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BEFORE THE ARIZONA CORPORATION COMMISSION

SUSAN BITTER SMITH
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BOB STUMP
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COMMISSIONER
DOUG LITTLE
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Arizona Corporation Commission
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Docket No. E-00000J-14-0023

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

RUCO'S FOLLOW-UP COMMENTS

The Residential Utility Consumer Office ("RUCO") hereby files its follow-up comments to the procedural conference held on November 4, 2015. First, all other considerations aside, RUCO's main request is the Commission approve a framework/ methodology which can be used in individual rate cases to ascertain both the cost and the value of DG. RUCO further believes that it is in every ones best interests if this framework is approved as soon as possible.

The Judge's parting comment at the procedural conference concerning the positions of the parties was the parties were "all over the board." If that is the case on the procedure issue, one can only imagine what will happen on the substance. Accordingly, RUCO requests that the Commission first consider establishing and approving a DG framework which can be used in rate cases where DG is at issue. The idea being the parties will present and argue their case on the framework, the Judge will consider the proposals through a hearing process, not focused on the Cost of Service, and then make

1 her recommendation to the Commission. If necessary, an independent consultant can be
2 hired to facilitate this process.

3 In terms of the scope, the framework discussion would consider which cost and
4 benefit categories shall be included, over what timeframe, and how the calculation should
5 be performed. Ultimately, the goal would be to get a statewide framework that can be
6 used in each service territory and adjusted for the unique characteristics of each utility.

7 After a framework has been established and approved by the Commission, the
8 Commission could next fill in data gaps, if any exist. For instance, a certain benefit or cost
9 category may need to be researched/validated by utilities or independents experts. This
10 process makes sense not only in terms of efficiency, but in terms of timeliness.

11 Concurrently, RUCO requests a separate hearing process for parties to review APS'
12 targeted Cost of Service study, to determine whether a cost shift is occurring, and if so, to
13 what extent. Holding two independent hearings concurrently under the same umbrella
14 generic docket, will accelerate the process and provide a much quicker resolution.

15 RUCO believes an efficient schedule similar to what was proposed by Staff in the
16 procedural conference is worthy of consideration. Two rounds of testimony – the first due
17 in mid-December and the responding round due in late January with a hearing scheduled
18 to start in February. One round of briefs would be adequate with the goal of making the
19 March or April Open Meeting for Commission consideration.

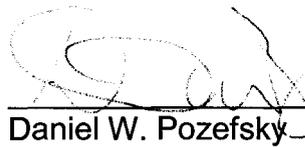
20 Finally, RUCO's concern with notice is primarily that more notice is better than less.
21 RUCO does not believe the Commission is confined or limited in its discretion here and
22 RUCO will leave the particulars of how notice will be performed to the discretion of the
23 Commission.

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1 RESPECTFULLY SUBMITTED this 13th day of November, 2015.

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Daniel W. Pozefsky
Chief Counsel

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