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Arizona Solar Energy Industries Association (AriSEIA)
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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

DOUG LITTLE — CHAIRMAN
BOB STUMP
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TOM FORESE
ANDY TOBIN

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 through the state of Arizona, and for related approvals.

Docket No.: **E-04204A-15-0142**

ARISEIA'S POST HEARING BRIEF

Arizona Solar Energy Industries Association (AriSEIA), through its assigned representative, hereby provides notice that it has this day filed the attached post hearing brief.

Dated this 29th day of February, 2016

Thomas A. Harris

Arizona Solar Energy Industries Association

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Arizona Corporation Commission

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Mandatory Demand Charge (3-part tariff)

AriSEIA firmly believes mandatory demand charges are inappropriate for residential service in general and for UNSE service territory in particular. As shown, not a single state regulated utility in the United States has been approved to implement mandatory demand charges. Given the lack of precedence implementing mandatory demand charges will be a live social experiment with far reaching consequences and a difficult path back in case the experiment fails.

UNSE has not yet fully deployed the required meters and was not originally planning on forcing mandatory demand charges on its customers. From these reasons and others AriSEIA does not support mandatory demand charges.

As an alternative time of use tariffs should be considered. This tariffs have been widely implemented, provide clear price signals to customers and have been shown to reduce both customer utility system wide peak loads.

Customer choice

As testified on several occasions it is generally believed UNSE customers would prefer choices in tariff structure be it inclining volumetric block, two (2) part TOU or as appropriate option a three (3) part demand charge. While there was concern customers would self-select options which were better for their interests, by proper tariff construction the company should be indifferent as to which tariff a particular customer selects.

Grandfathering

To the extent there is any change in NEM policy, AriSEIA believes those changes should only effect customers who sign a contract after the final decision in this docket is approved. All grandfathering provisions should remain in effect for twenty (20) years after the system received permission to operate (PTO).

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Maximum Demand charge

A maximum demand charges to a 15% load factor where load factor is kWh-used/(demand charge # of hrs in month) is an innovated. However this approach might be more effective if both the number of kWh and hours of month only used the peak periods.