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October 15, 2014

CORP COMMISSION  
DOCKET CONTROL

Docket Control  
Arizona Corporation Commission  
1200 W. Washington  
Phoenix, AZ 85007

ORIGINAL

RE: Arizona Public Service Company (APS or Company)  
Application for Approval of Net Metering Cost Shift Solution  
Docket No. E-01345A-13-0248

On December 3, 2013, the Commission issued Decision No. 74202 that approved a \$0.70/kW monthly interim adjustment charge ("LFCR-DG Charge") for residential distributed generation (DG) systems installed on and after January 1, 2014.

The Commission stated that the LFCR-DG Charge may be periodically adjusted and the Company is required to provide quarterly DG statistics intended to reflect ongoing market penetration of DG systems in the APS service territory:

IT IS FURTHER ORDERED that Arizona Public Service Company shall file quarterly reports as discussed herein, with the first report due April 15, 2014. At a minimum, the report shall include the number of DG installations per month, size of the installations by kW, and the amount collected each month through the interim LFCR DG adjustment. (*Decision No. 74202, page 29 line 17.*)

Tables 1 and 2 (attached) provide information for the first, second and third quarters of 2014.

If you have any questions regarding this information, please call Greg Bernosky at (602)250-4849.

Sincerely,

Lisa Malagon

LM/bgs

c: Steve Olea  
Terri Ford  
Brian Bozzo

Arizona Corporation Commission  
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OCT 15 2014

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TABLE 1  
MONTHLY DG STATISTICS FOR 2014  
FOR SYSTEMS SUBJECT TO THE LFCR-DG ADJUSTMENT

	January 2014	February 2014	March 2014	April 2014	May 2014	June 2014	July 2014	August 2014	September 2014
Total Number of Installations	-	58	128	336	381	466	476	485	387
< 5kW	-	16	30	79	121	135	143	163	97
5 to 6.5kW	-	12	38	95	106	111	109	88	92
6.5 to 10kW	-	24	46	131	126	173	158	175	133
> 10kW	-	6	14	31	28	47	66	59	65
Total Number of kW Installed	-	386	854	2,259	2,350	3,029	3,293	3,179	2,758

Notes to Table 1: Certain installations are not subject to the LFCR-DG charge: systems reserved and/or connected to the grid prior to January 1, 2014 under the system grandfathering provisions in Decision No. 74202, and customers served under the Company's Rate Schedule ECT-2. Table 1 reflects installations subject to the LFCR-DG charge at the time of installation. Subsequent changes in rate plans or removal of solar systems are not reflected.

TABLE 2  
CUMULATIVE DG BILLING STATISTICS FOR Q3 2014  
FOR SYSTEMS SUBJECT TO THE LFCR-DG ADJUSTMENT

	January 2014	February 2014	March 2014	April 2014	May 2014	June 2014	July 2014	August 2014	September 2014
Number of accounts billed LFCR-DG	-	-	-	-	685	1,056	1,496	1,963	2,478
Amount billed through LFCR-DG	-	-	-	-	\$2,330	\$3,985	\$5,991	\$8,284	\$10,632

Notes to Table 2: Billed number of accounts may not be reflective of the total number of installed accounts due to billing cycle variances.