



BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

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AZ CORP COMMISSION
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ORIGINAL

IN THE MATTER OF THE
APPLICATION OF TRICO ELECTRIC
COOPERATIVE, INC., AN ARIZONA
NONPROFIT CORPORATION, FOR
(1) APPROVAL OF NET METERING
TARIFFS; AND (2) PARTIAL
WAIVER OF THE NET METERING
RULES.

DOCKET NO. E-01461A-15-0057

**JOINDER IN TRICO'S BRIEF
ON PROCESS ISSUES
BY NAVOPACHE AND MOHAVE
ELECTRIC COOPERATIVES**

Navopache Electric Cooperative, Inc. ("Navopache"), and Mohave Electric Cooperative, Incorporated ("Mohave"), intervenors in the above referenced matter and Arizona member-owned nonprofit corporations, hereby join parts C and D of Trico's Brief on Process Issues.

Trico correctly observes that Net Metering Tariffs, which were required to be filed by rule,¹ were first implemented outside of rate proceedings. To comply with the Arizona Constitution's "fair value" requirement² the Arizona Corporation Commission's ("Commission") Net Metering rules require sufficient information "to allow the Commission to determine the Electric Utility's fair value for the purposes of evaluating

¹ A.A.C. R14-2-2307 A. The rule required net metering tariffs to be filed within 120 days and a decision on the filings by the Commission within 120 days following the filing.

² Article 15 §14; *Phelps Dodge Corp. v. Ariz. Elec. Co-op., Inc.*, 207 Ariz. 95, 106 ¶26 (consistent with the pronouncement in *US West II*, 210 Ariz. 242, 245-46, that the Commission should consider fair value when setting rates within a competitive market, although the Commission has broad discretion in determining the weight to be given that factor in any particular case).

1 any specific proposed charges.”³ Therefore, changes to tariffs and requests to waive
2 application of portions of the Commission’s rules, likewise can be decided outside of rate
3 cases, so long as similar information is provided and duly considered by the Commission.
4 This is especially true where the modifications are intended to halt the erosion of the
5 return/margins authorized in the cooperative’s last rate case. In ordering electric utilities to
6 accept net metering customers outside of a rate case, the Commission could not, and
7 certainly did not intend to deprive electric utilities of a reasonable opportunity to achieve
8 the returns/margins authorized by the Commission in their most recent rate case.

9 Trico also correctly observes that the Commission has regularly adjusted the
10 avoided cost without a hearing. The definitions contained in Trico’s Net Metering Tariff
11 includes “*Annual Average Avoided Cost*” and is defined as the average annual wholesale
12 fuel and energy costs per kWh energy purchased from the Cooperative’s whole sale power
13 supplier during the calendar year. This definition provides clear criteria for determining
14 the average avoided cost and anticipates adjustments based upon each calendar year.
15 Nothing in the net metering rules or Trico’s Net Metering Tariff precludes the adjustment
16 from being made outside of a full rate proceeding and the Commission regularly makes
17 such adjustments for electric utilities.

18 In sum, Navopache and Mohave join with Trico in urging the Commission rule that
19 the changes to the Net Metering Tariff requested by Trico can be considered and
20 implemented outside of a full rate case.

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24 ³ A.A.C. R14-2-2305 also requires any proposed “charges” increasing a Net Metering Customer’s
25 costs beyond those of other customers with similar load characteristics or rate class be “fully
26 supported with the cost of service studies and benefit/cost analyses”. Again, such information can
be evaluated by the Commission outside of a full rate hearing.

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RESPECTFULLY SUBMITTED this 10th day of April, 2015.

CURTIS, GOODWIN, SULLIVAN
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By 

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PROOF OF AND CERTIFICATE OF MAILING

I hereby certify that on this 10th day of April, 2015, I caused the foregoing document to be served on the Arizona Corporation Commission by delivering the original and thirteen (13) copies of the above to:

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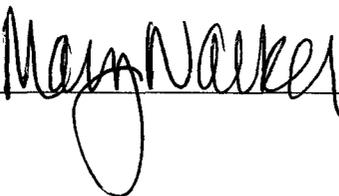
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