

ORIGINAL

BEFORE THE ARIZONA CORPORATION COMMISSION
Arizona Corporation Commission



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COMMISSIONERS

DOCKETED

DOUG LITTLE, Interim Chairman
BOB STUMP
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JAN 29 2016

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IN THE MATTER OF THE APPLICATION OF
UNS ELECTRIC, INC. FOR THE
ESTABLISHMENT OF JUST AND
REASONABLE RATES AND CHARGES
DESIGNED TO REALIZE A REASONABLE
RATE OF RETURN ON THE FAIR VALUE OF
THE PROPERTIES OF UNS ELECTRIC, INC.
DEVOTED TO ITS OPERATIONS
THROUGHOUT THE STATE OF ARIZONA
AND FOR RELATED APPROVALS.

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

REPLY IN SUPPORT OF
MOTION TO EXTEND
PROCEDURAL SCHEDULE

1 The Arizona Utility Ratepayer Alliance, ("AURA"), hereby replies in support of its
2 January 26, 2016, Motion to Extend Procedural Schedule.

3 AURA has two important points. The first point is that AURA is more concerned than
4 ever that due process requires significantly more time for the parties to evaluate UNSE's rate-
5 design proposal, conduct discovery, and prepare testimony than the few weeks remaining before
6 the February 19, 2016, deadline. The lack of notice to affected parties is also a significant
7 concern. AURA need not repeat its initial argument, nor those of the parties that support
8 AURA's motion. The only thing to add is that it would hardly be in UNSE's interest if the
9 Commission's Decision in this docket were reversed on appeal because parties were not afforded
10 due process, either because the procedural schedule was not extended, or because affected parties
11 did not receive sufficient notice of UNSE's significantly revised rate-design proposal.¹

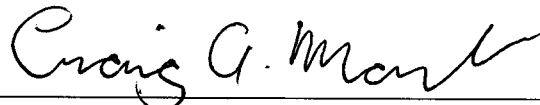
12 Second, AURA is not asking for delay for delay's sake. AURA understands the need to
13 honor the time clock and provide timely rate relief for UNSE, if warranted. But there is no need
14 to rush to judgment.

¹ UNSE argues that it in effect warned the parties that demand charges could be an issue, so parties should not be surprised about changing residential rate design to include demand charges. The short response is that no party would rationally pay consultants and attorneys to evaluate the possibility of this radical change. UNSE did not actually propose demand charges for residential customers until just ten days ago.

1 The goals of due process and timely rate relief need not be in opposition. Both goals can
2 be accommodated if this proceeding is split into two phases. The first phase would determine
3 UNSE's revenue requirement, with hearings held as scheduled. All rate-design issues would be
4 deferred until a second phase of this case. Phase I would conclude with a Commission Decision
5 authorizing new rates, based on UNSE's existing rate design, as approved by Commission
6 Decision No. 74235 (December 31, 2013).

7 Phase II would consider all rate design issues, including those that concern renewable-
8 resource advocates and residential customers (including low-income ones). UNSE would
9 provide new notice to customers in a form approved by Hearing Division. This would eliminate
10 all due-process concerns. In the ensuing hearing, the parties would also have the benefit of the
11 Commission's generic investigation in Docket No. E-00000J-14-0023. Finally, the additional
12 time would allow the parties to perhaps engage in discussions to resolve some or even all of their
13 rate-design issues. At the conclusion of Phase II, the Commission would then approve a rate
14 design and authorize new rates based on the revenue requirement determined in Phase I.

15 Respectfully submitted on January 29, 2016, by:

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26 **Original** and 13 copies **filed**
27 on January 29, 2016, with:

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34 **Copies mailed or emailed.**
35 on January 29, 2016, to:

36
37 **Service List**