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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission  
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AZ CORP COMMISS  
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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

ARIZONA INVESTMENT  
COUNCIL'S COMMENTS  
CONCERNING SCOPE OF THE  
PROCEEDING

OSBORN  
MALEDON  
A PROFESSIONAL ASSOCIATION  
OF ATTORNEYS AT LAW

Arizona Investment Council ("AIC") appreciates the opportunity to provide comments regarding the appropriate scope of the evidentiary proceeding in this matter.

The question raised by Arizona Public Service Company's ("APS") Motion to Reset is whether the LFCR-DG charge ("Grid Access Charge") should be increased in order to mitigate the growing cost shift from customers with rooftop solar to those without. That question requires consideration of three discrete issues:

1. What is the cost to serve rooftop solar customers compared to the cost to serve customers who have not installed distributed generation?
2. What is the corresponding size of the cost shift?
3. What is the appropriate adjustment to the Grid Access charge in light of items one and two?

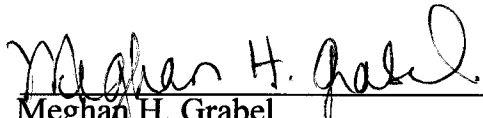
The Commission allowed this case to proceed notwithstanding APS's upcoming rate case filing because it was concerned about waiting too long to implement an interim solution to address the cost shift, if the evidence shows that such a solution is warranted.

1 See Decision No. 75251 at ¶ 164. To address that concern, the hearing must be efficient  
2 and focused, eliminating discussion of ancillary policy issues that, while important to  
3 address elsewhere, would only serve to unduly broaden and delay the proceedings if  
4 tried in this docket. For example, the hearing should **not** entertain discussion of such  
5 issues as the “value of solar” or the cost of serving customers who employ energy  
6 efficiency programs or technologies. The value of a distributed generation resource  
7 relative to another resource and the cost/benefit of energy efficiency compared to  
8 rooftop solar are important conversations for dockets of broader scope and applicability  
9 than this specific APS Motion – for example, the Integrated Resource Planning or Value  
10 and Cost of Distributed Generation dockets. Allowing discussion of these or other  
11 expansive policy issues in a hearing on the APS Grid Access Charge would  
12 unnecessarily broaden the proceedings and make the timely resolution of APS’s motion  
13 almost impossible.

14  
15 Narrowly tailoring the scope of the hearing to the three issues identified above  
16 will both inform the outcome of this docket and provide data and findings that may  
17 facilitate the resolution of related issues in APS’s upcoming rate case, allowing both  
18 proceedings to be efficiently litigated and timely resolved.

19  
20 RESPECTFULLY SUBMITTED this 4th day of September, 2015.

21 OSBORN MALEDON, P.A.

22  
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1 **Original and 13 copies** filed this  
2 4th day of September, 2015, with:

3 Docket Control  
4 Arizona Corporation Commission  
5 1200 West Washington Street  
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7 **Copies** of the foregoing mailed  
8 this 4th day of September, 2015, to:

9 All Parties of Record

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