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Lisa Malagon
Leader
Federal and State Compliance

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Mail Station 9712
PO Box 53999
Phoenix, Arizona 85072-3999
Tel 602-250-5671
Elisa.Malagon@aps.com

January 15, 2015

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL


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

ORIGINAL

Arizona Corporation Commission
DOCKETED

JAN 15 2015

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

DOCKETED BY 

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.*)

Overall, more than 7,790 residential DG systems were installed in the APS service territory in 2014 representing 57 MWdc of renewable generation.

Tables 1 and 2 (attached) provide statistics for the subset of DG systems that are subject to the LFCR-DG Charge. In 2014, 4,700 residential customers installed systems subject to the LFCR-DG Charge, representing almost 33 MWdc, and a total of \$78,623 was collected through the charge. Approximately 60% of DG systems installed in APS's service territory in 2014 are subject to the LFCR-DG Charge.

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

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	October 2014	November 2014	December 2014
Total Number of Installations	-	58	128	336	381	466	476	485	387	490	590	903
< 5kW	-	16	30	79	121	135	143	163	97	120	129	195
5 to 6.5kW	-	12	38	95	106	111	109	88	92	104	117	205
6.5 to 10kW	-	24	46	131	126	173	158	175	133	168	238	319
> 10kW	-	6	14	31	28	47	66	59	65	98	106	184
Total Number of kW Installed	-	386	854	2,259	2,350	3,029	3,293	3,179	2,758	3,621	4,388	6,827

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 Q4 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	October 2014	November 2014	December 2014
Number of accounts billed LFCR-DG	-	-	-	-	685	1,056	1,496	1,963	2,478	2,975	3,462	4,251
Amount billed through LFCR-DG	-	-	-	-	\$2,330	\$3,985	\$5,991	\$8,284	\$10,632	\$12,992	\$15,501	\$18,908

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