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BEFORE THE ARIZONA CORPORATION COMMISSION
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Arizona Corporation Commission
DOCKETED

APR 16 2015

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ORIGINAL

IN THE MATTER OF THE APPLICATION OF
ARIZONA PUBLIC SERVICE COMPANY
FOR APPROVAL OF NET METERING COST
SHIFT SOLUTION

Docket No. E-01345A-13-0248

RUCO'S RESPONSE TO APS' MOTION TO RESET

The Residential Utility Consumer Office ("RUCO") hereby responds to APS' Motion to Reset as follows. The issue of net metering is perhaps the largest issue before the Commission at the present time. RUCO believes that to formulate a comprehensive position within the short legal time period required for a response to a Motion is impractical and perhaps irresponsible. However, RUCO does offer the following comments.

RUCO has previously stated that it believes the best place to more fully vet this issue is in a rate case. See attached letter dated April 1, 2015. Only in a rate case can the issue be examined in depth with all stakeholders involved. RUCO still believes that a rate case is where the issue will ultimately need to be addressed for the long-term. However, RUCO acknowledges that the present circumstances present a unique situation – APS' next rate case will not be filed until 2016 with a decision likely 2 to 2 ½ years away. RUCO is concerned that a delay that long could result in a larger cost shift than would otherwise occur if the issue is

1 dealt with now. Of course, this dynamic is different than what was envisioned in November
2 2013, when the Commission last addressed this issue. At that time, the plan was a 2015 rate
3 case filing. Therefore, RUCO feels it appropriate for the Commission to address this issue
4 now.

5 At the time the net metering issue was first raised RUCO had proposed a \$7 per month
6 charge that ramped up every 20 megawatts. See RUCO's letter of November 8, 2013 attached
7 hereto as Exhibit 1. The ramp-up proposal was designed to allow for a graduated rate increase
8 which would provide for regulatory certainty. RUCO was concerned that moving all the way to
9 the long-term cost shift of \$21 per month would unnecessarily hurt the solar industry and be
10 counter-productive. RUCO's proposal was not adopted at the November 14, 2013 Open
11 Meeting – an alternative based off of a modified settlement reached by RUCO and the Solar
12 Industry was adopted instead.

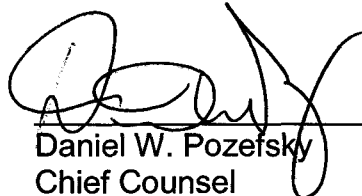
13 The Company claims that with all the new installments since the Commission's 2013
14 Decision, presently we would be at the \$21 rate had the Commission approved RUCO's 2013
15 proposal. This appears to be the basis for the Company's request now. See Company's
16 Motion at 4-5. RUCO intends to stand by its numbers provided the Commission elects to hear
17 this matter now and the numbers are still relevant. A lot has happened since the last time the
18 Commission addressed the issue and at the very least, RUCO's analysis needs to be updated
19 and should be vetted by the Commission in a hearing. Without question, RUCO needs to
20 verify the Company's numbers and conclusions as well as the solar industries and RUCO
21 intends to hire experts to do the same.

22 RUCO's short and long term objective is to do a thorough, in depth analysis, to
23 supplement its earlier study and offer up those findings along with policy options to the
24 Commission and stakeholders. Only after it has all of the facts, can RUCO make an

1 independent, objective decision which is in the best interests of all of RUCO's ratepayers –
2 both solar and non-solar alike.

3 To conclude, RUCO recommends the Commission deal with this pending cost shift now.
4 RUCO also recommends a hearing so that the issue will be more fully vetted. RUCO would
5 support the Commission should it decide to defer this matter to the Company's next rate case,
6 as originally intended. In any event, RUCO recommends that the Commission conclude its
7 inquiry into the value of distributed generation - DOCKET NO. E-00000J-14-0023 by producing
8 an independent study. The addition of further objective analysis can only help the state as it
9 looks to navigate this very complex issue.

10 RESPECTFULLY SUBMITTED this 16th day of April, 2015.

11
12 
13 Daniel W. Pozefsky
14 Chief Counsel

15 AN ORIGINAL AND THIRTEEN COPIES
16 of the foregoing filed this 16th day
17 of April, 2015 with:

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