Docket Control
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

Re: Docket No. E-01345A-13-0248
In the Matter of the Application of Arizona Public Service Company for Approval of Net Metering Cost Shift Solution

Enclosed for filing are an original and 13 copies of an addendum to a Protest I filed on October 24, 2013.

Also enclosed is an extra copy and a stamped self addressed envelop. Please add the receipt stamp to this copy and return it to me.

Thank You.

Sincerely,

Charles F. McErlean, Jr.

Enclosures
Charles F. McErlean, Jr.
2733 N. 164th Avenue
Goodyear, Arizona 85395

BEFORE THE ARIZONA CORPORATION COMMISSION

Bob Stump, Chairman
Brenda Burns, Commissioner
Susan Bitter Smith, Commissioner
Gary Pierce, Commissioner
Robert L. Burns, Commissioner

IN THE MATTER OF THE APPLICATION
OF ARIZONA PUBLIC SERVICE COMPANY
FOR APPROVAL OF NET METERING COST
SHIFT SOLUTION
Docket No. E-01345A-13-0248

ADDENDUM TO
PROTEST OF C. F. McERLEAN, JR.

On October 24, 2013, I filed a Protest in the above matter with the Arizona Corporation Commission (Commission) pursuant to A.A.C. R14-3-106. This addendum supplements matters covered in that Protest with legal references and makes an additional request of the Commission.

1. Section A.6, page 4, of the Protest raises the question of the relationship between APS and its solar customers. The obvious choices are competitor or partner. However, treating solar customers as independent competitors would introduce undesirable complexity. For example, laws governing competitors and competition could come into play. What, if any, ramifications that status had in relation to the regulatory scheme under the Commission’s jurisdiction would need to be explored. The partnering concept is much simpler and consistent with arrangements contemplated by Arizona Revised Statutes (A.R.S.), Section 40-332(B).

2. Section C.3, page 7, of the Protest discusses the demand charge which APS concedes is an imperfect solution. At page 8, line 15, the Protest makes the point that "short handing" is not acceptable rate making. That method gives no assurance that the rates meet the just and reasonable requirements of A.R.S. Section 40-361. A hearing is required.

3. Sections C.5 and 6, page 9, of the Protest discuss the taking of solar customer energy at rates based on utility marginal cost. Because these rates do not cover the solar customer’s costs, they do not meet the just and reasonable requirements of A.R.S. Sections 40-332(B) and 40-361.
4. Section C. 8, page 10, of the Protest addresses a legality issue concerning the exemption of business solar from APS’s proposal and cites A.R.S. Section 40-203. Section 40-334 also applies.

5. Staff alternative rate proposals are subject to these same statutory requirements and should be subjected to the same scrutiny.

6. Solar customers simply bought into a program designed by our Federal and Arizona governments, the Commission, and APS. If the program is flawed, or APS failed to manage its capacity properly, or both, then needed adjustments should be identified and applied within the confines of the policy goals. However, it is misleading, a deceptive practice and a mockery of the Commission’s proceedings to demonize solar customers over this problem. APS should abide by the standards applicable to Pinnacle West’s 10-K. Accordingly, the Commission is requested pursuant to A.R.S. Sections 40-202(C)(1), 40-202(I) and 40-203 to order APS to cease and desist directly, and indirectly through financial support to others or otherwise, from any actions that might mislead the public as to solar customers and the real issues in this matter as disclosed in Pinnacle West’s 10-K. APS should also be ordered to issue retractions in print and electronic media including follow up of any further such advertising with disclaimers likewise published.

Respectfully submitted.

C. F. McErlean, Jr.

Charles F. McErlean, Jr.
2733 N. 164th Avenue
Goodyear, AZ 85395

An original and thirteen copies of the foregoing were filed by mail on October 26, 2013 with:

Docket Control Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

I hereby certify that on October 26, 2013, I served this document by mailing a copy thereof, properly addressed, first class postage prepaid, to the parties shown on the attached list.

C. F. McErlean, Jr.