

# **PUBLIC NOTICE OF THE APPLICATION** **OF UNS ELECTRIC, INC. FOR APPROVAL** **OF ITS RENEWABLE ENERGY STANDARD** **AND TARIFF IMPLEMENTATION PLAN** **AND RELATED TARIFFS** **DOCKET NO. E-04204A-07-0593**

On October 12, 2007, UNS Electric, Inc. ("UNS Electric") filed its 2008 Renewable Energy Standard Implementation Plan ("The Plan"), its Renewable Energy Standard and Tariff ("REST") Tariff, its REST Adjustor Mechanism, its Uniform Credit Purchase Plan ("UCPP"), and its UNS Electric Customer Self-Directed tariff.

The Plan filed by UNS Electric includes two options for Commission consideration. Option 1 is its "Full Compliance Opportunity Plan" with a total cost of \$4.3 million in 2008. UNS Electric believes that this Option is what the Commission should approve since it will provide sufficient funding for UNS Electric to meet the 2008 REST target of 1.75% kWh sales from renewables. To meet the total \$4.3 million cost of its Option 1 Plan, UNS Electric believes a \$3.9 million revenue increase is required. To collect this revenue, UNS Electric proposes a surcharge of \$0.004988 per kWh as included in the REST "Sample Tariff" but would increase the maximum caps beyond those specified in the Sample Tariff. UNS Electric proposes maximums of \$5.20 per month for residential customers, \$39.00 per month for commercial customers, and increasing to \$1,500 per month for large commercial customers.

Option 2 is the "Sample Tariff Funding Plan" and would also be funded from the "Sample Tariff" surcharge of \$0.00498 per kWh but with the Tariff-stated caps of \$1.05 per month for residential customers, \$39.00 per month for commercial customers, and \$117.00 per month for large commercial customers. UNS Electric's Option 2 proposal would increase revenue by an estimated \$1.5 million. UNS Electric's position is that it could not meet the 2008 goal of 1.75% of kWh sales from renewables with Option 2.

Both Options represent a rate increase over the Environmentally Friendly Portfolio Surcharge Rate ("EFPS") which is currently in place for UNS Electric. The proposed REST Surcharge of \$0.00498 per kWh is greater than the present EFPS Surcharge which is \$0.000875 per kWh. In addition, with either Option 1 or Option 2, the maximum monthly cost per customer increases from the current EFPS monthly caps of \$0.35 for residential customers, \$13.00 for commercial customers, and \$39.00 for large commercial customers.

With either Option, UNS Electric is asking the Commission to approve a REST Adjustor Mechanism which would change the REST Tariff rate to reconcile any previous year's difference between REST Tariff revenue and REST program expenses.

For each Option, UNS Electric presents a UCPP proposal for Commission consideration. For Option 1, UNS Electric proposes to increase its residential renewable energy system incentives to \$4.50 per Watt. For Option 2, UNS Electric proposes using the existing Sunshare incentive rate for residential solar installations which is \$3.00 per Watt.

UNS Electric's Customer Self-Directed Tariff applies to either Option and provides Eligible Customers with information needed to apply for and maximize the benefits of UNS Electric's REST Tariff funds.

The application is available for public inspection during regular business hours at the Commission's offices at 1200 West Washington Street, Phoenix, Arizona 85007, and on the internet via the Commission website ([www.azcc.gov](http://www.azcc.gov)) using the eDocket function.

You may have the right to intervene in the proceeding. Intervention shall be in accordance with A.A.C. R14-3-105. If you wish to intervene, you must file a timely written motion to intervene with the Commission and send a copy of the motion to the applicant or their counsel and to all parties of record. A motion to intervene shall be considered timely if it is filed within (1) 5 days of the last date of publication or (2) 5 days of the date of direct notice by mail. The motion shall, at the minimum, contain the following:

1. Your name, address, and telephone number and the name, address, and telephone number of any party upon whom service of documents is to be made, if different from the intervener.
2. A short statement of your interest in the proceeding (e.g. a customer or potential customer of the Applicant, a shareholder of the Applicant, etc.)
3. A statement certifying that you have mailed a copy of the motion to intervene to applicant or their counsel and to all parties of record in the case.

Failure to intervene will not preclude any interested person or entity from providing public comment on the application. The Commission anticipates considering this matter at a future Open Meeting. Public comment regarding the application will be taken at that time.