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Timothy M. Hogan (004567)
ARIZONA CENTER FOR LAW
IN THE PUBLIC INTEREST
514 W. Roosevelt Street
Phoenix, Arizona 85003
(602) 258-8850

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Arizona Corporation Commission
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Michael A. Hiatt
EARTHJUSTICE
633 17th Street, Suite 1600
Denver, Colorado 80202
(303) 623-9466

David Bender
EARTHJUSTICE
1625 Mass. Ave., NW, Suite 702
Washington, D.C. 20036
(202) 667-4500

BEFORE THE ARIZONA CORPORATION COMMISSION

DOUG LITTLE - Chairman
BOB STUMP
BOB BURNS
TOM FORESE
ANDY TOBIN

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 Docket No. E-01933A-15-0239 **VOTE SOLAR RESPONSE IN SUPPORT OF EFCA MOTION TO STRIKE TESTIMONY OF LON HUBER**

On August 29, 2016, the Energy Freedom Coalition of America ("EFCA") filed a motion to strike portions of Residential Utility Consumer Office ("RUCO") witness Lon Huber's surrebuttal testimony. This surrebuttal testimony concerned solar-specific issues involving solar rate design and net metering. Because Mr. Huber's surrebuttal testimony runs afoul of the August 22, 2016 Procedural Order deferring testimony on these issues until Phase 2, Vote Solar supports EFCA's motion to strike.

The Procedural Order states that "issues related to changes to net metering and rate design for new DG customers shall be deferred to a Phase 2 of the evidentiary hearing."[1] Further, the Order states "portions of Surrebuttal and Rejoinder testimony related to Phase 2 shall be filed at a date to be determined."[2] As EFCA explains, Mr. Huber's surrebuttal testimony discussing his proposals for an RPS Credit option and a solar metering fee violate the Procedural Order, as both proposals inherently involve solar rate design and net metering issues that have been deferred to Phase 2.[3]

Deferring all solar-specific issues until Phase 2 will result in significant efficiencies. This is exactly what the Procedural Order intends, as it recognizes that deferring solar issues "will benefit judicial economy and reduce the burden of multiple hearing appearances for many of the parties."[4] As EFCA notes, this efficiency will be largely lost if RUCO's solar proposals remain in Phase 1.[5] This is evidenced by Vote Solar witness Briana Kobor's recent surrebuttal testimony. Despite the Procedural Order, Ms. Kobor anticipated that Mr. Huber would file surrebuttal testimony on issues involving solar rate design and net metering. As a result, Ms. Kobor spent over one-half of her surrebuttal testimony discussing these solar-specific issues.[6] The scope of Ms. Kobor's pre-filed testimony in Phase 1 would be significantly reduced if EFCA's motion to strike is granted, as Vote Solar would agree to then withdraw the portions of Ms. Kobor's surrebuttal testimony discussing RUCO's solar proposals.

In addition, Vote Solar's participation in the Phase 1 hearing would be substantially reduced if EFCA's motion to strike is granted. If RUCO's solar proposals

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1 Procedural Order at 2:23–24 (Aug. 22, 2016).

2 *Id.* at 3:2–3.

3 *See* EFCA Mot. to Strike at 3:1–17 (Aug. 29, 2016); *see also* Briana Kobor Surrebuttal Test. at 3:14–8:19 (Aug. 25, 2016) ("Kobor Surrebuttal") (explaining why RUCO's RPS Credit option and solar metering fee proposals should be deferred to Phase 2).

4 Procedural Order at 2:14–15.

5 EFCA Mot. to Strike at 3:13–17.

6 Kobor Surrebuttal at 3:14–14:12.

are deferred until Phase 2, Vote Solar would not cross-examine Mr. Huber (and potentially other witnesses) on solar-specific issues during the Phase 1 hearing. Similarly, Ms. Kobor's testimony during the Phase 1 hearing would likely be considerably shortened if she is not required to discuss her critiques of RUCO's solar proposals. As Mr. Kobor's testimony shows, deferring all solar rate design and net metering issues until Phase 2—including RUCO's solar proposals—will be much more efficient and avoid piecemeal testimony on solar issues in Phase 1. Doing so will also allow the Commission's decision in the "Value of Solar" docket to inform the resolution of RUCO's proposals, which is the entire point of deferring solar issues until Phase 2.

In his surrebuttal testimony, Mr. Huber argues Tucson Electric Power Company ("TEP") intended to only defer its solar rate design and net metering proposals until Phase 2, in an attempt to "mirror" the outcome of the recent UNSE rate case.[7] However, regardless of TEP's intentions, the Procedural Order is not so limited and narrow in scope. Instead, the Procedural Order broadly defers "issues related to changes to net metering and rate design for new DG customers."[8] Notably, the Procedural Order makes no mention of deferring only some issues related to solar rate design and net metering, or just some parties' solar proposals. The Procedural Order is reasonable and reaches a common sense result, as deferring all solar issues until Phase 2 will result in significant efficiencies and allow the Commission to holistically examine all of the parties' solar proposals at one time.

Mr. Huber also argues that if RUCO's solar proposals are deferred to Phase 2, it would logically follow that revenue allocation, revenue requirement, and fixed charge issues should also be deferred.[9] But this ignores one obvious distinction between RUCO's solar proposals and these other issues. Revenue allocation, revenue

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7 Lon Huber Surrebuttal Test. at 8:1–13 (Aug. 25, 2016) ("Huber Surrebuttal").
8 Procedural Order at 2:23–24.
9 Huber Surrebuttal at 8:7–10.

requirement, and fixed charge issues apply equally to all customers, not just solar customers. In contrast, RUCO's solar proposals would apply only to new solar customers and exclusively raise issues related to solar rate design and net metering. Contrary to Mr. Huber's claim, it is reasonable and logical for the Commission to resolve broad and overarching rate design issues in Phase 1, while considering RUCO's, TEP's, and the other parties' solar-specific proposals in Phase 2.

Finally, Mr. Huber notes the Commission adopted an RPS Credit option and a solar metering fee in Phase 1 of the UNSE rate case, so "there is no need to push these issues into the Phase [2] proceeding" here.[10] However, there are several important distinctions between the UNSE rate case and this rate case that support deferring all solar issues until Phase 2 here. First, as EFCA notes, the UNSE Phase 1 decision followed voluminous testimony and briefing on solar rate design, net metering, and other solar-specific issues.[11] But here, this testimony and briefing will not occur until Phase 2. As a result, it would be premature to resolve RUCO's solar proposals in Phase 1. Second, the timing of this rate case and the UNSE rate case are significantly different. The Commission has indicated it intends to make a decision in the "Value of Solar" docket in October 2016, which is just one month after the Phase 1 hearing in this rate case. Accordingly, Phase 2 may begin shortly after the Phase 1 hearing is completed. Thus, the efficiency gains of deferring RUCO's solar proposals until Phase 2 will be large, while any delay in resolving these issues should be minimal.

For these reasons, the Commission should grant EFCA's motion to strike.

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10 *Id.* at 8:22–9:1.

11 EFCA Mot. to Strike at 3:8–17.

DATED August 31, 2016.

By_____

Timothy M. Hogan
ARIZONA CENTER FOR LAW IN THE PUBLIC INTEREST
514 W. Roosevelt Street
Phoenix, Arizona 85003

Michael A. Hiatt
EARTHJUSTICE
633 17th Street, Suite 1600
Denver, Colorado 80202

David Bender
EARTHJUSTICE
1625 Massachusetts Avenue, NW, Suite 702
Washington, D.C. 20036

Attorneys for Vote Solar

ORIGINAL and 13 COPIES of the Foregoing filed this 31st day of August, 2016, with:

Docketing Supervisor
Docket Control
Arizona Corporation Commission
1200 W. Washington
Phoenix, AZ 85007

COPIES of the foregoing Electronically mailed this 31st day of August, 2016, to:

All Parties of Record