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BEFORE THE ARIZONA CORPORATION COMMISSION

SUSAN BITTER SMITH
Chairman

BOB STUMP
Commissioner

BOB BURNS
Commissioner

DOUG LITTLE
Commissioner

TOM FORESE
Commissioner

Arizona Corporation Commission

DOCKETED

MAR 16 2015

DOCKETED BY

IN THE MATTER OF THE APPLICATION
OF TUCSON ELECTRIC POWER
COMPANY FOR APPROVAL OF A
REVISED RIDER R-3 FOR NET METERED
CUSTOMERS.

DOCKET NO. E-01933A-15-0032

DECISION NO. 74973

ORDER

Open Meeting
March 2 and 3, 2015
Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

1. Tucson Electric Power Company, Inc. ("TEP" or "Company") is certificated to provide electric service as a public service corporation in the State of Arizona.

Background

2. On February 3, 2015, TEP filed an application for approval of its revised Rider R-3 Market Cost of Comparable Conventional Generation ("MCCCG") which is used in conjunction with Rider R-4, Net Metering for Certain Partial Requirements Service ("NM-PRS"). TEP's Rider R-3 specifies the methodology for calculating the rate to be paid for purchases of excess energy from Net Metering Facilities. The rate is listed on the TEP Statement of Charges. The last revision of the Rider R-3 rate was approved by the Commission's Decision No. 74396 (March 19, 2014).

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1 3. Approval of the revised Rider R-3 MCCCCG does not constitute a rate increase as
2 contemplated by A.R.S. Section 40-250.

3 4. The Commission, having reviewed the application and Staff's Memorandum dated
4 February 13, 2015, concludes that the revised Rider R-3 MCCCCG should be approved as discussed
5 herein.

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ORDER

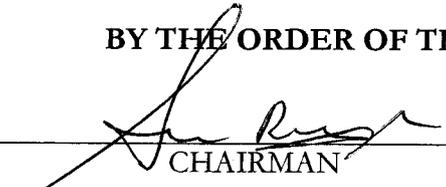
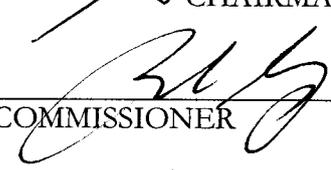
IT IS THEREFORE ORDERED that Tucson Electric Power Company's revised Rider R-3 Market Cost of Comparable Conventional Generation as applicable to Rider R-4 is approved as discussed herein.

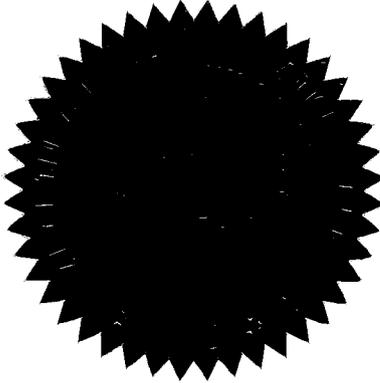
IT IS FURTHER ORDERED that the avoided cost rate of 2.8653¢ per kWh should be effective as of April 1, 2015.

IT IS FURTHER ORDERED that Tucson Electric Power shall file in Docket Control a Statement of Charges consistent with the Decision in this case within 15 days of the effective date of the Decision.

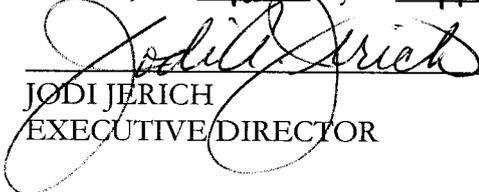
IT IS FURTHER ORDERED that this Decision shall become effective immediately.

BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION

 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 11th day of March, 2015.


JODI JERICH
EXECUTIVE DIRECTOR

DISSENT: _____

DISSENT: _____

SMO:JJP:sms/RRM

1 SERVICE LIST FOR: Tucson Electric Power Company
2 DOCKET NO. E-01933A-15-0032

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