

ORIGINAL



0000169169

RECEIVED

2016 MAR 21 P 3:39

AZ CORP COMMISSION
DOCKET CONTROL

Memorandum
From the office of
Chairman Doug Little
Arizona Corporation Commission
1200 W. WASHINGTON
PHOENIX, ARIZONA
(602) 542-0745

TO: Docket Control

DATE: March 21, 2016

FROM: Chairman Doug Little's Office

SUBJECT: E-04204A-15-0142

Chairman Little's office received 16 emails regarding the above Docket number. The emails can be viewed in Docket Control or on the website, via the eDocket link.

Arizona Corporation Commission
DOCKETED

MAR 21 2016

DOCKETED BY *AL*

Andrea Gaston

From: Jack McClary <jmclary@radiantsolarsolutions.com>
Sent: Thursday, March 17, 2016 11:51 AM
To: Little-Web
Subject: Docket# E-04204A-15-0142

Subject: Docket# E-04204A-15-0142.

Dear Chairman Little,

My name is Jack McClary and I am a Partner at Radiant Solar Solutions based in Henderson, NV. Our company also has operations in Arizona and I am deeply concerned that the PUCN net metering decision has been misrepresented by Mr. Ashley Brown in the UNS rate case docket# E-04204A-15-0142. My purpose in submitting public comment is to provide the Arizona Corporation Commission with actual facts from Nevada, and to persuade you to reject UNS Energy's proposal.

Our company has had to reduce our Nevada workforce by 90% as a result of the Nevada Public Utilities Commission December 22, 2015 decision on net metering. Radiant Solar Solutions has offices in Henderson, NV and Gilbert, AZ. Radiant Solar Solutions was created in April 2015 to help bring affordable rooftop solar solutions to homeowners. Radiant Solar Solutions has grown quickly and has helped hundreds of homeowners with cost saving solar solutions.

Since the PUC's ruling on Dec 22nd, 2015; however, our sales in Nevada have fallen by 95%. It has devastated our Nevada workforce and we have relocated some workers to AZ and CA.

In the surrebuttal testimony of Ashley Brown on Behalf of Arizona Public Service Company, Mr. Brown states, "Indeed, that self-serving boycotting behavior was also evidenced by Nevada's very recent experience; namely, that large solar installers will attempt to pressure Commissioners, and even the Governor, to restore net metering by suspending operations in the state. Given the analysis of the large margins of profitability above, I would suggest that such a move might simply open up the market to new, local competitors."

Radiant Solar Solutions did not lay off our hard working employees to prove a political point or to be dramatic. The PUCN has shut down the residential solar market, devastating not only large solar companies, but local homegrown operations as well. Solar installations in Nevada are down 97%, and Radiant Solar Solutions has seen sales decrease by 95% since the ruling by the PUCN.

I strongly urge you to reject UNS Energy's recent proposal to impose demand charges and eliminate net metering. I beg you to carefully consider the impact of your decision, and to avoid making the same mistakes the Nevada Public Utilities Commission has made.

Sincerely,

Jack McClary

Jack McClary | Partner | Radiant Solar Solutions | T: (702)-379-5759 |
jmcclary@radiantsolarsolutions.com | www.radiantsolarsolutions.com

Andrea Gaston

From: Joann Girardi <joann.girardi@yahoo.com>
Sent: Wednesday, March 16, 2016 1:29 PM
Subject: Rate Hikes 15-0142

To Whom It May Concern:

I am concerned about some proposed rate increases by Unisource Electric. Although I am not a customer of this utility company it appears that APS is very interested in the outcome as they could potentially follow with the same proposals if Unisource Electric is indeed successful. I am an APS customer.

I realize that periodically it is necessary to have modest increases to keep in line with rising costs. However as a retired teacher on a fixed income I expect increases to be fair and I don't think that this is true of the current proposals.

The proposal to raise the "Basic Service Charge" from \$10 to \$15 dollars making it one of the highest in the country is very concerning. But even more concerning is the proposal of a new mandatory "demand charge". As a retiree I have more flexibility about when to run my dishwasher and when to do laundry and so forth. This is not the case for the many busy working families. Also in Arizona, in the summer, the air conditioning is running most of the time even if the thermostat is raised. Customers have no control over this part of the demand usage. To penalize anyone for a higher rate for a whole month when the high demand may have only been for 2-3 hours is what I would consider to be gouging and very irresponsible. Not to mention a charge that would be unique to Arizona residential customers. I also find it troubling that APS is supposedly putting money into this case that doesn't even involve them.

Needless to say I am against these proposals on many levels. I ask you to make a thoughtful, fair decision concerning this case in the interest of small business and residential customers. Thank you in advance for your consideration in this matter.

Sincerely,
JoAnn Girardi
Phoenix, Arizona
Sent from my iPad

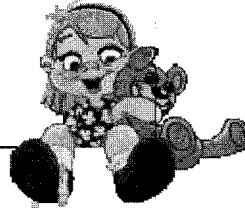
Andrea Gaston

From: Carrie <carriemo@interbel.net>
Sent: Wednesday, March 16, 2016 3:28 PM
To: Little-Web
Subject: UniSource 15-0147

Dear Doug,

As an elected official I figure it is your job to fight this Unisource "mandatory demand charge". We are on fixed income and moved to Lake Havasu to retire. Our income is never going to go up. We pay UniSource enough junk charges as it is. Please stop this from happening.

Thank You
Richard Morkert
Carrie Morkert



FREE Animations for your email - by IncrediMail!

Click Here!

Andrea Gaston

From: William Radcliffe <wradclif@frontiernet.net>
Sent: Wednesday, March 16, 2016 5:06 PM
To: Little-Web
Subject: Unisource proposed rate hike
15-0142

We are AGAINST Unisource's proposal to put "mandatory demand charges" on residential electric bills.

It is unfair to base our charge on a few hours of "wash day" demand when our washer, dryer and hot water heater are all on at the same time while the demand for the rest of the week is considerably less.

Also I believe that every residential electric meter would have to be changed to read "demand" from the current total amount used.

Please keep the current system in place. Increase the rate if you MUST, but don't go to "demand" on residential charges.

Thank you for listening.

William & Barbara Radcliffe

Andrea Gaston

From: Lysa Turner <lysaturner@yahoo.com>
Sent: Wednesday, March 16, 2016 3:01 PM
To: Little-Web
Subject: Docket# E-04204A-15-0142. Please Reject UNS Energy's proposal

Dear Chairman Little,

I strongly urge you to reject UNS Energy's recent proposal to impose demand charges and eliminate net metering.

Demand charges are an anti-consumer billing mechanism designed to confuse ratepayers and disincentivize conservation and energy efficiency. Demand charges ambush ratepayers. You only know when your peak demand has been set after the fact. Ratepayers should be charged for the energy they use, not ambushed with exorbitant charges based on a short period within a month.

In addition, net metering is vital to preserving the ability of ratepayers to go solar and protecting thousands of jobs. Net metering is a fair policy that creates jobs and gives consumers energy choice.

We know what happens when you eliminate fundamental solar policies. Do not let what happened in Nevada happen in Arizona.

Reject UNS Energy's proposal. It is a power grab that erodes consumer choice and control over bills in order to ensure captive ratepayers for their monopoly.

Sincerely,

Lysa Turner

Andrea Gaston

From: daveroderick@npgcable.com
Sent: Wednesday, March 16, 2016 1:12 PM
To: Little-Web
Subject: RE: proposed rate hike 15-0142

To Whom It May Concern: As we are unable to attend the meeting. Many residents are living on very fixed incomes. I'll illustrate with our income, we receive x amount monthly in the form of Social Security. In the past we have received a COLA, (cost of living allowance); our Part D (prescription plan) and the monthly supplemental insurance premiums have gone up and left us actually breaking even, so to say. This year, 2016, we received NO COLA, however, our monthly premiums still increased, leaving us with \$12.00 deficit per month on our income. We have tried very hard to conserve water and energy in our humble little home. We've paid the expense of purchasing trees and then paying to the labor to have them planted and bubblers at their base to give them a drink of water. They've grown to be fine trees giving shade around our home in the hopes that our air conditioner would run less during the summer months here in our desert in Arizona. These trees were purchased due to an incentive from your corporation, and at the time we were grateful for the \$15 per tree reimbursement as a credit on our power bill. This is but a small sampling of the existence of the many residents also living on fixed incomes. Some are suffering with illnesses (my husband is one) with no ability to secure more income. There are many who are less fortunate than we are. Therefore, I ask, not only for our household, but for all the residents here in Lake Havasu City, Arizona, that you rethink your proposed rate hike. Thank you for your consideration, Dave and Lucy Roderick, residents since 2002.

Andrea Gaston

From: Lbowma@aol.com
Sent: Tuesday, March 15, 2016 3:27 PM
To: Little-Web
Subject: lbowma@aol.com

UNS @15-0142

Dear mr Little

I am a senior who lives on a budget and is also low income I do not agree with your on demand item that you want to implement on may 1st of this year i know and understand you need to recoup what you spent on upgrades but it is not our fault that the storms of 20014 damaged the poles and the lines that was the fault of mother nature. This will be a big burden on low income residents of which they are many in Lake Havasu City and the surrounding areas that you service please reconsider this charge it is not right.

I remain
Miss Lisa Bowman

Andrea Gaston

From: keenehp@citlink.net
Sent: Wednesday, March 16, 2016 5:37 AM
To: Little-Web
Subject: UNISOURCE RATE CHANGE - RESIDENTIAL DEMAND CHARGE

15-0142

MR. LITTLE

I am a rate payer from Lake Havasu City & a retired Southern California Edison manager. In my 32 years @ Edison I never experienced a rate request based on " Storm Repairs " (pole line blown down in wind storm) or anyone suggesting a " Demand " be added to a residential account. Demand charges were in place to curtail high energy use during peak periods (commercial & industrial). The purposed " residential demand charge " is just price gouging on the part of Unisource. Rate increases should be confined to " Actual " operating costs – IE: cost of fuel & PLANT overheads.

Hopefully you & the commission will make the right decision based on actual needs & costs. Maintenance costs of old facilities which are factored into the cost of doing business should not be considered .

Res

pectively, Hugh Keenan Lake Havasu City Arizona

Andrea Gaston

From: Don Jones <d0j0@yahoo.com>
Sent: Monday, March 14, 2016 10:44 PM
To: Little-Web
Subject: Docket# E-04204A-15-0142. Please Reject UNS Energy's proposal

Dear Chairman Little,

I strongly urge you to reject UNS Energy's recent proposal to impose demand charges and eliminate net metering.

Demand charges are an anti-consumer billing mechanism designed to confuse ratepayers and disincentivize conservation and energy efficiency. Demand charges ambush ratepayers. You only know when your peak demand has been set after the fact. Ratepayers should be charged for the energy they use, not ambushed with exorbitant charges based on a short period within a month.

In addition, net metering is vital to preserving the ability of ratepayers to go solar and protecting thousands of jobs. Net metering is a fair policy that creates jobs and gives consumers energy choice.

We know what happens when you eliminate fundamental solar policies. Do not let what happened in Nevada happen in Arizona.

Reject UNS Energy's proposal. It is a power grab that erodes consumer choice and control over bills in order to ensure captive ratepayers for their monopoly.

Sincerely,

Don Jones

Andrea Gaston

From: Bill Lamphere <lblamphere@gmail.com>
Sent: Tuesday, March 15, 2016 2:42 PM
Subject: UTILITY RATES 15-0142

I very much appreciate Diane E. Brown's perspective and recommendation in her Az Republic column about a sneaky attempt to jack up Arizona electric bills. We, as ratepayers and electricity consumers, need to know what's happening behind the scenes (as well as right in front of us) when it comes to underhanded attempts to make more money at our expense.

I believe it is the responsibility of Corporation Commissioners to protect ratepayers from unnecessary Utility rate increases - that is why you were elected to that position! An increase to the "Basic Service Charge", since in all likely hood it will never be lowered, is certainly not necessary. Please make the utilities prove that they actually require an increase in rates and not approve increases just because they ask for them.

Bill Lamphere
Kearny

Andrea Gaston

From: john lee <leezureacres@gmail.com>
Sent: Monday, March 21, 2016 4:01 AM
To: Little-Web
Subject: I oppose UNS's proposal, regarding Docket# E-04204A-15-0142

Dear Chairman Little,

please listen to the people. There are power hungry corporations that wish to capitalize on the consumers by passing laws that infringe on the peoples rights to govern their own finances and be able to conserve. Their purpose is to make more profits and put more financial burden on the consumer John Lee

Sincerely,

john lee

Andrea Gaston

From: pandshaug@yahoo.com
Sent: Sunday, March 20, 2016 6:41 PM
To: Little-Web
Subject: Unisource rate increase 15-0142

Unsources utility company wants to raise rates through "demand charges". This is an unfair rate increase. Our bill should be based on the total power we actually use. It should not be based on the one hour we use the most power. I do not agree to this increase.

Paul Haug
1070 Pueblo Dr
Lake Havasu City Az 86406

Sent from my iPad

Andrea Gaston

From: Travis Zander <tzander@aguafria.org>
Sent: Sunday, March 20, 2016 2:14 PM
To: Little-Web
Subject: Docket# E-04204A-15-0142. I oppose UNS's proposal

Dear Chairman Little,

I oppose UNS Energy's recent proposal to redefine NET METERING, impose MANDATORY DEMAND for all customers and RETROACTIVE implementation of any changes. Because this rate case would establish a precedence for all utilities regulated by the Arizona Corporation Commission, I feel an even greater civic duty to voice my opposition and opinions with regards to this discussion.

Current NET METERING policy is appropriate and I oppose all efforts to change NET METERING, including the effort in this rate case to change NET METERING from banked kWh retail credits to monthly wholesale NET BILLING dollars. Because of the natural solar production curves resulting from the annual seasonal cycles, solar system's kWh production peaks around the summer solstice and bottoms out around the winter solstice. As such, solar system economics are dependent upon the ability to bank unused power produced during the summer months to be used in later billing cycles.

It is my understanding Arizona Administrative Code R14-2-2302(13)(d), "generating capacity less than or equal to 125% of the Net Metering Customer's total connected load" was developed to separate electrical consumers from electrical producers where the latter would be expected to compete at the wholesale level. This general position makes sense. What doesn't make sense is why NET METERING customers should now be considered wholesale electrical producers?

NET METERING on an annual basis, therefore, is the fairest and best policy to address delivery of unused solar kWhs back to a utility. While a benefit is provided to a solar customer with this current policy, a benefit is also provided to an Arizona utility in the form of dumping unused solar kWhs on the grid during the "On-Peak" hours of the highest "local" demand. Additionally, solar customers are also reducing or eliminating their demand for power during these same periods reducing grid transmission and load during these critical times. Schools, in particular, dramatically reduce their demand and power use during their summer breaks, enhancing this benefit to the utility on a much greater scale, which should give cause to promote policies to encourage and grow solar production at school facilities. Allowing schools to leverage this benefit ultimately propagates their economic relief to its tax payers, the majority of which, will share the same utility benefit in g all, even non-solar customers.

I also do not agree with arguments intended to devalue NET METERed solar kWh. One such argument supporting devaluation states the influence of solar has been so insignificant that it has little to no impact on utility capacity and therefore cannot derive value from reduced or delayed future infrastructure investments. While there are many other benefits for grid-tied distributed generation projects that need to be properly vetted where indirect value should be considered, the limited magnitude argument seems to fly in the face of the other side of this coin where claims are made regarding declining retail sales as a result of NET METERING, inequitable cost shifts to non-solar customers and harmful grid impacts.

MANDATORY DEMAND charges eliminate the primary account type that provides solar an opportunity to be viable without subsidies. Solar, like virtually all energy investments, creates or saves kWhs. DEMAND is the use of kWhs over time. Because most Arizona utilities use the greatest consumption of kWhs over any 15 minute interval within the billing cycle, energy investments are generally unable to reduce these charges, not because they don't ultimately reduce delivery of power and all the related costs in doing so, but because they're unable to do so 100% of the time by a percentage point or two. Subsequently, the energy investment kWh created or saved is devalued by up to 50%. This will dramatically reduce if not eliminate the pursuit of energy investments.

Arizona electrical expenses continue to migrate away from kWh to other metrics (DEMAND and billing cycle costs). As this trend continues, customers will only have two choices to control electrical expenses. 1) Divert all energy investment capital to payment of bills forgoing any efforts to produce power or reduce consumption or 2) go completely off-grid. If all rate plans are to include MANDATORY DEMAND, then the methodology of determining DEMAND charges should be changed. Requiring customers to maintain demand reduction 100% of the time in order to enjoy any financial benefit of pursuing said reduction is no more reasonable than requiring utilities to provide 100% uninterrupted power.

Lastly, Unisource is asking that the approved policy changes be retro-active. This action alone is enough to kill most, if not all, energy investment development and pursuits. Even the best performing energy projects take years to begin producing a positive return on investment. Larger projects which yield a larger impact on energy demands and consumption most often take more than a decade, sometimes two before delivering positive results. Developing and operating such projects can only be considered if rate policies remain substantially static and consistent with those in place, along with their respective histories, at the time of commissioning. Establishing a precedent that further exacerbates the unpredictable future value of energy investments will further suppress all efforts, including innovation, to pursue energy efficiency.

In conclusion, if the pursuit of energy efficiency is desirable for the State of Arizona, policies shifting the cost of electrical power away from kilowatt hours should be resisted and potentially reversed. Understandably, all the stakeholders, including the utilities must benefit from the pursuit. As stated previously regarding school solar projects operating during summer breaks, there are ways to create energy efficiency and production opportunities that benefit all. What is needed to fuel energy success, is an understanding that regulated utilities which enjoy a legal monopoly status in Arizona, must embrace the idea that energy innovations which reduce or reverse gross electrical expenditures is a preferred means of increasing their net profits.

Sincerely,

Travis Zander

Andrea Gaston

From: Debbie Torina <dtorina@icloud.com>
Sent: Saturday, March 19, 2016 4:28 PM
To: Little-Web
Subject: Unisource's proposed rate hike 15-0142

Do not approve Unisource's proposed rate hike for 2016! The utility companies are raking in HUGE profits and consumers in my area of Arizona (not sure about other areas) do not have a choice for electricity providers - we have to use Unisource. As a municipal government employee, our salaries have been frozen for several years, with no pay raises, and my husband who receives Social Security has not received a cost of living increase. Everyone is struggling to pay our electricity bills (other utilities/taxes/ever rising health insurance costs) without pay increases, while Unisource makes tons of profits, and now wants an increase! As an elected official, it's YOUR job to look out for Arizona's residents, not the profits of a greedy utility company!

Debra Torina
Lake Havasu City AZ

Andrea Gaston

From: Thomas Garven <tdgarven@gmail.com>
Sent: Saturday, March 19, 2016 4:07 PM
To: Little-Web
Subject: Demand Response Comment 15-0142

Dear Mr. Little:

The following posting was created and posted to the Lake Havasu City News-Herald News paper on March 19, 2015. I sincerely hope you take some of these comments into consideration.

Begin quote:

"tomgarven Mar 19, 2016 3:13pm

Having worked in the public utility electric service industry for about 20 years it is my belief that Demand Response service charges are basically just another way for a public utility to increase their income. Lets face it – it takes 'X' number of kilowatt hours [kWh] to run a home and those kW hours are very predictable over time. If you would like; you can compare your electric consumption month by month from the bar chart provided on your monthly bill by UniSource. Have you seen any big changes between 2015 and 2016? Most likely not and public utilities are becoming increasingly more adept at projecting electric use. After all, its not as if all of the sudden everyone in Lake Havasu City decided to turn on their electric dryers at exactly the same time.

So just what is the PURPOSE of Demand Response? The definition of demand response from the Department of Energy is; "Demand response provides an opportunity for consumers to play a significant role in the operation of the electric grid by reducing or shifting their electricity usage during peak periods in response to time-based rates or other forms of financial incentives". End Quote

So there you have it. UniSource wants our help as consumers to reduce energy consumption during periods of heavy use so they don't have to start up or build more power plants. I guess that is the reason although it was never stated was it? That however is but one of the many reasons UniSource will give you if you ask. In exchange for our help, UniSource will be trying to convince the Arizona Corporation Commission that they should be given the right to charge us [more] or a surcharge on our electric bills if we use some unknown quantity of electricity above some predetermined unspecified amount. But let us not forget; that the definition also contains these words; "other financial incentives". Did you see any financial or other types of incentives from UniSource for their electric customers? In other words UniSource is enlisting WITHOUT compensation every resident in Lake Havasu City to help them reduce their operating costs while charging us MORE for the electricity we use.

This might be a good time to ask WHY and there are certainly lots of reasons which could take up many pages. But certainly you must remember that UniSource was sold last year to a Canadian Company for \$4.3 billion dollars. The company is called Fortis Inc. and they paid a hefty premium for the stock of UniSource at \$60.25/share. At the time UniSource shares were being traded for \$45.85. So who do you think is going to pay for this corporate merger? You guessed it; "we the people" are going to pay if UniSource get its way at the Arizona Corporation Commission hearings.

Demand Response as envisioned by our Federal Government was meant to be a TWO WAY STREET. The desired goal is that our electric grid become "Smart". Smart meaning; a homeowner or business should be able to tell when their energy consumption is approaching the Demand Response surcharge set point so they can temporarily reduce energy consumption. At some utilities this is an automated process and is accomplished by utility radios which turn certain appliances like a water heaters off/on. In other cases Smart Meters are tied to meters inside a consumers home or place of business which can be set to

alarm when consumption approaches the Demand Response set point. I see no preparation for this type of smart grid in our community.

I will state it one more time; Demand Response programs NEEDS be a TWO WAY street. If it is not; it will most likely be viewed by most electric consumers as just another financial gift to a monopoly utility.

"

End Quote

Sincerely

Thomas D. Garven

2900 Indian Land Dr.

Lake Havasu City, AZ. 86406

928

/208-4233

tdgarven@gmail.com

Andrea Gaston

From: Allan J Friedbauer <asfriedbauer@aol.com>
Sent: Sunday, March 20, 2016 1:11 PM
To: Tobin-Web; Little-Web; Stump-Web; Forese-Web
Subject: Do not consider "Basic Service Charge " increases and "Demand Charge"

UNS 15-0142

Dear Sir;

We have read Diane E. Brown's March 10, 2016 article in the Arizona Republic, and are asking that you not consider increasing the "Basic Service Charge" APS is now charging their customers.

We are retired Arizona residents, and also feel that using a "demand charge" instead of charging for actual usage would be especially detrimental to us citizens who are on a fixed income. There are always times when, for whatever reason, a consumer will use a large amount of energy in any particular day. We have no problem with paying for what we use. However, it is very unfair to base the entire month's energy bill on that one day.

We have had an energy audit, and have complied with all the requested suggestions--to include a new air conditioning unit, a new hot water heater and air duct sealing. All the money we have had to take out of our savings for the the above mentioned expenses will go down the drain if the rates keep going up, especially charges mentioned above.

Thank you.

Allan J. Friedbauer
Susan B. Friedbauer
4210 North 78th Place
Scottsdale, AZ 85251
(480) 424-7759