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AZ CORP COMMISSION
DOCKET CONTROL

6 Attorneys for Arizona Public Service Company

7
8 **BEFORE THE ARIZONA CORPORATION COMMISSION**

9
10 **COMMISSIONERS**

11 SUSAN BITTER SMITH, Chairman
12 BOB STUMP
13 BOB BURNS
DOUG LITTLE
TOM FORESE

Arizona Corporation Commission

DOCKETED

NOV 13 2015

DOCKETED BY

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

DOCKET NO. E-00000J-14-0023

**ARIZONA PUBLIC SERVICE
COMPANY'S COMMENTS**

17
18 APS appreciates the opportunity to provide these comments on the procedure that
19 should govern the evidentiary hearing in this matter. APS believes that this proceeding
20 provides the opportunity to achieve meaningful progress on this important policy topic.
21 These comments are meant to supplement APS's comments offered during the
22 November 4 procedural conference.

23 **Form of Notice**

24 APS believes that notice by publication in newspapers of general circulation in
25 the service territory of each affected utility would provide adequate notice to the public
26 regarding this proceeding. Notice through bill inserts, on the other hand, would increase
27 the possibility of customer confusion and impose significant costs on utilities. APS
28 attaches to these Comments a proposed form of notice. Sulphur Springs supports the

1 form of notice, and to the extent that notice is required, TEP, UNS, and Trico support
2 the form of notice. Commission Staff has reviewed the notice. Due to time constraints,
3 however, APS was unable to obtain final approval from Commission Staff and circulate
4 the notice to all other parties.

5 **Timing**

6 APS agrees with the schedule that Staff proposed during the November 4
7 procedural conference:

8 Direct Testimony December 22

9 Rebuttal Testimony January 29

10 Hearing February

11 Several factors suggest that this is more than sufficient time to develop a full
12 record in this matter, including that (i) this proceeding will focus more on establishing
13 methodology and policy, rather than calculating final, binding numbers; and (ii) a
14 significant amount of detailed material has already been filed in this docket.

15 **Scope**

16 This generic proceeding will cover the costs and benefits of serving customers
17 with DG, and the value of DG. During the procedural conference, APS proposed that
18 this hearing also consider a closely-related third issue: policy issues related to the
19 intersection of cost and value. Utility rates are based on costs incurred (and savings
20 experienced) during a historical test-year. The value of DG, on the other hand, stems
21 from long-term projections of values that DG may (or may not) provide to a utility or
22 society over time. Given the fundamental difference between future values and historical
23 costs, it is not clear what role value should play in ratemaking. Determining this role is
24 an important policy question that must be resolved.

25 APS has no additional comments at this time and looks forward to a meaningful
26 and expeditious proceeding.

1 RESPECTFULLY SUBMITTED this 13 day of November, 2015.

2
3
4 By:

Thomas A. Loquvam
Thomas L. Mumaw
Melissa M. Krueger

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6 Attorneys for Arizona Public Service Company

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8 ORIGINAL and thirteen (13) copies
9 of the foregoing filed this 13 day of
10 November, 2015, with:

11 Docket Control
12 ARIZONA CORPORATION COMMISSION
13 1200 West Washington Street
14 Phoenix, Arizona 85007

15 COPY of the foregoing mailed/delivered this
16 13 day of November, 2015 to:

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**PUBLIC NOTICE OF PROCEEDING AT THE ARIZONA CORPORATION
COMMISSION REGARDING THE COST TO SERVE CUSTOMERS WITH
DISTRIBUTED GENERATION AND THE VALUE OF DISTRIBUTED
GENERATION**

The Arizona Corporation Commission (Commission) has initiated a generic proceeding to investigate the cost to serve customers with distributed generation, and the value of distributed generation, in Docket No. E-00000J-14-0023. The proceeding will include an evidentiary hearing and is intended to produce a factual record that will be available to the Commission in future proceedings for electric public service corporations.

Any person having a direct and substantial interest in this proceeding is entitled to intervene as a matter of law. Persons desiring to intervene must file a Motion to Intervene with the Commission in the above-referenced docket and send a copy of the Motion to all parties of record in the docket. The Motion to Intervene must contain the following:

1. The name, address, and telephone number of the proposed intervenor and of any person upon whom service of documents is to be made if different than the intervenor.
2. A short statement of the proposed intervenor's interest in the proceeding.
3. A statement certifying that a copy of the Motion to Intervene has been mailed to all parties of record.

The granting of motions to intervene is governed by Arizona Administrative Code R14-3-105, except that all motions to intervene must be filed on or before [INSERT DATE]. For information about requesting intervention, visit the Commission's webpage at <http://www.azcc.gov/divisions/utilities/forms/interven.pdf>.