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Arizona Corporation Commission
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BEFORE THE ARIZONA CORPORATION COMMISSION

SUSAN BITTER SMITH
CHAIRMAN

BOB STUMP
COMMISSIONER

BOB BURNS
COMMISSIONER

TOM FORESE
COMMISSIONER

DOUG LITTLE
COMMISSIONER

DOCKET NO. E-0000J-14-0023

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

**COMMENTS OF THE ALLIANCE
FOR SOLAR CHOICE (TASC) IN
RESPONSE TO NOVEMBER 4, 2015
PROCEDURAL CONFERENCE**

16 Pursuant to Judge Jibilian's request made at the November 4, 2015 Procedural Conference,
17 The Alliance for Solar Choice ("TASC") respectfully submits this Memorandum.

INTRODUCTION / RELEVANT PROCEDURAL HISTORY

19 On December 3, 2013, the Commission issued Decision No. 74202 in Docket No. E-
20 01345A-13-0248 and as part of that Decision ordered that a generic docket be opened to investigate
21 issues related to the value and cost of distributed generation ("DG"). As a result, on January 24,
22 2014, the Commission opened this generic docket.

23 On October 20, 2015, at its regularly scheduled Open Meeting, the Commission ordered a
24 single generic evidentiary hearing on the value and cost of DG occur in this generic docket.

25 On October 28, 2015, the Commission issued a Procedural Order setting a Procedural
26 Conference to be held on November 4, 2015, related to the scope and procedural schedule for the
27 evidentiary hearing to be held in this action.

28 On November 4, 2015, a Procedural Conference was held and ultimately Administrative

1 Law Judge Jibilian requested the parties provide written Comments as to their respective positions
2 on the following issues: (1) the form of the public notice to be issued by the party utilities; (2) the
3 scope of the evidentiary hearing; (3) the procedural schedule for discovery and timing of the
4 evidentiary hearing; and (4) more generally, the process moving forward including the
5 applicability of the results of this generic investigation to future proceedings.

6 TASC respectfully submits its Comments and Responses to the respective parties'
7 positions regarding the Procedural Order to be issued for the evidentiary hearing.

8 **TASC COMMENTS AND RESPONSES**

9 **A. The Form of Public Notice for the Evidentiary Hearing**

10 As this matter centers on a generic docket regarding the value and cost of DG that could
11 eventually affect all ratepayers in Arizona, a very broad public notice of the upcoming evidentiary
12 hearing is warranted. TASC disagrees with the utilities, in particular APS, that the public notice
13 should be limited. In fact, because of the state-wide importance of the issues on this generic
14 docket, actual notice to ratepayers is essential.

15 At the Procedural Conference TASC, as well as, Commission Staff and other parties
16 suggested that a "bill insert" be put in all of the utilities' bills in the State providing notice of the
17 docket and upcoming evidentiary hearing. A bill insert would guarantee that notice will reach
18 most, if not all, ratepayers in the State and would be the most effective means of doing so.

19 The utilities' opposition to this proposal, as stated at the Procedural Conference, appeared
20 to center on two misplaced concerns. First, utilities complained that providing notice directly to
21 their customers would be expensive. Next, APS specifically argued that providing notice to its
22 customers would "confuse" ratepayers. TASC notes that the utilities commonly pack their
23 monthly electric bills with unnecessary inserts without concern for costs. If a given utility is
24 concerned about the cost of providing notice to its customers then TASC suggests that utility forgo
25 including some other superfluous and unnecessary bill insert in the monthly bill that month. As a
26 result, there would be no additional cost to provide notice. Even if a utility chooses not to forgo
27 the inclusion of some other extra insert, TASC asserts that any expense to add the notice would be
28 minimal at best as the notice would not require any additional postage. A notice limited by

1 publication in a newspaper or internet postings would certainly not give the applicable notice that
2 a bill insert would give to each individual rate payer.

3 Next, the notion that a bill insert informing ratepayers about this docket will confuse
4 customers should be dismissed out of hand. The only reason a bill insert would confuse customers
5 is if it is drafted in a confusing manner. TASC firmly believes that the parties can agree on simple
6 language clearly informing ratepayers of what is going on in this docket.

7 Thus, TASC agrees with Commission Staff and others who believe that public notice of
8 the hearing should be provided in a bill insert.

9 **B. Scope of the Evidentiary Hearing**

10 TASC agrees with the Commission itself that this single generic proceeding should involve
11 an inclusive examination of the benefits, values, and costs associated with DG. Further, TASC
12 reiterates its agreement with the Commission's action from its October 20, 2015 Open Meeting
13 wherein the Commission specifically rejected APS's requests for multiple hearings and denied
14 APS's request that the hearing address APS's cost of service explicitly.

15 TASC respectfully disagrees with the Residential Utility Consumer Office's ("RUCO")
16 suggested split-phase study approach. As Commission staff correctly pointed out at the Procedural
17 Conference, Staff needs to correctly identify each component of cost and value and those costs
18 and values need to be separately quantified, which can only efficiently be done together in one
19 phase. Commissioner Burns' motion, at the October 20, 2015 Open Meeting also summarized that
20 the proceedings should be a "generic combined process" and not be split into two phases or limited
21 as to APS's cost of service study.¹ TASC asserts that Staff's scope and methodology for the
22 hearing is the most judicially efficient and economical, especially given the number of parties and
23 issues. A two phased approach would only lead to delay, confusion of the issues, duplication of
24 efforts, and potentially conflicting findings of fact.

25 **C. Procedural Schedule and Timing of Evidentiary Hearing**

26 TASC specifically responds to APS's proposed scheduling as simply too expedited based
27 on the current case status, the need for adequate notice, the volume of discovery needed, the
28

¹ See, Dispositive Motion of Commissioner Bob Burns and ensuing discussion,
http://azcc.granicus.com/MediaPlayer.php?view_id=3&clip_id=2097 at 4:55:15.

1 upcoming holidays, the number of other active dockets in which the parties are participating, and
2 TASC's expert's lack of availability from January 10 to January 25, 2016. The Commission has
3 also specifically rejected APS's requests that a decision be mandated to occur before the end of
4 March, 2016, choosing instead to promote a process that was focused on the right process over an
5 unnaturally expedited one. There is simply no articulable reason for APS's expedited timeline
6 (e.g., exchange of opening testimony as soon as December 4, 2015) other than to not allow the
7 necessary public notice and discovery to take place in this matter.

8 TASC proposes the following reasonable -yet expedited- timelines based on the issuance
9 of a procedural order in this matter on or about the week of November 16, 2015:

10 • Proposed Notice Timing: Ultimately, TASC believes public notice of the docket
11 will require approximately four weeks for all utilities to provide notice via a monthly bill insert,
12 assuming a procedural schedule issued the week of November 16, notice would be perfected
13 around the week of December 21, 2015. This would allow the last two weeks of December for
14 any and all additional parties to determine if they will move to intervene in this action. Therefore,
15 TASC believes notice and initial intervention opportunities must run through **January 4, 2016**.

16 • Discovery: At a minimum, the parties will need eight weeks for discovery. Given the
17 number of utilities and parties that will be participating in this docket, the discovery
18 process will be unavoidably cumbersome. For example, TASC anticipates that it is
19 likely to serve discovery on every participating utility. This situation is unprecedented
20 and there simply must be enough time granted to permit adequate and fair opportunities
21 to conduct discovery. In addition, TASC's main expert is also unavailable from January
22 10-25, 2016 due to his unavoidable and prescheduled travel abroad. Notwithstanding,
23 TASC proposes the following expedited discovery schedule:

24 ○ Initial Testimony: TASC proposes the first round of testimony and associated
25 exhibits to be due by **February 26, 2016**.

26 ○ Rebuttal Testimony: Due to the large volume of materials and the additional
27 need for discovery on any and all reports filed by utilities and other parties,
28 TASC believes it and the other parties will need approximately six weeks for

1 submission of rebuttal testimony. For example, if a utility provides a cost of
2 service study or a cost-benefit analysis along with its initial testimony,
3 discovery must be permitted on these filings. Therefore, TASC proposes **April**
4 **1, 2016** as the deadline for any and all rebuttal testimony.

- 5 ○ Objections to Testimony: TASC proposes that relevant objections to testimony
6 and exhibits or any new material that may be raised by new testimony be made
7 on or before **April 15, 2016**.
- 8 ○ Pre-Hearing Conference: TASC proposes that the Prehearing Conference be set
9 for **April 25, 2016**.
- 10 ○ Evidentiary Hearing: TASC proposes that the evidentiary hearing be scheduled
11 to commence during the week of **May 2, 2016**.

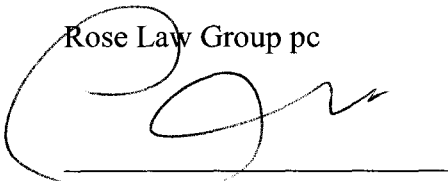
12 TASC asserts that the proposed schedule is a reasonable accommodation to all of the
13 parties' positions. The proposed schedule moves on an expedited basis but takes into account the
14 complexities of the issues and number of parties. TASC respectfully asks the Commission to adopt
15 the above procedural schedule.

16 **D. Process/Applicability of Findings to Future Proceedings**

17 TASC agrees with Commission Staff that any decision resulting from the evidentiary
18 hearing must be subject to review and cannot be dispositive in future dockets. The parties and the
19 public should have the opportunity to introduce any future contradictory evidence that may be
20 admissible in future proceedings.

21
22 **RESPECTFULLY SUBMITTED** this 13th day of November, 2015.

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24 Rose Law Group pc

25
26 
27 Court S. Rich

28 Attorney for The Alliance for Solar Choice

1 **Original and 13 copies filed on**
2 **this 13th day of November, 2015 with:**

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7 *I hereby certify that I have this day served the foregoing documents on all parties of record in*
8 *this proceeding by sending a copy via electronic and regular mail to:*

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