Arizona Investment Council ("AIC") appreciates the opportunity to provide comments regarding the appropriate scope of the evidentiary proceeding in this matter.

The question raised by Arizona Public Service Company's ("APS") Motion to Reset is whether the LFCR-DG charge ("Grid Access Charge") should be increased in order to mitigate the growing cost shift from customers with rooftop solar to those without. That question requires consideration of three discrete issues:

1. What is the cost to serve rooftop solar customers compared to the cost to serve customers who have not installed distributed generation?

2. What is the corresponding size of the cost shift?

3. What is the appropriate adjustment to the Grid Access charge in light of items one and two?

The Commission allowed this case to proceed notwithstanding APS's upcoming rate case filing because it was concerned about waiting too long to implement an interim solution to address the cost shift, if the evidence shows that such a solution is warranted.
See Decision No. 75251 at ¶ 164. To address that concern, the hearing must be efficient
and focused, eliminating discussion of ancillary policy issues that, while important to
address elsewhere, would only serve to unduly broaden and delay the proceedings if
tried in this docket. For example, the hearing should not entertain discussion of such
issues as the “value of solar” or the cost of serving customers who employ energy
efficiency programs or technologies. The value of a distributed generation resource
relative to another resource and the cost/benefit of energy efficiency compared to
rooftop solar are important conversations for dockets of broader scope and applicability
than this specific APS Motion – for example, the Integrated Resource Planning or Value
and Cost of Distributed Generation dockets. Allowing discussion of these or other
expansive policy issues in a hearing on the APS Grid Access Charge would
unnecessarily broaden the proceedings and make the timely resolution of APS’s motion
almost impossible.

Narrowly tailoring the scope of the hearing to the three issues identified above
will both inform the outcome of this docket and provide data and findings that may
facilitate the resolution of related issues in APS’s upcoming rate case, allowing both
proceedings to be efficiently litigated and timely resolved.

RESPECTFULLY SUBMITTED this 4th day of September, 2015.

OSBORN MALEDON, P.A.

By:  [Signature]

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