS 8695  
23 Phoenix, AZ 85072  
24 [meghan.grabel@pinnaclewest.com](mailto:meghan.grabel@pinnaclewest.com)

25 Michael A. Curtis  
26 William P. Sullivan  
CURTIS, GOODWIN, SULLIVAN  
UDALL & SCHWAB, P.L.C.  
501 E. Thomas Road  
Phoenix, AZ 85012-3205  
*Attorneys for the Town of Wickenburg*  
*and Town of Gilbert*  
[mcurtis401@aol.com](mailto:mcurtis401@aol.com)

Nicholas Enoch  
LUBIN & ENOCH, P.C.  
349 N. Fourth Ave  
Phoenix, AZ 85003  
*Attorney for IBEW Locals 387, 640 and 769*  
[nicholas.enoch@azbar.org](mailto:nicholas.enoch@azbar.org)

Greg Patterson  
MUNGER & CHADWICK  
2398 E. Camelback Road, Ste. 240  
Phoenix, AZ 85016  
*Attorneys for ACPA*  
[greg@azcpa.org](mailto:greg@azcpa.org)

1 Karen S. White  
Air Force Utility Law Field Support Center  
AFLOA/JACL-ULT  
2 139 Barnes Drive  
Tyndall Air Force Base, Florida 32403  
3 *Attorney for FEA*  
*[Karen.White@azbar.org](mailto:Karen.White@azbar.org)*

4 Gary Yaquinto  
5 Arizona Utility Investors Association  
2100 North Central Ave, Suite 210  
6 Phoenix, AZ 85004  
*[gyaquinto@arizonaaic.org](mailto:gyaquinto@arizonaaic.org)*

7 Michael M. Grant  
8 GALLAGHER & KENNEDY  
2575 E. Camelback Road, 11<sup>th</sup> Flr.  
9 Phoenix, AZ 85016-9225  
*Attorneys for AIC*  
10 *[mmg@gknet.com](mailto:mmg@gknet.com)*

11 Jeffery W. Crockett  
12 BROWNSTEIN HYATT FARBER  
SCHRECK, LLP  
One E. Washington Street, Ste. 2400  
13 Phoenix, AZ 85004  
*Attorneys for Arizona Association of Realtors*  
14 *[jcrockett@bhfs.com](mailto:jcrockett@bhfs.com)*

15 Michael W. Patten  
ROSHKA DEWULF & PATTEN, PLC  
16 400 E. Van Buren Street, #800  
Phoenix, AZ 85004  
17 *Attorneys for Tucson Electric Power*  
*[mpatten@rdp-law.com](mailto:mpatten@rdp-law.com)*

18 Cynthia Zwick  
19 1940 E. Luke Avenue  
Phoenix, Arizona 85016

20  
21 Bradley Carroll  
Tucson Electric Power Company  
P.O. Box 711  
22 88 E. Broadway Blvd., MS HQE910  
Tucson, Arizona 85702  
23 *[bcarroll@tep.com](mailto:bcarroll@tep.com)*

24  
25 ///

26

1 Kurt Boehm  
2 Jody M. Kyler  
3 BOEHM, HURTZ & LOWRY  
4 36 E. Seventh St. Suite 1510  
5 Cincinnati, Ohio 45202  
6 *Attorneys for Kroger Co.*  
7 [kboehm@bhllawfirm.com](mailto:kboehm@bhllawfirm.com)  
8 [jkyler@bkllawfirm.com](mailto:jkyler@bkllawfirm.com)  
9  
10 David Berry  
11 Jody M. Kyler  
12 Western Resource Advocates  
13 P.O. Box 1064  
14 Scottsdale, Arizona 85252-1064  
15  
16 Barbara Wyllie-Pecora  
17 14410 W. Gunsight Dr.  
18 Sun City West, Arizona 85375  
19  
20 Stephen J. Baron  
21 J. Kennedy & Associates  
22 570 Colonial Park Dr., Suite 305  
23 Roswell, GA 30075  
24 *Consultant for The Kroger Co.*  
25  
26 Laura Sanchez  
National Resources Defense Counsel  
P.O. Box 287  
Albuquerque, NM 87013  
[lsanchez@nrdc.org](mailto:lsanchez@nrdc.org)  
Lawrence V. Robertson, Jr., Esq.  
P.O. Box 1448  
Tubac, AZ 85644  
*Attorney for Southwestern Power Group  
II, LLC and Bowie Power Station, L.L..C.  
And Noble/Constellation/Diect/Shell*  
[tubaclawyer@aol.com](mailto:tubaclawyer@aol.com)  
John William Moore, Jr.  
MOORE BENHAM & BEAVER, PLC  
7321 N. 16<sup>th</sup> Street  
Phoenix, AZ 85020  
*Attorney for The Kroger Co.*  
[wmoore@mbmblaw.com](mailto:wmoore@mbmblaw.com)  
Steve Chriss  
Wal-Mart Stores, Inc.  
2011 S.E. 10<sup>th</sup> Street  
Bentonville, Arkansas 72716-0500  
[Stephen.Chriss@wal-mart.com](mailto:Stephen.Chriss@wal-mart.com)

1 Craig Marks  
2 CRAIG A. MARKS, PLC  
3 10645 N. Tatum Blvd  
4 Suite 200-676  
5 Phoenix, AZ 85028  
6 *Attorney for AARP*  
7 *Craig.Marks@azbar.org*

8 Jay Moyes  
9 Steve Wene  
10 MOYES SELLERS & HENDRICKS, LTD  
11 1850 N. Central Ave. #1100  
12 Phoenix, AZ 85004  
13 *Attorney for AZAG*  
14 *jimoyes@law-msh.com*  
15 *swene@law-msh.com*

16 Jeffrey Woner  
17 K.R. Saline & Associates, P.L.C.  
18 160 N. Pasadena, Suite 101  
19 Mesa, AZ 85201

20 Jeff Schlegel  
21 SWEEP Arizona Representative  
22 1167 W. Samalayuca Drive  
23 Tucson, AZ 85704-3224

24 Samuel T. Miller  
25 USAF Utility Law Field Support Center  
26 139 Barnes Ave., Suite 1  
Tyndall AFB, FL 32403

17 Douglas V. Fant  
18 LAW OFFICES OF DOULAS V. FANT  
19 3655 W. Anthem Way, Suite A-109,  
20 PMB 411  
21 Anthem, AZ 85085  
22 *Attorney for Interwest Energy Alliance*

23 Nellis Kennedy-Howard  
24 Travis Ritchie  
25 SIERRA CLUB ENVIRONMENTAL  
26 LAW PROGRAM  
85 Second Street, 2n Floor  
San Francisco, CA 94105  
*Attorneys for Sierra Club Environmental  
Law Program*  
*Nellis.khoward@sierraclub.org*  
*Travis.ritchie@sierraclub.org*

26 