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ARIZONA CORPORATION COMMISSION

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AZ CORP COMMISSION  
DOCKET CONTROL

COMMISSIONERS

SUSAN BITTER SMITH, CHAIRMAN  
BOB STUMP  
BOB BURNS  
DOUG LITTLE  
TOM FORESE

ORIGINAL

IN THE MATTER OF THE APPLICATION  
OF ARIZONA PUBLIC SERVICE  
COMPANY FOR APPROVAL OF  
AUTOMATED METER OPT-OUT  
SERVICE SCHEDULE 17.

DOCKET NO. E-01345A-13-0069

NOTICE OF FILING  
SAMPLE ORDERS

The Commission has directed its Legal Division to file alternative sample forms of orders to assist the Commission in its consideration of Interveners' requests for rehearing in the above-captioned matter. Attached to this notice are the following three alternative sample forms of orders: (1) *Sample Order Granting Interlocutory Relief*, (2) *Sample Order Granting Evidentiary Hearing*, and (3) *Sample Order Denying Rehearing and Denying Relief*.

It is anticipated that the Commission will consider this matter at a forthcoming open meeting, and interested parties are advised to check the Commission's website concerning the Commission's meeting agendas for information as to when this matter will be heard.

RESPECTFULLY SUBMITTED this 10<sup>th</sup> day of March, 2015.

Arizona Corporation Commission

DOCKETED

MAR 10 2015

DOCKETED BY

Janice Alward  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007  
(602) 542-3402

1 **Original and thirteen (13)**  
2 **copies of the foregoing with attachments**  
3 **filed this 10<sup>th</sup> day of March, 2015 with:**

4 Docket Control  
5 Arizona Corporation Commission  
6 1200 West Washington Street  
7 Phoenix, Arizona 85007

8 **Copies of the foregoing with attachments**  
9 **mailed this 10<sup>th</sup> day of**  
10 **March, 2015 to:**

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**ATTACHMENTS  
SAMPLE ORDERS**

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

SUSAN BITTER SMITH, CHAIRMAN  
BOB STUMP  
BOB BURNS  
DOUG LITTLE  
TOM FORESE

IN THE MATTER OF THE APPLICATION OF  
ARIZONA PUBLIC SERVICE COMPANY  
FOR APPROVAL OF AUTOMATED METER  
OPT-OUT SERVICE SCHEDULE 17.

DOCKET NO. E-01345A-13-0069

DECISION NO. \_\_\_\_\_

SAMPLE ORDER GRANTING  
INTERLOCUTORY RELIEF

FINDINGS OF FACT

1. Arizona Public Service Company (“APS” or “Company”) is certificated to provide electric service as a public service corporation in the State of Arizona.

2. On March 22, 2013, APS filed an application requesting approval of a proposed Automated Meter Opt-Out Service Schedule. APS reports that it has now almost completely deployed Advanced Metering Infrastructure (“AMI”)—often referred to as “smart meters”—in its service territory.

3. Several groups of APS customers have raised concerns about the health effects of smart meters. These customers have requested the ability to retain non-transmitting analog meters, and APS’s proposed opt-out schedule is intended to recover the costs of retaining analog meters for those customers.

4. In its proposed opt-out tariff, APS proposed two charges for customers who choose to opt-out of AMI metering. Those charges included a one-time \$75.00 initial “set-up” charge and a recurring monthly meter-reading charge of \$30.00. The Company subsequently provided updated cost estimates for a lower monthly fee of \$21.00.

5. After the Company filed its application, the Commission received numerous filings in opposition to the tariff from members of the public.

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6. Among the comments were allegations that smart meters adversely affect human health, that smart meters intrude upon individual privacy interests, that the costs of smart meter deployment do not outweigh the benefits, and that APS's proposed opt-out tariff rate is unreasonable.

7. In a related proceeding (Docket No. E-00000C-11-0328), we considered the issues related to smart meters in a generic setting. In conjunction with those efforts, we asked the Arizona Department of Health Services ("ADHS") to conduct a study regarding the potential health effects of smart meters.

8. ADHS's study was filed in Docket No. E-00000C-11-0328 on November 4, 2014.

9. The study involved a sampling of smart meters to determine if the meters were operating within the parameters set by the Federal Communications Commission ("FCC"). ADHS's study confirmed that the meters tested were operating within the FCC standard.

10. On December 12, 2014, we considered APS's opt-out tariff proposal at an open meeting. At that time, we heard public comment as well as argument from the parties. Interveners Warren Woodward and Patricia Ferre opposed APS's opt-out proposal.

11. On December 18, 2014, we issued Decision No. 74871. In that decision, we took judicial notice of the ADHS study. We also approved a modified opt-out tariff for APS. Finally, we decided to submit the records of both this proceeding and of Docket No. E-00000C-11-0328 to the FCC in order to provide that agency with the information that has been presented to us.

12. In Decision No. 74871, we reduced the proposed initial set-up fee to \$50.00; however, we limited this fee to those customers who already have a smart meter in place. Customers who currently have analog meters would not be subject to a set-up fee. In addition, we reduced the monthly fee from \$21.00 (as proposed by APS) to \$5.00.

13. Interveners Woodward and Ferre timely filed separate Applications for Rehearing pursuant to A.R.S. § 40-253.

14. On January 22, 2015, we granted both applications for rehearing for the limited purpose of further consideration.

15. We subsequently considered this matter at open meetings in March and (TBD).

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2 16. The issues presented by APS's proposed opt-out tariff have attracted significant public  
3 attention. The comments that we have received from the public show that some individuals continue  
4 to be concerned about the various issues that may surround smart meters.

5 17. Although APS has presented its application as a tariff filing, we think that these issues  
6 would benefit from the type of comprehensive review that is conducted in a general rate case. A  
7 tariff filing proceeding, which is typically processed in a more abbreviated fashion, is ill-suited to  
8 address the issues presented herein.

9 18. It is our understanding that APS intends to file a general rate case within the next 18-  
10 24 months. We note that, pursuant to our decision in APS's last rate case, the Company may file its  
11 next general rate case as soon as June of 2015.

12 19. We believe that our consideration of this matter will be aided by the full spectrum of  
13 information that is included in a general rate case. We will therefore stay this proceeding until APS  
14 files its next general rate case, at which time the two cases may be consolidated or processed in  
15 tandem.

16 20. Pursuant to A.R.S. § 40-253(E), we specifically rescind and abrogate Decision No.  
17 74871 at this time.

18 21. In the interim, APS should continue to provide analog meters to those customers who  
19 ask for them.

20 22. We will also require APS to track the costs of its continued provision of analog  
21 meters, including the costs of such meters, the costs of meter reading, and any other costs attributable  
22 to providing customers with analog meters. APS may defer those costs, and may request recovery of  
23 any reasonable and prudent costs in its next rate case.

24 23. Also in its next general rate case, APS shall provide the following information in order  
25 to assist us with our evaluation of these issues:

- 26 a. The total number of APS customers who have elected to be served with analog  
27 meters in the test year;

28

- b. A breakdown by county of the number of APS customers who have elected to be served with analog meters in the test year;
- c. The average per-customer, test-year costs of providing service with an analog meter as compared to the average per-customer, test-year costs of providing service with a smart meter;
- d. The test-year costs and expenses attributable to allowing customers to receive service through an analog meter;
- e. The estimated bill impacts of spreading the cost recovery of an opt-out program across all APS customer classes;
- f. The estimated bill impacts of confining the cost recovery of an opt-out program to those customers who elect to forego an AMI meter;
- g. The estimated bill impacts of spreading the cost recovery of an opt-out program across all residential customers; and
- h. A comparative analysis of the costs and benefits of smart meters as opposed to the costs and benefits of analog meters.

23. Our action in this matter is taken without prejudice to APS and to the parties to pursue these matters in APS's next rate case.

24. This decision is not intended to foreclose any party from continuing to file pleadings or other information in this docket in the interim.

**CONCLUSIONS OF LAW**

1. APS is a public service corporation within the meaning of Article XV, Section 2 of the Arizona Constitution.

2. The Commission has jurisdiction over APS and over the subject matter of this case pursuant to Article XV of the Arizona Constitution and Title 40 of the Arizona Revised Statutes.

3. The Applications for Rehearing filed by Warren Woodward and Patricia Ferre are hereby granted, as discussed herein.



1 4. Decision No. 74871 is specifically rescinded and abrogated pursuant to A.R.S. § 40-  
2 253(E), and we hereby grant relief on an interlocutory basis, as discussed herein.

3  
4 5. It is reasonable to allow APS to defer the reasonable and prudent costs discussed in  
5 Finding of Fact No. 22 for possible recovery in its next rate case.

6 6. APS's Application in this docket is hereby stayed until the filing of APS's next  
7 general rate case.

8 **ORDER**

9 IT IS THEREFORE ORDERED that the Applications for Rehearing filed by Warren  
10 Woodward and Patricia Ferre are hereby granted, as discussed herein.

11 IT IS FURTHER ORDERED that Decision No. 74871 is specifically rescinded and abrogated  
12 pursuant to A.R.S. § 40-253(E), and relief is granted on an interlocutory basis, as discussed herein.

13 IT IS FURTHER ORDERED that APS may defer the reasonable and prudent costs discussed  
14 in Finding of Fact No. 22 for possible recovery in its next rate case.

15 IT IS FURTHER ORDERED that APS's Application in this docket is hereby stayed until the  
16 filing of APS's next general rate case.

17 IT IS FURTHER ORDERED that this order shall take effect immediately.

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BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION

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CHAIRMAN	COMMISSIONER	
COMMISSIONER	COMMISSIONER	COMMISSIONER

IN WITNESS WHEREOF, I, JODI JERICH, Executive Director of the Arizona Corporation Commission, have hereunto, set my hand and caused the official seal of this Commission to be affixed at the Capitol, in the City of Phoenix, this \_\_\_\_\_ day of \_\_\_\_\_, 2015.

\_\_\_\_\_  
JODI JERICH  
EXECUTIVE DIRECTOR

DISSENT: \_\_\_\_\_

DISSENT: \_\_\_\_\_

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

SUSAN BITTER SMITH, CHAIRMAN  
BOB STUMP  
BOB BURNS  
DOUG LITTLE  
TOM FORESE

IN THE MATTER OF THE APPLICATION OF  
ARIZONA PUBLIC SERVICE COMPANY  
FOR APPROVAL OF AUTOMATED METER  
OPT-OUT SERVICE SCHEDULE 17.

DOCKET NO. E-01345A-13-0069

DECISION NO. \_\_\_\_\_

SAMPLE ORDER GRANTING  
EVIDENTIARY HEARING

FINDINGS OF FACT

1. Arizona Public Service Company (“APS” or “Company”) is certificated to provide electric service as a public service corporation in the State of Arizona.

2. On March 22, 2013, APS filed an application requesting approval of a proposed Automated Meter Opt-Out Service Schedule. APS reports that it has now almost completely deployed Advanced Metering Infrastructure (“AMI”)—often referred to as “smart meters”—in its service territory.

3. Several groups of APS customers have raised concerns about the health effects of smart meters. These customers have requested the ability to retain non-transmitting analog meters, and APS’s proposed opt-out schedule is intended to recover the costs of retaining analog meters for those customers.

4. In its proposed opt-out tariff, APS proposed two charges for customers who choose to opt-out of AMI metering. Those charges included a one-time \$75.00 initial “set-up” charge and a recurring monthly meter-reading charge of \$30.00. The Company subsequently provided updated cost estimates for a lower monthly fee of \$21.00.

5. After the Company filed its application, the Commission received numerous filings in opposition to the tariff from members of the public.

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2       6.       Among the comments were allegations that smart meters adversely affect human  
3 health, that smart meters intrude upon individual privacy interests, that the costs of smart meter  
4 deployment do not outweigh the benefits, and that APS's proposed opt-out tariff rate is unreasonable.

5       7.       In a related proceeding (Docket No. E-00000C-11-0328), we considered the issues  
6 related to smart meters in a generic setting. In conjunction with those efforts, we asked the Arizona  
7 Department of Health Services ("ADHS") to conduct a study regarding the potential health effects of  
8 smart meters.

9       8.       ADHS's study was filed in Docket No. E-00000C-11-0328 on November 4, 2014.

10       9.       The study involved a sampling of smart meters to determine if the meters were  
11 operating within the parameters set by the Federal Communications Commission ("FCC"). ADHS's  
12 study confirmed that the meters tested were operating within the FCC standard.

13       10.       On December 12, 2014, we considered APS's opt-out tariff proposal at an open  
14 meeting. At that time, we heard public comment as well as argument from the parties. Interveners  
15 Warren Woodward and Patricia Ferre opposed APS's opt-out proposal.

16       11.       On December 18, 2014, we issued Decision No. 74871. In that decision, we took  
17 judicial notice of the ADHS study. We also approved a modified opt-out tariff for APS. Finally, we  
18 decided to submit the records of both this proceeding and of Docket No. E-00000C-11-0328 to the  
19 FCC in order to provide that agency with the information that has been presented to us.

20       12.       In Decision No. 74871, we reduced the proposed initial set-up fee to \$50.00; however,  
21 we limited this fee to those customers who already have a smart meter in place. Customers who  
22 currently have analog meters would not be subject to a set-up fee. In addition, we reduced the  
23 monthly fee from \$21.00 (as proposed by APS) to \$5.00.

24       13.       Interveners Woodward and Ferre timely filed separate Applications for Rehearing  
25 pursuant to A.R.S. § 40-253.

26       14.       On January 22, 2015, we granted both applications for rehearing for the limited  
27 purpose of further consideration.

28       15.       We subsequently considered this matter at open meetings in March and (TBD).

1 16. At this time, we elect to grant the applications for rehearing for the purpose of  
2 allowing the parties to pursue an evidentiary hearing on APS's application.

3  
4 17. We refer this matter to our Hearing Division, and we direct it to schedule further  
5 proceedings in this matter.

6 **CONCLUSIONS OF LAW**

7  
8 1. APS is a public service corporation within the meaning of Article XV, Section 2 of the  
9 Arizona Constitution.

10 2. The Commission has jurisdiction over APS and over the subject matter of this case  
11 pursuant to Article XV of the Arizona Constitution and Title 40 of the Arizona Revised Statutes.

12 3. The Applications for Rehearing filed by Warren Woodward and Patricia Ferre are  
13 hereby granted, as discussed herein.

14 **ORDER**

15  
16 IT IS THEREFORE ORDERED that the Applications for Rehearing filed by Warren  
17 Woodward and Patricia Ferre are hereby granted, as discussed herein.

18 IT IS FURTHER ORDERED that this matter is referred to our Hearing Division for the  
19 purpose of allowing the parties to pursue an evidentiary hearing on APS's application.

20 IT IS FURTHER ORDERED that the Hearing Division is directed to schedule further  
21 proceedings in this matter.

22 IT IS FURTHER ORDERED that this order shall take effect immediately.

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**BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION**

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CHAIRMAN

COMMISSIONER

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COMMISSIONER

COMMISSIONER

IN WITNESS WHEREOF, I, JODI JERICH, Executive Director of the Arizona Corporation Commission, have hereunto, set my hand and caused the official seal of this Commission to be affixed at the Capitol, in the City of Phoenix, this \_\_\_\_\_ day of \_\_\_\_\_, 2015.

\_\_\_\_\_  
JODI JERICH  
EXECUTIVE DIRECTOR

DISSENT: \_\_\_\_\_

DISSENT: \_\_\_\_\_

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

SUSAN BITTER SMITH, CHAIRMAN  
BOB STUMP  
BOB BURNS  
DOUG LITTLE  
TOM FORESE

IN THE MATTER OF THE APPLICATION OF  
ARIZONA PUBLIC SERVICE COMPANY  
FOR APPROVAL OF AUTOMATED METER  
OPT-OUT SERVICE SCHEDULE 17.

DOCKET NO. E-01345A-13-0069

DECISION NO. \_\_\_\_\_

SAMPLE ORDER DENYING REHEARING  
AND DENYING RELIEF

FINDINGS OF FACT

1. Arizona Public Service Company (“APS” or “Company”) is certificated to provide electric service as a public service corporation in the State of Arizona.

2. On March 22, 2013, APS filed an application requesting approval of a proposed Automated Meter Opt-Out Service Schedule. APS reports that it has now almost completely deployed Advanced Metering Infrastructure (“AMI”)—often referred to as “smart meters”—in its service territory.

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