

ORIGINAL

BEFORE THE ARIZONA CORPORATION COM



0000167696

COMMISSIONERS

DOUG LITTLE, Interim Chairman
BOB STUMP
ROBERT BURNS
TOM FORESE

RECEIVED

2016 JAN 26 A 10:57

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.

ADDOCKET NO. 1241204A-15-0142
DOCKET CONTROL

**MOTION TO EXTEND
PROCEDURAL SCHEDULE**

Arizona Corporation Commission

DOCKETED

JAN 26 2016

DOCKETED BY *JK*

1 The Arizona Utility Ratepayer Alliance, ("AURA"), moves to extend and reschedule the
2 hearing dates concerning rate design in the above-captioned proceeding.

3 It is obvious that rate-design is the most significant issue in this case. The majority of the
4 intervenors are only interested in rate design and it is the number-one issue raised in intervenors'
5 direct testimony. However, UNS Electric, Inc. ("UNSE") has completely changed its rate-design
6 proposal. Therefore, it will be very difficult, if not impossible for most of the parties to evaluate
7 the new UNSE rate-design proposal, conduct discovery, and prepare surrebuttal testimony by the
8 February 19, 2016, due date. Preparation for hearings in early March would also be difficult.

9 **Background.**

10 UNSE's initial rate-design proposal was contained in its prefiled direct testimony, dated
11 May 5, 2015. Other than the changes concerning renewable-resource customers, there were few
12 significant rate-design changes.

13 On December 9, 2015, Commission Staff filed its rate-design testimony. Staff
14 recommended a major change to traditional utility rate design. Rather than two-part rates, Staff
15 proposed moving UNSE to a three-part (customer charge, demand charge, and usage charge) rate
16 design. Staff also signaled, and the parties generally agree, that the UNSE case will be the test
17 case for determining whether other Arizona electric utilities, such as Tucson Electric Power

1 Company and Arizona Public Service Corporation should move to three-part rate design for all
2 or most customers.

3 On January 19, 2016, eight months after its initial filing, UNSE did an abrupt about-face
4 and abandoned its originally proposed two-part rate design for Staff's proposed three-part rate
5 design. UNSE initially filed 139 pages of rate-design testimony from four-witnesses (Dukes,
6 Jones, Hutchens, and Tilghman). The January filing included 171 pages of essentially new rate-
7 design testimony from the four UNSE witnesses, including lengthy supporting testimony from
8 PhD Economist H. Edwin Overcast.

9 As a result of UNSE's about face, the intervenors face a difficult, if not impossible task.
10 Preparing surrebuttal testimony normally is a relatively minor task compared to preparing initial
11 testimony, where the applicant sets forth its entire case including rate design. Although the task
12 is typically larger, intervenors normally have six-months or more to evaluate the applicant's
13 filing, conduct discovery, and prepare testimony. However, in this instance, UNSE has
14 abandoned its initial filing and submitted essentially a new rate-design case. Yet, intervenors
15 have been allowed only one month for evaluation, discovery, and testimony-preparation.

16 The problem is compounded by the fact that the UNSE case, one for a relatively small
17 electric utility, may also determine Commission rate-design policy for Tucson Electric (Docket
18 No. E-01933A-15-0322) and APS (rate filing due later this year). So the outcome of the
19 skirmishes on this relatively minor battlefield may also determine the winners of later wars.

20 Finally, many other organizations are just becoming aware of the scope and importance
21 of UNSE's rate-design overhaul, for which they received no notice at all. This case could affect
22 rates for low-income customers, senior citizens, communities, and other traditional intervenors in
23 Tucson Electric and APS rate cases. Many may try to intervene in this case to protect their
24 interests. However, given the fundamental changes from UNSE's initial filing, the public
25 interest may require UNSE to re-notice this case to emphasize its new rate-design proposal.
26 AURA takes no position concerning whether a re-notice is required, but would not oppose this if
27 it were proposed.

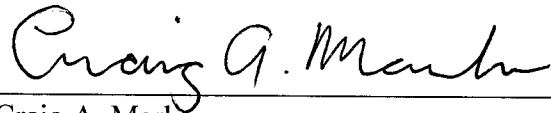
1 Delaying the rate-design hearings could provide other benefits. With enough time to
2 properly consider UNSE's rate-design testimony, the opposing parties could support common
3 witnesses or witness panels devoted to a particular issue. However, there is just not enough time
4 to move in this direction without extending the schedule.

5 **Requested Relief**

6 For the reasons set forth above, AURA asks the Commission to extend the filing date for
7 rate-design-related surrebuttal testimony and the associated hearing dates by approximately two
8 months.

9 AURA asks the Commission to hold the revenue-requirement hearings for this case as
10 scheduled and to not change the filing dates for associated testimony.

11 Respectfully submitted on January 26, 2016, by:

12 
13

14 _____
15 Craig A. Marks
16 Craig A. Marks, PLC
17 10645 N. Tatum Blvd., Suite 200-676
18 Phoenix, AZ 85028
19 (480) 367-1956
20 Craig.Marks@azbar.org
21 Attorney for Arizona Utility Ratepayer Alliance

22 **Original** and 13 copies **filed**
23 on January 26, 2016, with:

24
25 Docket Control
26 Arizona Corporation Commission
27 1200 West Washington
28 Phoenix, Arizona 85007
29

30 **Copies mailed or emailed.**
31 on January 26, 2016, 2015 to:

32
33 **Service List**