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Regulation and Compliance

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December 2, 2015

Arizona Corporation Commission
DOCKETED

Docket Control
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, AZ 85007

DEC 02 2015

DOCKETED BY *[Signature]*

RE: Arizona Public Service Company's 2016 Demand Side Management
Implementation Plan. Docket No. E-01345A-15-0182
Notice of Reduction to Measure Incentive Levels

Pursuant to Commission Decision No. 74406:

Arizona Public Service Company may, upon providing 30-day advance notice to the Commission, reduce incentive levels in order to more effectively manage program spending or respond to market conditions.

Arizona Public Service Company ("APS") provides this 30-day notice that it intends to reduce incentive levels for residential HVAC diagnostics and the residential variable-speed pool pumps effective January 1, 2016. These changes are consistent with APS's 2016 DSM Implementation Plan.

Changes to Measure Incentive Levels

Measure	Current Incentive	Revised Incentive
Existing Homes Program		
Residential HVAC Diagnostics	\$100	\$95
Consumer Products Program		
Variable Speed Pool Pumps	\$220/unit	\$170/unit

Residential HVAC Diagnostics

The residential HVAC diagnostics incentive is being reduced from \$100 to \$95 because the incremental costs of the measure decrease in 2016. The measure was approved to provide an incentive of up to 75% of the incremental cost, therefore to maintain compliance, the incentive needs to be decreased by \$5 to remain under the cap.

Variable-Speed Pool Pumps

The variable-speed pool pump rebate is being reduced from \$220/unit to \$170/unit to allow for increased participation within the existing budget and to align the rebate with the SRP variable-speed pool pump rebate.

If you have any questions regarding this information, please contact me at (602)250-3341.

Sincerely,

A handwritten signature in cursive script that reads "Kerri" followed by a long, sweeping horizontal line.

Kerri A. Carnes

KC/kr

cc: Brian Bozzo
Candrea Allen