

ORIGINAL



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DOCKET CONTROL

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12 **BEFORE THE ARIZONA CORPORATION COMMISSION**

13 COMMISSIONERS

14 DOUG LITTLE Chairman
15 BOB STUMP
16 BOB BURNS
17 TOM FORESE
18 ANDY TOBIN

Arizona Corporation Commission

DOCKETED

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19 IN THE MATTER OF THE
20 COMMISSION'S INVESTIGATION OF
21 VALUE AND COST OF DISTRIBUTED
22 GENERATION.

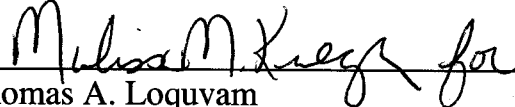
DOCKET NO. E-00000J-14-0023

ARIZONA PUBLIC SERVICE
COMPANY'S NOTICE OF FILING

23 Pursuant to Staff's request and discussion during the hearing on this matter, APS
24 submits the attached email communication with Utilities International, the owner of
25 APS's cost of service software.
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RESPECTFULLY SUBMITTED this 21st day of April 2016.

By: 
Thomas A. Loquvam
Raymond S. Heyman
Attorneys for Arizona Public Service Company

ORIGINAL and thirteen (13) copies
of the foregoing filed this 21st day of
April 2016, with:

Docket Control
ARIZONA CORPORATION COMMISSION
1200 West Washington Street
Phoenix, Arizona 85007

COPY of the foregoing mailed/delivered this
21st day of April 2016 to:

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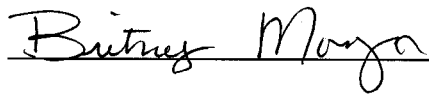
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Layton, Stefanie

From: Smith, Frederick G. [REDACTED]
Sent: Thursday, April 21, 2016 10:28 AM
To: Layton, Stefanie
Subject: RE: Requested response for APS hearing

USE CAUTION - EXTERNAL SENDER: ([REDACTED])
Do not click on links or open attachments that are not expected.

For questions or concerns, please email the APS Information Systems Security team at [REDACTED] or contact the APS Helpdesk.

Stephanie:

Concerning question 1), yes we would. A software license would be required to utilize our software.

Concerning question 2), UI generates an Excel workbook with working formulas intact. The only linkages that are not already built are the linkages between the calculation of allocation factors and their usage in the cost of service calculations. UI could do the following:

- Link the allocation factor Excel workbook with (or merge it into) the cost of service workbook
- Describe and/or highlight in yellow the tabs and cells that contain input factors
- Provide instructions on how to print resulting schedules

We built into our software the ability to generate Excel workbooks with cost of service logic in order to allow outside parties without a software license to:

1. Change assumptions
2. See all the cost of service business logic through completely transparent Excel formulas
3. Produce resulting schedules.

All that is required is a working knowledge of Excel and utility cost of service.

Frederick Smith
President
Utilities International

-----Original Message-----

From: [REDACTED]
Sent: Wednesday, April 20, 2016 4:27 PM
To: Smith, Frederick G. [REDACTED]
Subject: Requested response for APS hearing

As part of an evidentiary hearing, APS was asked on the record by Commission staff, to inquire whether Utilities International:

1) will allow other parties to view or utilize the UI software in the context of a regulatory proceeding; and

2) is willing to provide a tool that links the inputs into a cost of service study with the outputs of that study, such that parties to a regulatory proceeding with access to this tool would be able to alter the input.

Please also indicate whether there are any other steps or tools that will increase the visibility and transparency of the model and its use.

Please provide your response to this inquiry as soon as possible.

Thank you,

Stefanie Layton

--- NOTICE ---

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