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COMMISSIONERS

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AZ CORP COMMISSION
DOCKET CONTROL

Arizona Corporation Commission
DOCKETED
NOV 13 2015

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IN THE MATTER OF THE COMMISSION'S
INVESTIGATION OF VALUE AND COST OF
DISTRIBUTED GENERATION.

Docket No. E-00000J-14-0023

**GRAND CANYON STATE
ELECTRIC COOPERATIVE
ASSOCIATION, INC.'S
COMMENTS CONCERNING
HEARING PROCEDURE AND
SCHEDULE**

GALLAGHER & KENNEDY, P.A.
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Grand Canyon State Electric Cooperative Association, Inc. ("GCSECA"), on behalf of its electric cooperative members,¹ hereby submits comments concerning several of the procedural issues raised in the Procedural Order, dated October 28, 2015, and addressed at the procedural conference held in this matter on November 3, 2015.

INTRODUCTION

GCSECA and its members support the Arizona Corporation Commission's ("Commission") efforts to investigate the value and cost of distributed generation, provided the investigation recognizes the value and cost of distributed generation varies significantly between utilities. There is no one size fits all. GCSECA anticipates this docket will allow the Commission to identify some common principles and establish criteria that can be used to assess value and cost for individual utilities within the context of the fundamental differences among

¹ GCSECA's members include Duncan Valley Electric Cooperative, Inc., Graham County Electric Cooperative, Inc., Navopache Electric Cooperative, Inc., Mohave Electric Cooperative, Inc., Sulphur Springs Valley Electric Cooperative, Inc., and Trico Electric Cooperative, Inc.

1 Otherwise, end-use customers, especially those notified of pending requests to alter net metering
2 tariffs (including customers of Sulphur Springs Valley Electric Cooperative, Trico Electric
3 Cooperative, UNS Electric, Tucson Electric Power, and Arizona Public Service), will be
4 confused if they receive notice of this generic proceeding.

5 The existing service list in this docket already reflects a broad spectrum of views. End-
6 use customers generally do not actively participate in presenting the type of evidence that would
7 assist the Commission in this investigation. Therefore, providing notice to end-use customers
8 will serve little, if any, purpose in moving the Commission's investigation forward.

9 Finally, notices to end-use customers, whether published or mailed, are costly.
10 Individual utilities should not be compelled to incur the cost of publishing notice in newspapers,
11 in newsletters or in mailing direct notice to their members and customers where there is no direct
12 relationship between the rates they are being charged and the investigation being pursued in this
13 docket. This is especially true of GCSECA's members, who are all non-profit, member-owned
14 and operated cooperatives. While the cooperative may write the check, it is the cooperative's
15 members who ultimately pay the bill.

16 For these reasons, GCSECA opposes any requirement that would compel its members to
17 mail or publish notice of the proposed hearing in this docket to their members and customers.

18 **2. Applicability of hearing findings to future ratemaking proceedings.**

19 GCSECA proposes that any findings resulting from the hearing in this matter be non-
20 binding on future ratemaking proceedings.

21 As an initial matter, it is currently unclear what types of findings are anticipated to result
22 from the hearing. To the extent that the findings relate to any particular utility based on any
23 particular cost data, such findings cannot be binding on other utilities and should not be binding
24

1 on the utility submitting the data unless the data coincides with the test year in the future
2 ratemaking proceeding.³

3 As to the GCSECA members who are currently processing rate cases, they included the
4 proposed net metering tariff revisions in their rate case filings in response to the position taken
5 by the Commission and Staff that such revisions should be addressed in a rate case. If the
6 findings in this generic docket are deemed “binding,” then those cooperatives will be faced with
7 potentially inconsistent findings and forced to litigate the same issues in two dockets
8 simultaneously.

9 To the extent that the findings are limited to general principles, those principles should
10 not be given any precedential value above and beyond any other Decisions issued by the
11 Commission. Should the Commission desire to create generally-applicable, binding principles
12 on the subject of distributed generation (including preferred methodologies or calculations), the
13 appropriate procedural mechanism is a formal rulemaking docket, not this generic investigation
14 docket. Even then, the methodologies must be flexible enough to account for the facts applicable
15 to specific utilities.

16 **3. Testimony and hearing schedule.**

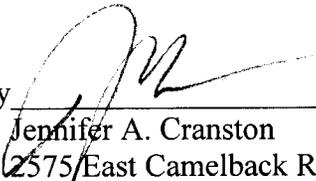
17 GCSECA requests that the testimony and hearing schedule be established only after the
18 scope and impact of this proceeding is determined. Only then can GCSECA properly assess the
19 extent of its participation in the hearing. Further, any schedule needs to provide adequate time
20 for the witnesses and parties to develop testimony and to prepare for an evidentiary hearing and
21 should not interfere with the schedules already established in any of GCSECA’s member’s
22 currently pending rate cases.

23 _____
24 ³ GCSECA’s members have not expressed an intent to file their cost of service studies in the generic docket.

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RESPECTFULLY SUBMITTED this 13th day of November, 2015.

GALLAGHER & KENNEDY, P.A.

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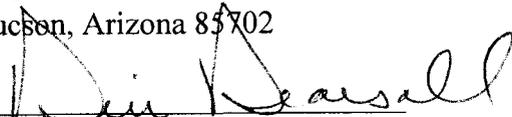
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