

ORIGINAL



April 12, 2016

Regarding: UNS Electric Rate Case Docket # E-04204A-15-0142

Dear Chairman Little and Members of the Arizona Corporation Commission:

December 7, 2009 was a benchmark day when our residential rooftop solar unit was installed. Roughly 61,090 kwh's have been produced. This is substantial and additional benefits have accrued including less carbon dioxide (co2), and the elimination of fossil fuel emissions (nitrogen oxides, as well as sulfur dioxide or mercury). We recognize the danger of global warming and the pivotal issues of the current rate case.

Global warming is indeed real. More than adequate proof is contained in Anthony D. Barnoskys "Heatstroke: Nature in an Age of Global Warming." This well founded publication is powerful and well-documented. It points out the challenges we face as well as sound solutions. It is painfully evident that we must begin corrective action immediately. The old industrial model is not far from the final stage of its life cycle. Change and innovation are the watchwords.

The rate case addresses three basic issues - net metering, a basic fee increase and the implementation of a demand charge. This is similar to the approach pursued by many regulated electric companies nationwide. The outcome of this case is therefore highly important. It will establish a pattern which will undoubtedly be followed statewide.

The following quote by R Street (RStreet.org) in a paper titled "Alternatives to Net Metering: A Pathway to Decentralized Electricity Markets (February 23, 2016) exemplifies the problem: "Reliance on net metering has driven recent controversies in several states, but the problems of net metering are structural problems of rate design. Net metering's administratively determined prices fail to incorporate the local knowledge that would be reflected in market responses to price signals or changes in prices as system conditions change. Net-metering rates also obscure cross-subsidies inherent in traditional utility regulation, which often reveal themselves when new technologies change the energy-market opportunities that are of interest to consumers". Similar arguments negating the demand charge and the 50% user fee increase must be argued along similar lines.

Change is possible. Respectively, Maine and California State Commissions facing a familiar bi-polar position between producer and consumer mandated solutions. Compromises were made and equitable solutions were reached. From my point of view, alternative energy sources are forging a new horizon and it would be appropriate if the Arizona Commission provided the necessary support.

Respectfully submitted,

G. P. Lungstrum  
Green Valley, AZ

Arizona Corporation Commission  
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