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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

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SUSAN BITTER SMITH - Chairman

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AZ CORP COMMISSION
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IN THE MATTER OF TUCSON ELECTRIC
POWER COMPANY, INC. FOR (1) APPROVAL
OF A NET METERING TARIFF AND (2)
PARTIAL WAIVER OF THE NET METERING
RULES.

DOCKET NO. E-01933A-15-0100

PROCEDURAL ORDER

BY THE COMMISSION:

On March 25, 2015, Tucson Electric Power Company ("TEP" or "Company") filed an Application with the Arizona Corporation Commission ("Commission") for : (1) approval of a new net-metering tariff for future net metered customers that provides monthly bill credits for any excess energy produced from an eligible net metering facility at a "Renewable Credit Rate" and (2) approval of a partial waiver of the Commission's Net Metering Rules ("A.A.C. R14-2-2301 *et seq.*).

Intervention has been granted to Kevin Koch, the Residential Utility Consumer Office ("RUCO"), Arizona Solar Energy Industries Association ("AriSEIA"), The Alliance for Solar Choice ("TASC"), Vote Solar, Western Resource Advocates ("WRA"), and Arizona Public Service Company ("APS").

On April 14, 2015, the Commission's Utilities Division ("Staff") filed a Request for Procedural Order in which Staff asserted that the issues raised by TEP's Application should be addressed in a rate case, and that the Application should be dismissed. Following the submission of pre-hearing briefs, oral argument was heard on June 10, 2015, on whether TEP's Application should be dismissed.

On June 19, 2015, TEP filed a Notice of Withdrawal of Application. TEP stated that in light of Staff's position, as well as the briefing and oral argument on the motion to dismiss, TEP reconsidered its position and agrees with Staff that a rate case proceeding provides other ratemaking tools, in addition to modifying the Company's net metering tariff, to address the cost shift. TEP stated

1 that it is withdrawing the Application and will be filing a general rate case with the intent of having
2 its modified net metering tariff considered as part of the rate case.

3 On June 26, 2015, Staff filed a Response to Motion to Withdraw. Staff stated it had no
4 objection to the withdrawal of TEP's Application and recommended that the docket be
5 administratively closed.

6 On June 30, 2015, Vote Solar filed a Response to TEP's Notice of Withdrawal of Application.
7 Vote Solar supports TEP's decision to withdraw its Application, but is concerned by a statement in its
8 Notice of Withdrawal concerning how the Company will amend its interconnection application
9 disclaimer for new Distributed Generation ("DG") customers. Because Vote Solar believes that the
10 disclaimer creates a potential for needless confusion and a chilling effect on new DG applications,
11 Vote Solar requests that the Commission order TEP to amend the disclaimer by deleting any
12 reference to the current proceeding, and to reinstate the disclaimer language TEP used prior to the
13 initiation of this proceeding.

14 The disclaimer language as posted on TEP's website as of July 2, 2015 is as follows:

15 On March 25, 2015, TEP filed an application with the Commission in Docket No.
16 E-01933A-15-0100 proposing elimination of the monthly energy carryover
17 (banked credits) and changes to the retail credit customers receive for all excess
18 energy placed on the grid that would apply to distributed generation system
19 applications submitted after 5pm on June 1, 2015 ("Proposal"). Although TEP
subsequently withdrew the application on June 19, 2015, TEP intends to include
this Proposal in its upcoming rate case. The Commission may accept, reject, or
modify this Proposal.

20 The above disclaimer references the March 25, 2015 Application and the proposed effective
21 date of June 1, 2015. It is unclear whether TEP intends to retain the June 1, 2015 effective date when
22 it proposes a modified net metering tariff as part of a forthcoming rate case.

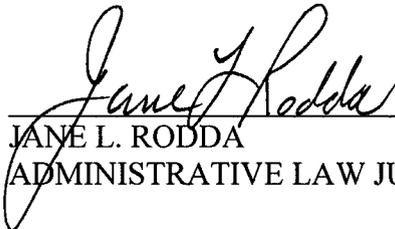
23 The Commission has not received any objection to TEP's request to withdraw its Application.
24 The parties are requested to confer and attempt to agree on an appropriate disclaimer for TEP's
25 interconnection applications for the interim period until TEP files the expected rate case. If the
26 parties are unable to reach agreement, they should file recommendations on whether, and how, the
27 current disclaimer should be modified.

28 IT IS THEREFORE ORDERED that **parties** shall file their **recommendations** for a proposed

1 disclaimer (or joint recommendation) by **July 20, 2015**.

2 IT IS FURTHER ORDERED that the Presiding Officer may rescind, alter, amend, or waive
3 any portion of this Procedural Order either by subsequent Procedural Order or by ruling at hearing.

4 DATED this 14 day of July, 2015.

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7 JANE L. RODDA
ADMINISTRATIVE LAW JUDGE

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9 Copies of the foregoing mailed
this 14 day of July, 2015 to:

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