

E-0157A-15-0127



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Arizona Corporation Commission
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Commissioner Bob Stump
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

Dear Commissioner Stump:

I am sending this letter to you regarding Docket Number E-0157A-15-0127, the application of Sulphur Springs Valley Electrical Cooperative, Inc. for approval of a new Net Metering Tariff Schedule NM-2 and revisions to the existing Net Metering Tariff Schedule NM.

In January 2012, we purchased a solar voltaic array system for installation on our property in Cochise County, Arizona. We believe that solar power is the way to go for homes in Arizona and it offsets our costs for electricity as well as contributing to a clean environment as well as helping the power company (in our case, it is SSVEC). Thus, we were comfortable in paying the initial outlay costs to purchase the solar equipment and installation from a reputable company from Tucson, Arizona.

Now, SSVEC has recently proposed a revision to the current net metering rules. This proposal will reduce the value of excess generation for new customers, and eventually current customers (like us) by roughly 75% from 12.6cents per kWh to 3 cents per kWh. We hope you will agree that this is obviously a bad situation for solar and non-solar customers as well as the myriad of small, but reputable, solar companies in Arizona. SSVEC alleges that there is a "cost-shift" with solar customers not paying their fair share of grid costs. Additionally, SSVEC is proposing to completely gut net metering, compensating solar customers only the wholesale rate for energy they send back to SSVEC. We believe that this is an ill-considered change in policy, since it does not consider the overall goals of SSVEC's ratepayers, both solar and non-solar. Moreover, if this policy were to be approved, it will no doubt discourage additional non-solar customers throughout the state from considering solar power in their homes. This inevitably will cause small solar companies to reduce their number of employees and, at worst, go out of business.

You should realize that a cost shift is not unfair by default; SSVEC's rates already include a number of cost-shifts due to their rate design, wherein customers pay less or more than their fair share of grid costs. Some examples are customers who leave town for much of the year, customers with very low or very high energy use, and urban versus rural customers (like us).

I urge you to consider cost shifts in a rate case at the Arizona Corporation Commission. This process will allow a careful examination of the best policy options for SSVEC ratepayers, along with introduction of evidence, expert testimony, and significant ratepayer input.

Sincerely,

A handwritten signature in cursive script that reads "Raymond Patrone". The signature is written in black ink and is positioned below the word "Sincerely,".

Raymond and Carol Patrone