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9 **BEFORE THE ARIZONA CORPORATION COMMISSION**

10 JEFF HATCH-MILLER, CHARIMAN
11 MARC SPITZER
12 WILLIAM A. MUNDELL
13 MIKE GLEASON
14 KRISTIN K. MAYES

15 IN THE MATTER OF THE FILING OF
16 GENERAL RATE CASE INFORMATION BY
17 TUCSON ELECTRIC POWER COMPANY
18 PURSUANT TO DECISION NO. 62103

Docket No. E-01933A-04-0408

**SWEEP/WRA RESPONSE TO
MOTION TO AMEND
DECISION NO. 62103**

19 Southwest Energy Efficiency Project and Western Resource Advocates, Inc.

20 (“SWEEP/WRA”) submit the following response to the motion filed by Tucson Electric Power
21 Company (“TEP”) to amend Decision No. 62103.

22 TEP’s motion requests that the Commission amend its order approving the 1999
23 Settlement Agreement in several respects including a request that the Commission establish rates
24 beyond December 31, 2008, retain the current CTC amortization schedule, consider certain
25 generation assets for non-rate base treatment and establish a mechanism to reflect volatile fuel
and purchase power costs in customer rates.

Even though limited in nature, TEP’s request has many of the characteristics of a full rate case. It requests the establishment of rates, an extended amortization schedule for the CTC at its

1 current level, rate base consideration for certain assets and the establishment of a fuel and
2 purchase power cost recovery mechanism.

3 If the Commission is inclined to consider any or all of the issues raised by TEP, then
4 SWEEP/WRA request that the Commission also consider evidence related to demand side
5 management (“DSM”) and renewable energy issues. If this were a full rate case, there is no
6 question but that SWEEP/WRA would be able to raise such issues for the Commission’s
7 consideration. That TEP’s request seeks a more abbreviated proceeding, focusing on a limited
8 number of issues, does not change the fact that those issues are rate related and require
9 traditional ratemaking decisions from the Commission.
10

11 Given the ratemaking nature of the proceedings sought by TEP, the Commission should
12 allow for the full consideration of rate related issues. Issues regarding DSM and renewable
13 energy certainly fall into that category. That is particularly true given TEP’s desire to establish
14 an adjustment mechanism to reflect volatile fuel and purchase power costs. If permitted by the
15 Commission, SWEEP/WRA would introduce evidence about the manner in which DSM and
16 renewable energy can reduce TEP’s exposure to the volatility of fuel and purchase power costs
17 and such evidence is directly related to TEP’s request.

18 This proceeding also presents the Commission with an opportunity to align TEP’s DSM
19 and renewable programs with those approved for Arizona Public Service Company earlier this
20 year. In Decision No. 67744, the Commission approved significant changes in APS’ DSM and
21 renewable energy programs. The Commission should take advantage of the opportunity
22 presented by TEP’s motion to establish similar programs for TEP customers so that they can
23 benefit to the same extent as APS customers.
24
25

1 Finally, if the Commission determines that this proceeding does not present the
2 appropriate opportunity to address DSM and renewable energy issues, then SWEEP/WRA
3 request that the Commission schedule a separate proceeding to consider DSM and renewable
4 energy issues related to TEP.

5 RESPECTFULLY SUBMITTED this 12th day of October, 2005.

6 ARIZONA CENTER FOR LAW IN
7 THE PUBLIC INTEREST

8
9 By _____
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15 ORIGINAL and 13 COPIES of
16 the foregoing filed this 12th day
17 of October, 2005, with:

18 Docketing Supervisor
19 Docket Control
20 Arizona Corporation Commission
21 1200 W. Washington
22 Phoenix, AZ 85007

23 COPIES of the foregoing
24 electronically transmitted
25 this 12th day of October,
2005, to:

All Parties of Record