

ORIGINAL



0000167146

BEFORE THE ARIZONA CORPORATION COMMISSION

RECEIVED

COMMISSIONERS

Arizona Corporation Commission

DOCKETED

2015 DEC -3 A 11:47

- SUSAN BITTER SMITH - Chairman
- BOB STUMP
- BOB BURNS
- DOUG LITTLE
- TOM FORESE

DEC 03 2015

AZ CORP COMMISSION
DOCKET CONTROL

DOCKETED BY *KC*

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

DOCKET NO. E-00000J-14-0023

PROCEDURAL ORDER
(Sets Hearing)

BY THE COMMISSION:

On December 3, 2013, the Arizona Corporation Commission ("Commission") issued Decision No. 74202 in Docket No. E-01345A-13-0248. As part of that Decision, the Commission ordered that a generic docket be opened on net metering ("NM") issues, and that workshops be held with all stakeholders to help inform future Commission policy on the value that distributed generation ("DG") installations bring to the grid.¹ As a result, this docket was opened.

Parties previously granted intervention in this docket include The Alliance for Solar Choice ("TASC"), Clean Power Arizona,² Freeport Minerals Corporation ("Freeport Minerals"), and Arizonans for Electric Choice and Competition ("AECC").

On October 20, 2015, at its regularly scheduled Open Meeting, in the course of considering Docket No. E-01345A-13-0248,³ the Commission ordered that an evidentiary hearing be held in this generic docket to include, in addition to the value and cost of DG, cost of service issues related to Arizona Public Service Company's ("APS's") provision of service to DG and non-DG customers.

On October 28, 2015, a Procedural Order was issued setting a procedural conference for the purpose of allowing interested parties to discuss procedural matters related to the evidentiary hearing. The Procedural Order was mailed to current parties to this docket, and also to all parties to Docket No. E-01345A-13-0248.

¹ Decision No. 74202 at 30.

² Dillon Holmes has been authorized to represent Clean Power Arizona pursuant to Arizona Supreme Court Rule 31(d)(28).

³ In the matter of the application of Arizona Public Service Company for approval of net metering cost shift solution. The Commission closed Docket No. E-01345A-13-0248 by Decision No. 75290 (October 27, 2015).

1 On November 4, 2015, the procedural conference convened as scheduled. Appearances were
2 entered through counsel for APS, Sulphur Springs Valley Electric Cooperative ("SSVEC"), TASC,
3 Freeport Minerals, AECC, Arizona Utility Ratepayer Alliance ("AURA"), the Residential Utility
4 Consumer Office ("RUCO"), Western Resource Advocates ("WRA"), the Vote Solar Initiative ("Vote
5 Solar"), Arizona Investment Council ("AIC"), Tucson Electric Power Company ("TEP"), UNS
6 Electric, Inc. ("UNSE"), and the Commission's Utilities Division ("Staff").

7 Attendees at the November 4, 2015, procedural conference discussed several procedural issues,
8 including appropriate means of providing public notice of this docket and the evidentiary hearing,
9 appropriate timeframes for the provision of documentation in preparation for the evidentiary
10 proceeding, and appropriate means for making the evidentiary record produced through this generic
11 hearing process available to specific ratemaking proceedings. A deadline for filing written comments
12 on procedural issues related to the evidentiary hearing was set for November 13, 2015.

13 On November 13, 2015, written comments were filed by APS, TEP, UNSE, Grand Canyon
14 State Electric Cooperative Association, Inc. ("GCSECA"), AIC, TASC, Vote Solar, AURA, RUCO,
15 and Staff.⁴

16 In consideration of the purpose and subject matter of the evidentiary hearing in this docket, it
17 is reasonable and appropriate to join all Arizona jurisdictional electric utilities as parties to this
18 proceeding, and therefore they will be joined as parties.

19 In addition to APS, SSVEC, TEP, and UNSE, who will be joined as parties along with other
20 Arizona jurisdictional electric utilities, the following parties have filed requests to intervene: Arizona
21 Solar Deployment Alliance ("ASDA"), Vote Solar, AURA, AIC, RUCO, GCSECA, Arizona
22 Competitive Power Alliance ("ACPA"), WRA, and the Energy Freedom Coalition of America
23 ("EFCA"). These parties have demonstrated a direct and substantial interest in the subject matter of
24 this proceeding and should be granted intervention.

25 The following parties to this proceeding have opted to receive service of all filings in this
26 docket, including all filings by parties and all Procedural Orders and Recommended Opinions and
27

28 ⁴ On November 24, 2015, Staff filed supplemental comments.

1 Orders/Recommended Orders issued by the Commission's Hearing Division, via their designated email
2 addresses rather than via U.S. Mail: RUCO, AURA, Staff, AIC, TASC, Freeport Minerals, AECC, and
3 Clean Power Arizona. These parties exercised the email service option by docketing a hard copy of
4 their Consent to Email Service and by sending an email, containing the consenting party's name and
5 the docket number for this matter, to HearingDivisionServicebyEmail@azcc.gov from their designated
6 email addresses. The Hearing Division has verified the validity of those designated email addresses,
7 which now appear on the service list for this matter in addition to an address for U.S. Mail.

8 The Consents to Email Service completed by RUCO, AURA, Staff, AIC, TASC, Freeport
9 Minerals, AECC, and Clean Power Arizona should be approved.

10 The oral and written comments received in this docket regarding procedural issues related to
11 the evidentiary hearing to be held have been considered. This Procedural Order is issued to govern
12 procedural matters related to the evidentiary hearing to be held in this docket.

13 IT IS THEREFORE ORDERED that Ajo Improvement Company, Arizona Electric Power
14 Cooperative, Inc., Arizona Public Service Company, Columbus Electric Cooperative, Inc., Dixie-
15 Escalante Rural Electric Association, Inc., Duncan Valley Electric Cooperative, Inc., Garkane Energy
16 Cooperative, Inc., Graham County Electric Cooperative, Inc., Mohave Electric Cooperative, Inc.,
17 Morenci Water and Electric Company, Navopache Electric Cooperative, Inc., Sulphur Springs Valley
18 Electric Cooperative, Inc., Trico Electric Cooperative, Inc., Tucson Electric Power Company, and UNS
19 Electric, Inc. are hereby joined as parties to this docket.

20 IT IS FURTHER ORDERED that Grand Canyon State Electric Cooperative Association, Inc.,
21 the Arizona Solar Deployment Alliance, the Vote Solar Initiative, Arizona Utility Ratepayer Alliance,
22 Arizona Investment Council, Residential Utility Consumer Office, Arizona Competitive Power
23 Alliance, Western Resource Advocates, and the Energy Freedom Coalition of America are hereby
24 granted intervention.

25 IT IS FURTHER ORDERED that the **hearing** in the above-captioned matter shall commence
26 on **April 18, 2016, at 10:00 a.m.**, or as soon thereafter as is practical, in Hearing Room No. 1 at the
27 Commission's offices, 1200 West Washington, Phoenix, Arizona 85007, and shall continue as
28 necessary **through May 6, 2016.**

1 IT IS FURTHER ORDERED that a **pre-hearing conference** shall be held on **April 15, 2016,**
2 **at 10:00 a.m.,** at the Commission's offices, for the purpose of scheduling witnesses and discussing the
3 conduct of the hearing.

4 IT IS FURTHER ORDERED that **all parties** shall file their proposals regarding cost of service
5 to DG customers and value of DG, including any studies and methodologies, and **direct testimony**
6 **and associated exhibits** to be presented at hearing in support of their proposals, on or before **February**
7 **25, 2016.**

8 IT IS FURTHER ORDERED that **all parties** shall file their **rebuttal testimony and**
9 **alternative proposals and associated exhibits** to be presented at hearing on or before **April 7, 2016.**

10 IT IS FURTHER ORDERED that **any objections to prefiled testimony or exhibits shall be**
11 **made before or at the April 15, 2016,** pre-hearing conference.

12 IT IS FURTHER ORDERED that any **substantive corrections, revisions, or supplements to**
13 **prefiled testimony** shall be reduced to writing and filed no later than the first day of hearing.

14 IT IS FURTHER ORDERED that any motion filed in this matter that is not ruled upon by the
15 Commission within 20 calendar days of the filing date of the motion shall be deemed denied.

16 IT IS FURTHER ORDERED that any response to a motion shall be filed within five calendar
17 days of the filing date of the motion.

18 IT IS FURTHER ORDERED that any reply related to a motion shall be filed within five
19 calendar days of the filing date of the response to the motion.

20 IT IS FURTHER ORDERED that Ajo Improvement Company, Arizona Electric Power
21 Cooperative, Inc., Arizona Public Service Company, Columbus Electric Cooperative, Inc., Dixie-
22 Escalante Rural Electric Association, Inc., Duncan Valley Electric Cooperative, Inc., Garkane Energy
23 Cooperative, Inc., Graham County Electric Cooperative, Inc., Mohave Electric Cooperative, Inc.,
24 Morenci Water and Electric Company, Navopache Electric Cooperative, Inc., Sulphur Springs Valley
25 Electric Cooperative, Inc., Trico Electric Cooperative, Inc., Tucson Electric Power Company, and UNS
26 Electric, Inc. **shall each provide public notice** of the hearing in this matter, in the following form and
27 style, with the heading in no less than 12 point bold type and the body in no less than 10 point regular
28 type:

1 The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except
2 that all motions to intervene must be filed on or before January 29, 2016. Information
3 about intervention and sample intervention requests are available on the
4 Commission's website (www.azcc.gov) using the "Intervention in Utility Cases"
5 link.

6 **ADA/Equal Access Information**

7 The Commission does not discriminate on the basis of disability in admission to its public
8 meetings. Persons with a disability may request a reasonable accommodation such as a
9 sign language interpreter, as well as request this document in an alternative format, by
10 contacting the ADA Coordinator, Shaylin Bernal, E-mail SAbernal@azcc.gov, voice
11 phone number 602-542-3931. Requests should be made as early as possible to allow
12 time to arrange the accommodation.

13 IT IS FURTHER ORDERED that Ajo Improvement Company, Arizona Electric Power
14 Cooperative, Inc., Arizona Public Service Company, Columbus Electric Cooperative, Inc., Dixie-
15 Escalante Rural Electric Association, Inc., Duncan Valley Electric Cooperative, Inc., Garkane Energy
16 Cooperative, Inc., Graham County Electric Cooperative, Inc., Mohave Electric Cooperative, Inc.,
17 Morenci Water and Electric Company, Navopache Electric Cooperative, Inc., Sulphur Springs Valley
18 Electric Cooperative, Inc., Trico Electric Cooperative, Inc., Tucson Electric Power Company, and UNS
19 Electric, Inc. shall **each mail to each of their Arizona electric utility customers** a copy of the above
20 notice by First Class U.S. Mail with mailing to be completed no later than **December 30, 2015**. The
21 **required mailing may be, but is not required to be, accomplished by including the notice as a bill**
22 **insert.**

23 IT IS FURTHER ORDERED that Ajo Improvement Company, Arizona Electric Power
24 Cooperative, Inc., Arizona Public Service Company, Columbus Electric Cooperative, Inc., Dixie-
25 Escalante Rural Electric Association, Inc., Duncan Valley Electric Cooperative, Inc., Garkane Energy
26 Cooperative, Inc., Graham County Electric Cooperative, Inc., Mohave Electric Cooperative, Inc.,
27 Morenci Water and Electric Company, Navopache Electric Cooperative, Inc., Sulphur Springs Valley
28 Electric Cooperative, Inc., Trico Electric Cooperative, Inc., Tucson Electric Power Company, and UNS
Electric, Inc. shall **each file a certification that the mailing has been accomplished** as soon as
possible after the mailing has been completed but no later than **January 19, 2016**.

IT IS FURTHER ORDERED that notice shall be deemed complete upon mailing,
notwithstanding the failure of an individual customer to read or receive the notice.

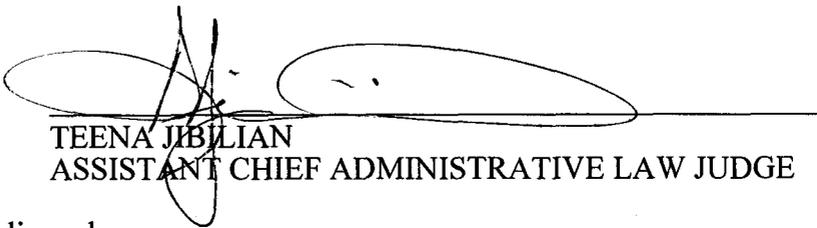
1 IT IS FURTHER ORDERED that the Consents to Email Service completed by RUCO, AURA,
2 Staff, AIC, TASC, Freeport Minerals, AECC, and Clean Power Arizona to receive service of all filings
3 in this docket, including all filings by parties and all Procedural Orders and Recommended Opinions
4 and Orders/Recommended Orders issued by the Commission's Hearing Division, via their designated
5 email addresses rather than via U.S. Mail, are hereby approved.

6 IT IS FURTHER ORDERED that a party's election to receive service of all filings in this
7 matter via email does not change the requirement that all filings with the Commission's Docket
8 Control must be made in hard copy and must include an original and 13 hard copies.

9 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113 - Unauthorized
10 Communications) applies to this proceeding and shall remain in effect until the Commission's Decision
11 in this matter is final and non-appealable.

12 IT IS FURTHER ORDERED that the Administrative Law Judge may rescind, alter, amend, or
13 waive any portion of this Procedural Order either by subsequent Procedural Order or by ruling at
14 hearing.

15 DATED this 3^d day of December, 2015.

16
17 
18 TEENA JIBILIAN
ASSISTANT CHIEF ADMINISTRATIVE LAW JUDGE

19 Copies of the foregoing mailed/delivered
20 this 3rd day of December, 2015 to:

21 **PARTIES TO THIS DOCKET (Service List)**

22 Dillon Holmes
23 CLEAN POWER ARIZONA
24 9635 N. 7th Street, #47520
Phoenix, AZ 85068
25 dillon@cleanpoweraz.org
26 **Consented to Service by Email**

27 ...
28 ...

1 C. Webb Crockett
Patrick J. Black
2 FENNEMORE CRAIG, PC
2394 East Camelback Road, Suite 600
Phoenix, AZ 85016-3429
3 Attorneys for Freeport Minerals and AECC
wcrocket@fclaw.com
4 pblack@fclaw.com

5 **Consented to Service by Email**

6 Court S. Rich
ROSE LAW GROUP, PC
7 7144 E. Stetson Dr., Suite 300
Scottsdale, AZ 85251
8 Attorneys for The Alliance for Solar Choice and Energy Freedom Coalition of America
CRich@RoseLawGroup.com

9 **Consented to Service by Email**

10 Garry D. Hays
11 LAW OFFICES OF GARRY D. HAYS PC
1702 East Highland Avenue, Suite 204
12 Phoenix, AZ 85016
13 Attorney for Arizona Solar Deployment Alliance

14 Timothy M. Hogan
ARIZONA CENTER FOR LAW IN THE PUBLIC INTEREST
15 202 E. McDowell Rd., Suite 153
Phoenix, AZ 85004
16 Attorneys for the Vote Solar Initiative and Western Resource Advocates

17 Rick Gillam
18 Director of Research and Analysis
THE VOTE SOLAR INITIATIVE
19 1120 Pearl Street, Suite 200
Boulder, CO 80302

20
21 Briana Kobor
Program Director – DG Regulatory Policy
22 THE VOTE SOLAR INITIATIVE
360 22nd Street, Suite 730
23 Oakland, CA 94612

24 Ken Wilson
25 WESTERN RESOURCE ADVOCATES
2260 Baseline Road, Suite 200
26 Boulder, CO 80302

27 ...

28

1 Craig A. Marks
2 CRAIG A. MARKS, PLC
3 10645 N. Tatum Blvd., Suite 200-676
4 Phoenix, AZ 85028
5 Attorney for Arizona Utility Ratepayer Alliance
6 Craig.Marks@azbar.org

7 **Consented to Service by Email**

8 Meghan H. Grabel
9 OSBORN MALEDON, PA
10 2929 N. Central Ave., Suite 2100
11 Phoenix, AZ 85012
12 Attorney for Arizona Investment Council
13 mgrabel@omlaw.com
14 gyaquinto@arizonaaic.org

15 **Consented to Service by Email**

16 Daniel W. Pozefsky
17 RESIDENTIAL UTILITY CONSUMER OFFICE
18 1110 W. Washington, Suite 220
19 Phoenix, AZ 85007
20 dpozefsky@azruco.gov

21 **Consented to Service by Email**

22 Jennifer Cranston
23 GALLAGHER & KENNEDY, PA
24 2575 E. Camelback Rd., Suite 1100
25 Phoenix, AZ 85016
26 Attorneys for Grand Canyon State Electric Cooperative Association, Inc.
27 jennifer.cranston@gknet.com

28 **Consented to Service by Email for Grand Canyon State Electric Cooperative Association, Inc.**

Also Attorney for Arizona Electric Power Cooperative, Inc. and Dixie Escalante Rural Electric Association, Inc., who have not consented to Email service

Greg Patterson
MUNGER CHADWICK
916 W. Adams, Suite 3
Phoenix, AZ 85007
Attorneys for Arizona Competitive Power Alliance

...

...

...

...

28

1 Michael W. Patten
2 Timothy J. Sabo
3 Jason D. Gellman
4 SNELL & WILMER, LLP
5 One Arizona Center
6 400 E. Van Buren St., Suite 1900
7 Phoenix, AZ 85004
8 Attorneys for Ajo Improvement Company,
9 Morenci Water and Electric Company, Trico Electric Cooperative, Inc.,
10 Tucson Electric Power Company, and UNS Electric, Inc.

11 Gary Pierson
12 ARIZONA ELECTRIC POWER COOPERATIVE, INC.
13 PO BOX 670
14 1000 S. Highway 80
15 Benson, AZ 85602

16 Thomas A. Loquvam
17 Thomas L. Mumaw
18 Melissa M. Krueger
19 PINNACLE WEST CAPITAL CORPORATION
20 PO BOX 53999, MS 8695
21 Phoenix, AZ 85072
22 Attorneys for Arizona Public Service Company

23 Kerri A. Carnes
24 ARIZONA PUBLIC SERVICE COMPANY
25 PO Box 53999, MS 9712
26 Phoenix, AZ 85072

27 Charles Kretek, General Counsel
28 COLUMBUS ELECTRIC COOPERATIVE, INC.
PO Box 631
Deming, NM 88031

LaDel Laub, President and CEO
DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.
71 East Highway 56
Beryl UT 84714

Steven Lunt
Chief Executive Officer
DUNCAN VALLEY ELECTRIC COOPERATIVE, INC.
379597 AZ 75
PO Box 440
Duncan, AZ 85534

...

1 Dan McClendon
2 Marcus Lewis
3 GARKANE ENERGY COOPERATIVE, INC.
4 PO Box 465
5 Loa, UT 84747

6 William P. Sullivan
7 CURTIS, GOODWIN, SULLIVAN, UDALL & SCHWAB, PLC
8 501 East Thomas Road
9 Phoenix, AZ 85012-3205
10 Attorneys for Garkane Energy Cooperative, Inc., Mohave Electric Cooperative, Inc. and
11 Navopache Electric Cooperative, Inc.

12 Than W. Ashby, Office Manager
13 GRAHAM COUNTY ELECTRIC COOPERATIVE, INC.
14 9 W. Center St.
15 PO Drawer B
16 Pima, AZ 85543

17 Tyler Carlson, CEO
18 Peggy Gillman, Manager of Public Affairs
19 MOHAVE ELECTRIC COOPERATIVE, INC.
20 PO Box 1045
21 Bullhead City, AZ 86430

22 Richard C. Adkerson, CEO
23 Michael J. Arnold, Director
24 MORENCI WATER AND ELECTRIC COMPANY
25 333 N. Central Avenue
26 Phoenix, AZ 85004

27 Charles R. Moore
28 Paul O'Dair
NAVOPACHE ELECTRIC COOPERATIVE, INC.
1878 West White Mountain Blvd.
Lakeside, AZ 85929

Jeffrey W. Crockett
CROCKETT LAW GROUP, PLLC
1702 E. Highland Ave., Suite 204
Phoenix, AZ 85016
Attorney for Sulphur Springs Valley Electric Cooperative, Inc.

Kirby Chapman, CFAO
Jack Blair, CMSO
SULPHUR SPRINGS VALLEY ELECTRIC COOPERATIVE, INC.
311 E. Wilcox
Sierra Vista, AZ 85650

...

1 Vincent Nitido, CEO/General Manager
TRICO ELECTRIC COOPERATIVE, INC.
8600 West Tangerine Road
2 Marana, AZ 85658

3 Bradley S. Carroll
TUCSON ELECTRIC POWER COMPANY
4 88 E. Broadway Blvd., MS HQE910
5 PO Box 711
Tucson, AZ 85701-0711
6

7 David G. Hutchens, President
8 Kevin P. Larson, Director
UNS ELECTRIC, INC.
88 E. Broadway Blvd., MS HQE901
9 PO Box 711
Tucson, AZ 85701-0711
10

11 Janice Alward, Chief Counsel
Legal Division
12 ARIZONA CORPORATION COMMISSION
1200 West Washington Street
13 Phoenix, AZ 85007
tford@azcc.gov
14 rlloyd@azcc.gov
15 tbroderick@azcc.gov
16 mlaudone@azcc.gov
mscott@azcc.gov

Consented to Service by Email

NON-PARTIES:

18 (For informational purposes, copies of this Procedural Order are being mailed to the following entities
19 who are not parties to this docket, but who are parties to other dockets concerning similar issues.)

20 Lewis M. Levenson
1308 East Cedar Lane
21 Payson, AZ 85541

22 Patty Ihle
304 E. Cedar Mill Road
23 Star Valley, AZ 85541

24 Hugh L. Hallman
HALLMAN & AFFILIATES, PC
25 2011 N. Campo Alegre Road, Suite 100
Tempe, AZ 85281
26 Attorney for Sunrun, Inc., and William Mundell and Renz Jennings

27 ...

28 ...

1 David P. Brooks
2 BROOKS & AFFILIATES, PC
3 1515 N. Greenfield Road
4 Mesa, AZ 85205
5 Attorneys for Sunrun, Inc., and William Mundell and Renz Jennings

6 Giancarlo G. Estrada
7 KAMPER, ESTRADA AND SIMMONS, LLP
8 3030 N. 3rd St., Suite 770
9 Phoenix, AZ 85012
10 Attorneys for the Interstate Renewable Energy Council
11 and Solar Energy Industries Association

12 Kristin Mayes
13 3030 N. 3rd St., Suite 200
14 Phoenix, AZ 85012
15 Attorney for the Solar Energy Industries Association

16 Mark Holohan, Chairman
17 ARIZONA SOLAR ENERGY INDUSTRIES ASSOCIATION
18 2122 W. Lone Cactus Drive, Suite 2
19 Phoenix, AZ 85027

20 W.R. Hansen, President
21 SUN CITY WEST PROPERTY OWNERS AND RESIDENTS ASSOCIATION
22 13815 W. Camino del Sol
23 Sun City West, AZ 85375

24 Albert Gervenack
25 14751 W. Buttonwood Drive
26 Sun City West, AZ 85375

27 Kevin M. Koch
28 PO Box 42103
Tucson, AZ 85733

Jill Tauber
Chiyere A. Osuala
EARTHJUSTICE
1625 Massachusetts Ave, NW, Suite 702
Washington, DC 20036-2212

Robert B. Hall
4809 Pier Mountain Place
Marana, AZ 85658

Robyn Interpreter
Susan B. Montgomery
MONTGOMERY & INTERPRETER, PLC
4835 E. Cactus Rd., Suite 210
Scottsdale, AZ 85251
Attorneys for Pascua Yaqui

27 By: Rebecca Unquera
28 Rebecca Unquera
Assistant to Teena Jibilian