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BEFORE THE ARIZONA CORPORATION COMMISSION

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2016 FEB -4 P 4: 36

FEB 04 2016

AZ CORP COMMISSION DOCKET CONTROL

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IN THE MATTER OF THE APPLICATION OF) DOCKET NO. E-04204A-15-0142
 UNS ELECTRIC, INC. FOR THE)
 ESTABLISHMENT OF JUST AND)
 REASONABLE RATES AND CHARGES) UNS ELECTRIC'S OPPOSITION
 DESIGNED TO REALIZE A REASONABLE) TO PROPERTY OWNERS AND
 RATE OF RETURN ON THE FAIR VALUE OF) RESIDENTS ASSOCIATION OF
 THE PROPERTIES OF UNS ELECTRIC, INC.) SUN CITY WEST
 DEVOTED TO ITS OPERATIONS)
 THROUGHOUT THE STATE OF ARIZONA)
 AND FOR RELATED APPROVALS.)

UNS Electric, Inc. ("UNS Electric") responds in opposition to the Application for Leave to Intervene ("Application") filed by the Property Owners and Residents Association of Sun City West ("Association") on February 3, 2016. The Association's Application should be denied for the following reasons:

1. It is untimely – the intervention deadline was October 15, 2015;
2. The Association is not directly and substantially affected by these proceedings because the Association and its members have no nexus whatsoever to UNS Electric and its service areas in Santa Cruz and Mohave Counties; and
3. Several intervenors already represent residential customers and adding another party to this case may result in duplication and inordinate delay.

To the extent the Association has concerns about this docket, it can submit public comment.

I. This case is far removed from Sun City West.

Pursuant to A.A.C. R14-3-105(A), intervention is limited to parties "directly and substantially affected by the proceedings." The Association's Application does not claim that the

1 Association is “directly and substantially affected” by this case; nor would there be any basis for
2 such a claim. Indeed, Sun City West is located over 100 miles from UNS Electric’s service
3 territory. For example, Sun City West is approximately 168 miles from Kingman and 201 miles
4 from Nogales. The Association does not allege that it—or its members—are customers of UNS
5 Electric, do business with UNS Electric, extend credit to UNS Electric, invest debt or equity
6 capital in UNS Electric or have any other direct interest in this case.

7 The Association has no connection to UNS Electric. Instead, the Association expresses
8 concern with APS. The Application states:

9 Home owners and small business within SCW are customers of Arizona Public
10 Service (APS) and PORA finds the APS intervention in this case very unusual and
11 curious. This APS action leads PORA to consider that the outcome of the UNS
12 case may be a major part of the upcoming APS Rate Case Filing scheduled for June
13 2016. After reviewing the APS testimony, we note a significant amount of interest
14 by APS thru the sponsoring of an expert witness and major testimony in this case.

15 (Application at page 1, line 21 to page 2, line 2). It thus appears that the Association is concerned
16 about APS, not UNS Electric.

17 Moreover, APS recently filed its Notice of Intent to File a Rate Case (Docket No. E-
18 01345A-16-0036). The Association’s concerns with APS are better addressed to APS in that
19 docket. Rate cases of one utility do not create binding precedent for another utility, and the
20 Association (if it timely applies to intervene) will have a full opportunity to participate in the APS
21 rate case.

22 **II. The Association’s Application is untimely.**

23 The June 22, 2015 Procedural Order in this docket provides that “all motions to intervene
24 must be filed **on or before October 15, 2015.**” (Emphasis in original). The Association’s
25 Application was filed on January 29, 2016, a full 111 days after the deadline. The Association’s
26 Application does not explain why this deadline should be disregarded.

27 The Application states that UNS Electric “filed a significant change to their original
application” on January 19, “thus changing the dynamics of this case” which could “have a major

1 impact to future SCW customer rates and filings by APS.” (Application, page 2, lines 3-8). There
2 has not been any sudden change to the “dynamics of this case.” The issue of three part rates has
3 been present throughout the case.

4 Indeed, three-part rates were extensively discussed in the Direct Testimony submitted with
5 UNS Electric’s Application. UNS Electric President David Hutchens devoted a large portion of his
6 Direct Testimony to rate design issues (pages 10-16). The first rate design proposal addressed in
7 Mr. Hutchens’ testimony was UNS Electric’s proposal for three-part rates. In addition, UNS
8 Electric witness Dallas Dukes devoted an entire section of his Direct Testimony to “Three Part Rate
9 Proposals.” [Dukes Direct Testimony at pages 24 to 27]. UNS Electric also submitted proposed
10 tariff sheets for its three part rates, as set forth in its proposed Residential Service Demand (RES-01
11 Demand) and Residential Service Demand Time-of-Use (RES-01 TOU) rates. [Direct Testimony of
12 Craig A. Jones at Exhibits CAJ-3 (clean tariffs) and CAJ-4 (redline tariffs) at tariff sheets 106, 106-
13 1, 106-2, 107, 107-1, 107-2]. All of this information was available when the application was filed
14 on May 5, 2015, 274 days before the Association filed its Application.

15 Other parties have also addressed these issues. For example, AURA’s witness, Thomas
16 Alston, discussed his concerns with three-part rates in his testimony. [Alston Direct Testimony at 5-
17 7]. Moreover, The Alliance for Solar Choice submitted testimony by Mark Fulmer, which included
18 sections discussing three-part rates in general, UNS Electric’s proposed three-part rates in particular,
19 and a description of why he believes time of use rates are superior to three-part rates. [Fulmer
20 Direct Testimony at 7-15 and 18-25]. Likewise, Vote Solar witness Briana Kobor discussed three-
21 part rates at length. [Kobor Direct Testimony at 23; 33-42]. Western Resource Advocates witness
22 Kenneth L. Wilson and SWEEP witness Jeff Schlegel also addressed three-part rates in their
23 testimonies. [Wilson Direct Testimony at 5-11; Schlegel Direct Testimony at 10-11]. And, of
24 course, both RUCO and Staff addressed three-part rates at length in their testimony. [Huber Direct
25 Testimony at 15-24; Broderick Direct Testimony at 2-10; Solganick Direct Testimony at 7-15].
26 Thus, all parties understood that three-part rates for residential customers were at issue in this case.

27

1 Thus, rate design—including three part rates—is not a “last minute” issue added to this
2 case. The issue has been present from the filing of the rate application in May 2015. Indeed, the
3 fact that rate design would be a major issue in this docket has been known since before the
4 application was filed. Moreover, Staff’s proposal for mandatory three part rates was set forth in its
5 rate design testimony on December 9, 2015—nearly two months ago. UNS Electric did not
6 change its rate design proposal as asserted by the Association. Rather UNS Electric’s Rebuttal
7 indicated that UNS Electric could support Staff’s rate design proposal provided it was slightly
8 modified. It is not unusual for utilities to consider and accept other parties’ proposals

9 Further, the Association calls APS’s intervention here an “unusual filing by a Commission
10 regulated entity (APS) as an intervenor in another Commission regulated entity (UNS)
11 proceeding.” (Application at page 2, lines 9-10). But it is common for electric utilities to
12 intervene in each other’s cases. Arizona’s electric utilities have a myriad of interests—they sell
13 and buy wholesale power and transmission services from each other, and it is common for power
14 plants, substations and transmission lines in Arizona to be under common ownership by multiple
15 utilities. For these reasons, electric utilities commonly participate in rate cases for other electric
16 utilities. In fact, Trico Electric Cooperative and Sulphur Springs Valley Electric Cooperative are
17 Intervenors in this docket. APS’s participation in this docket is not unusual.

18 Finally, APS filed its intervention application in this docket on June 11, 2015. If the
19 Association was concerned about APS’s participation, it should have raised its concerns long ago.
20 The Association’s Application is 111 days past the deadline to intervene, and there are no
21 extraordinary circumstances in this case to justify the Association’s belated attempt to intervene.

22 **III. Ratepayer interests are already well represented.**

23 A wide range of intervenors are participating in this case. There are already 18 active
24 Intervenors in this case, including RUCO, which represents the interests of residential ratepayers
25 which comprise the Association.

26 This wide selection of Intervenors ensures that all viewpoints will be heard. Allowing late
27 intervention to the Association, thus adding a 20th party (or a 21st party, if the Sun City

1 Homeowner's Association is also allowed to intervene) would unduly delay and further complicate
2 the hearing and potentially widen its scope. It also potentially opens the door to other extremely
3 tardy intervention requests.

4 **IV. Conclusion.**

5 The Association's intervention request must be denied. The Association is not a customer
6 of UNS Electric, and it does not do business with UNS Electric. The Association is located over
7 100 miles from UNS Electric's service territory, and the Association has no connection to UNS
8 Electric whatsoever. The rate design issues mentioned by the Association have been well known
9 for many months. Finally, the Application was filed 111 days after the intervention deadline
10 without a demonstration of good cause for the lateness.

11 RESPECTFULLY SUBMITTED this 4th day of February, 2016.

12 UNS ELECTRIC, INC.

13
14 By 

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