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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

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JAN 28 2016

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COMMISSIONERS

DOUG LITTLE, Interim Chairman
BOB STUMP
BOB BURNS
TOM FORESE

DOCKETED BY *KG*

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.

DOCKET NO. E-04204A-15-0142

**ARIZONA INVESTMENT
COUNCIL'S OPPOSITION TO
AURA'S MOTION TO EXTEND
PROCEDURAL SCHEDULE**

**OSBORN
MALEDON**
A PROFESSIONAL ASSOCIATION
OF ATTORNEYS AT LAW

In a motion filed on January 26, 2016 ("Motion"), the Arizona Utility Ratepayer Alliance ("AURA") asked to extend by two months the rate design-related surrebuttal testimony filing deadline and associated hearing dates in the UNS Electric rate case. Arizona Investment Council ("AIC") strongly opposes that request.

AURA's Motion is premised on the faulty notion that, on rebuttal, UNS Electric made sweeping changes to its residential rate design proposal when it agreed to accept Arizona Corporation Commission Staff's ("Commission Staff") recommendation that the three-part rate design proposed for certain of UNS Electric's residential customers should apply generally to all. Such acquiescence is hardly a "new rate design case," as AURA would suggest. To the contrary, all parties to this case were fully aware that UNS Electric had proposed a three part residential rate design, and several parties – including AURA – intervened on that basis.

Indeed, as far back as October of last year, AURA proclaimed that its interest in the UNS Electric rate case was related to "significant changes [that UNS Electric sought to make] to its rate design including to rate structures for residential and small

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1 commercial customers, which could discourage continuing customer energy-efficiency
2 implementation in its service territory.” *See* AURA’s Response to UNS Electric’s
3 Opposition to AURA’s Motion to Intervene at 2 (October 9, 2015). AURA’s rate
4 design testimony later made plain that the rate structure changes of concern to AURA
5 were the introduction of demand charges and proposed increase in basic service charges.
6 *See* Rate Design Testimony of Patrick J. Quinn at 3. These changes, Mr. Quinn
7 testified, had the potential to “punish low income customers” and confuse “many
8 customers, especially elderly customers.” *See id.* It is thus disingenuous for AURA to
9 suggest now, as it does, that it needs additional time to evaluate the three-part rate
10 design, and that low income and elderly customers somehow lacked notice that UNS
11 Electric’s filing could impact them.

12 It is even more appalling to suggest that the time clock mandated for this
13 proceeding under the Commission’s rules and A.R.S. § 40-256 should be delayed by an
14 additional two months in part because Commission Staff has signaled “that the UNSE
15 case will be the test case for determining whether other Arizona electric utilities, such as
16 Tucson Electric Power Company and Arizona Public Service Corporation should move
17 to three-part rate design for all or most customers [sic].” *See* Motion at 1-2. Indeed,
18 AURA has been well aware of the potential precedent that the UNS Electric rate case
19 could set for subsequent utility decisions, and publicly stated as much four months ago.
20 *See* AURA’s Response to UNS Electric’s Opposition to AURA’s Motion to Intervene at
21 2. (“The UNSE proceeding is the only major electric-utility rate case currently before
22 the Commission. Although not truly precedential, the Commission does seek to
23 uniformly regulate its jurisdictional electric utilities. For better or worse, this UNSE
24 case does come first, and likely will be given great weight in future Commission
25 decisions concerning its jurisdictional utilities.”).

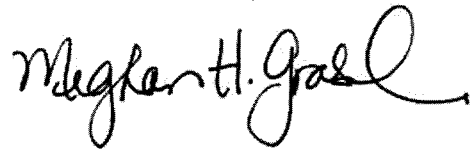
26 Moreover, AURA and the other parties that support its motion have known about
27 the rate design changes underlying AURA’s motion *for upwards of two months*, when
28 Commission Staff filed its Direct Testimony on December 9, 2015. UNS Electric’s

1 rebuttal testimony simply supported the utility's decision to accept Staff's rate design
2 proposals, with some discreet modifications. It makes little sense to extend the
3 procedural schedule by an additional two months to give these parties time to inquire
4 into a rate design proposal that they knew (or should have known) about two months
5 ago. This is particularly true when doing so would disrupt an already busy and carefully
6 scheduled Commission calendar, which anticipates rate case filings by every major
7 investor owned utility in Arizona.

8 In short, AURA presents no legitimate reason as to why the time clock mandated
9 for this matter should be delayed. AIC therefore respectfully requests that the
10 Administrative Law Judge deny AURA's request to extend the procedural schedule by
11 an additional two months.

12 RESPECTFULLY SUBMITTED this 28th day of January, 2016.

13 OSBORN MALEDON, P.A.

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15 

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21 **Original and 13 copies** filed this
22 28th day of January, 2016, with:

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27 **Copies** of the foregoing mailed
28 this 28th day of January, 2016, to:

All Parties of Record