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AZ CORP COMMISSION  
DOCKET CONTROL

Arizona Corporation Commission  
DOCKETED  
DEC 17 2015

DOCKETED BY: *KL*

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

Docket No. E-00000J-14-0023

**GCSECA'S RESPONSE TO  
STAFF'S DECEMBER 16, 2015  
REQUEST FOR PROCEDURAL  
ORDER**

**(EXPEDITED CONSIDERATION  
REQUESTED)**

GALLAGHER & KENNEDY, P.A.  
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Grand Canyon State Electric Cooperative Association, Inc. ("GCSECA"), on behalf of its electric cooperative members,<sup>1</sup> hereby responds to the Commission's Utilities Division Staff's ("Staff") request for a procedural order, filed on December 16, 2015.

GCSECA appreciates Staff's efforts to address the concerns raised by GCSECA and its members regarding the notice requirements set forth in the December 3, 2015 Procedural Order as well as the scope of this proceeding. GCSECA joins in Staff's request for the suspension of the current December 30, 2015 deadline for mailing the hearing notice. GCSECA also supports Staff's suggestion that an alternative form of notice be made available for the cooperatives.<sup>2</sup>

Attached as Exhibit 1 is a proposed revised notice that was drafted with the intent of clarifying

<sup>1</sup> GCSECA's members include Arizona Electric Power Cooperative, Inc., Duncan Valley Electric Cooperative, Inc., Graham County Electric Cooperative, Inc., Navopache Electric Cooperative, Inc., Mohave Electric Cooperative, Inc., Sulphur Springs Valley Electric Cooperative, Inc., and Trico Electric Cooperative, Inc.

<sup>2</sup> Some of the utilities, including GCSECA members, have made arrangements to mail their customers the notice as provided in the December 3, 2015 Procedural Order. Accordingly, GCSECA's proposal is that an alternative form of notice be approved as an additional option to, and not a replacement of, the originally approved notice. In this way, no utility will be required to provide a second notice to its customers. This proposal is consistent with the response filed by Tucson Electric Power Company and UNS Electric, Inc. earlier today.

1 the context of the hearing and to avoid customer confusion given the generic nature of this  
2 docket.

3 With regard to the manner of distribution of the notice, GCSECA proposes that the rural  
4 electric cooperatives joined in this proceeding be afforded flexibility in selecting the appropriate  
5 delivery method based on their individual operational and financial situations – some may send  
6 bill inserts or publish in newsletters while others may prefer to publish in newspapers of general  
7 circulation. In order to accommodate each cooperative’s unique circumstances, GCSECA  
8 proposes that the deadline for completing notice be set for January 30, 2016.<sup>3</sup>

9 Staff’s filing includes comments regarding the scope of this proceeding, including the  
10 requirements that joinder will impose on the cooperatives and the extent to which the findings  
11 will be “binding” on the utilities in future rate case matters. While GCSECA appreciates Staff’s  
12 attempt to clarify these issues, Staff’s interpretation is not necessarily binding on the  
13 Commission. Additionally, GCSECA questions whether, in future rate cases, utilities should be  
14 forced to bear the burden of rebutting the applicability of the findings made in this docket.  
15 Instead, GCSECA proposes that the party seeking to rely upon these findings in future matters  
16 should be required to affirmatively demonstrate their relevance.

17 Finally, GCSECA renews its objection to the joinder of all jurisdictional electric utilities.  
18 Given the inherent problems with forcing utilities – especially cooperatives – to participate in a  
19 generic docket without a clear understanding of the impact of the docket and without appropriate  
20 notice and opportunity to be heard, GCSECA believes the better procedure is to allow utilities to  
21 intervene or monitor the docket voluntarily. Also, to the extent that joinder was ordered in order  
22 to effectuate the public notice, then GCSECA proposes that the cooperatives be provided with

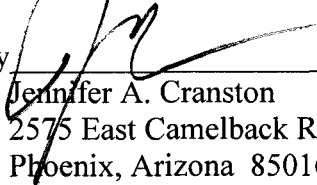
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24 <sup>3</sup> Under this revised notice deadline, the deadline for intervention will need to be extended to sometime in early  
February, but the change in notice should not impact any of the other deadlines established by the December 3, 2015  
Procedural Order.

1 the option of an alternative form of notice, flexibility as to how the notice is distributed, and  
2 additional time to complete distribution.

3 Based on the foregoing, GCSECA, on behalf of its members, supports Staff's request for  
4 a procedural order (1) suspending the December 30, 2015 deadline and (2) scheduling a  
5 procedural conference to discuss the other issues raised herein. GCSECA will work with Staff  
6 on a revised form of notice, but believes a procedural conference will still be necessary to  
7 address the manner of notice distribution and clarification regarding the scope and future impact  
8 of this proceeding.

9 RESPECTFULLY SUBMITTED this 17th day of December, 2015.

10 GALLAGHER & KENNEDY, P.A.

11 By   
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15 **Original and 13 copies** filed this  
16 17th day of December, 2015, with:

17 Docket Control  
18 Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

19 **Copies** of the foregoing delivered this  
20 17th day of December, 2015, to:

21 Commissioner Susan Bitter Smith, Chairman  
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11 Teena Jibilian, Administrative Law Judge  
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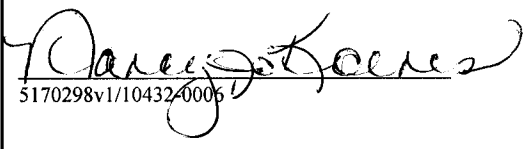
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**EXHIBIT 1**

**PUBLIC NOTICE OF GENERIC HEARING**  
**AT THE ARIZONA CORPORATION COMMISSION**  
**REGARDING THE COST OF SERVICE FOR CUSTOMERS WITH**  
**DISTRIBUTED GENERATION**  
**AND THE VALUE OF DISTRIBUTED GENERATION**  
**(DOCKET NO. E-00000J-14-0023)**

In 2014, the Arizona Corporation Commission ("Commission") opened Docket No. E-00000J-14-0023 to conduct a generic investigation on the cost to serve customers with distributed generation ("DG") (e.g., solar) and the value of DG. In response to certain proposals by Arizona Public Service Company to address the cost of DG and net metering, the Commission has directed an evidentiary hearing be held under its generic docket. The Commission expects to produce a factual record relating to various specific proposals based on cost of service studies and the value of distributed generation related to specific Arizona electric public service corporations. Arizona electric public service corporations are not required to actively participate and many do not plan to do so. However, the Commission has ordered all Arizona electric public service corporations provide notice of the evidentiary hearing because the Commission believes the factual record created in the generic docket might be shown to be relevant and admissible for use by the Commission when asked to authorize rates (such as net metering tariffs) for individual Arizona electric public service corporations. This notice is provided to comply with the Commission's order to provide public notice of the hearing. **All questions regarding this notice should be directed to the Commission's Consumer Services Section at 602-542-4251 or 1-800-222-7000 (outside the metro Phoenix area).**

**Arizona Corporation Commission Public Hearing Information**

The Commission will hold a hearing on this matter beginning **April 18, 2016, at 10:00 a.m. in Hearing Room No. 1**, at the Commission's offices, 1200 West Washington Street, Phoenix, Arizona, 85007.

**Comments from the public will be heard and recorded on the first day of hearing.** Intervention is not required if you wish to provide public comments, either orally at the hearing or in writing at any time.

Written public comments may be submitted by mailing a letter referencing **Docket No. E-00000J-14-0023** to Arizona Corporation Commission, Consumer Services Section, 1200 West Washington, Phoenix, AZ 85007, or by submitting comments on the Commission's website ([www.azcc.gov](http://www.azcc.gov)) using the "Submit a Public Comment for a Utility" function. If you require assistance, you may contact the Consumer Services Section at 602-542-4251 or 1-800-222-7000 (outside the metro Phoenix area).

Any person having a direct and substantial interest in this proceeding is entitled to intervene as a matter of law. If you wish to become a party and participate in the evidentiary hearing process, you must file an **original and 13 hard copies** of a written request to intervene with Docket Control, 1200 West Washington, Phoenix, AZ 85007, **no later than January 29, 2016**. You also **must** serve a copy of the request to intervene on each party of record, on the same day that you

file the request to intervene with the Commission. The service list can be obtained on the Commission's website ([www.azcc.gov](http://www.azcc.gov)) by selecting the "eDocket" link and entering "14-0023" in the search box.

All requests to intervene must contain the following:

1. Your name, address, and telephone number, and the name, address, and telephone number of any person upon whom service of documents is to be made, if not yourself;
2. A reference to **Docket No. E-00000J-14-0023**;
3. A short statement explaining your interest in the proceeding; and
4. A statement certifying that you have served a copy of the request to intervene on all parties of record in the case.

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

#### **ADA/Equal Access Information**

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