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BEFORE THE ARIZONA CORPORATION COMMISSION

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BOB BURNS
COMMISSIONER

TOM FORESE
COMMISSIONER

ANDY TOBIN
COMMISSIONER

IN THE MATTER OF THE APPLICATION OF
TUCSON ELECTRIC POWER COMPANY FOR
APPROVAL OF ITS 2016 RENEWABLE
ENERGY STANDARD IMPLEMENTATION
PLAN

DOCKET NO. E-01933A-15-0239

IN THE MATTER OF THE APPLICATION OF
TUCSON ELECTRIC POWER COMPANY 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 TUCSON ELECTRIC
POWER COMPANY DEVOTED TO ITS
OPERATIONS THROUGHOUT THE STATE OF
ARIZONA AND FOR RELATED APPROVALS

DOCKET NO. E-01933A-15-0322

**MOTION FOR INCLUSION OF
CONSIDERATION OF TORS AND
RCS TARIFF ISSUES IN DOCKET
NO. E-01933A-15-0322 PHASE 2**

The Energy Freedom Coalition of America ("EFCA") hereby files this Motion for Inclusion of Consideration of TORS and RCS Tariff Issues in Phase 2 of Tucson Electric Power's ("TEP") Rate case, Docket No. E-01933A-15-0322.

On April 6, 2016, Administrative Law Judge Rodda issued a Procedural Order in Docket E-01933A-15-0239, TEP's Application for Approval of its 2016 REST Implementation Plan, consolidating that Docket with the TEP Rate case. The Order put parties to the TEP Rate case on notice that "in the event the Commission determines [in Docket E-01933A-15-0239] that it is in

1 the public interest that the RCS [Residential Community Solar] program should qualify for the DG
2 carve out under the REST Rules, the RCS tariff and rate will be considered and set in the Rate
3 Case proceeding.” Further, the tariff for TEP’s TEP-Owned Residential Solar (“TORS”) program
4 is already before the Commission in the Rate Case, as TEP is seeking revisions to the existing
5 TORS program tariff. See TEP, Notice of Filing of Proposed Tariffs, Exhibit CAJ-4, establishing
6 Tariff RES-COS (Residential Company Owned Solar Program) to replace Rider R-10 (November
7 19, 2015). These revisions would be applicable to new TORS customers if TEP’s REST
8 Implementation Plan to more than double the number of allowed TORS program participants and
9 to make TORS an ongoing, ever expanding, TEP offering is approved.

10 At the April 2016 REST Implementation Plan hearing, EFCA demonstrated that TEP’s
11 TORS and RCS programs—and their associated tariffs—were designed with one purpose, the
12 elimination of competition from DG solar. See, e.g., EFCA Post-Hearing Br. at 2-6, 9-11. While
13 EFCA believes that the anticompetitive effects of the TORS and RCS tariffs can be demonstrated
14 standing alone, their full anticompetitive impact can be understood only in conjunction with the
15 rate structure and net metering tariffs for DG solar customers adopted in the TEP rate case.

16 On August 18, 2016, the Commission issued its Order in the UNS Electric Rate Case,
17 Docket E-04204A-15-0142, holding that issues relating to net metering and tariffs applicable to
18 DG solar customers should be addressed in a separate Phase 2 after conclusion of the Value of
19 Solar proceeding because such a process would permit a “holistic” consideration of DG solar
20 issues. Order 75697 at 118:7.

21 On August 22, 2016, Judge Rodda issued a Procedural Order in the TEP Rate case
22 providing that, “issues related to changes to net metering and rate design for new DG customers
23 shall be deferred to a Phase 2 of the evidentiary hearing at a date to be determined....” EFCA
24 believes that the level and structure of TEP’s tariffs targeting DG solar is an inherent element of
25 the “holistic” evaluation sought by the Commission. Consequently, consideration of TEP’s TORS
26 and RCS tariffs should be undertaken in Phase 2 as well.

27 This is particularly so because the competitive analyses before the Commission are based
28 on existing TEP rates. For example, RUCO witness Huber’s Surrebuttal Testimony stated that

1 RUCO had conducted a new “cost parity” analysis that “found that TEP owned rooftop solar were
2 [sic] 44% less expensive than a NEM based PC system on current rates.” Huber Surrebuttal at
3 12:6-7 (emphasis added). However, to be relevant (if at all), such a cost-parity analysis must be
4 based on a comparison between the rates that will be charged to DG solar customers, as adopted
5 in Phase 2 of the TEP rate case.

6 Finally, requiring consideration of the TORS and RCS tariffs to be deferred to Phase 2
7 would promote procedural fairness. Staff witness Gray’s testimony filed on August 26, 2016 set
8 out a recommendation for the appropriate price for RCS based on a new cost of service study. In
9 turn, TEP’s rejoinder testimony, due September 1, may respond to the Staff’s proposal. EFCA
10 should have a fair opportunity to respond to these new studies and testimony that will impact the
11 determination of the TORS and RCS tariffs. Considering the RCS tariff in Phase 2 (if it is to be
12 heard in the rate case at all), would permit EFCA witnesses sufficient time to respond to these last-
13 minute additional analyses to submit pre-filed testimony.

14 WHEREFORE, EFCA respectfully requests that an order be entered requiring
15 consideration of the TORS and EFCA tariffs to take place in Phase 2 of the rate cases so as to
16 permit them to be analyze in the context of the Commission’s evaluation of other TEP tariffs
17 related to DG solar.

18 **RESPECTFULLY SUBMITTED** this 31st day of August, 2016.

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20
21 /s/ Court S. Rich
22 Court S. Rich
23 Rose Law Group pc
24 Attorney for EFCA
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28

1 **Original and 13 copies filed on**
2 **this 31st day of August, 2016 with:**

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4 Arizona Corporation Commission
5 1200 W. Washington Street
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7 *I hereby certify that I have this day served a copy of the foregoing document on all parties of
8 record in this proceeding by regular or electronic mail to:*

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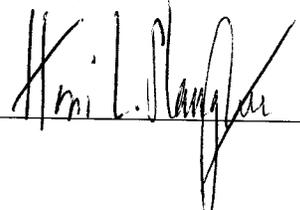
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