Public Price Process Comments with Responses Week Ending February 1, 2025

SRP Public Price Process Responses from: 1/27/2025

Name: Steve Neil

Record Number: MI6836615

Delivery Method: Email to Corporate Secretary

Received Date: 1/3/2025

Attachments: SRP Management Response to Steve Neils Second Request for Information_SN02 ROUND3.pdf

**To receive a copy of Attachments please contact the Corporate Secretary's Office and Reference Record #MI6836615*

Comment:

Good afternoon. This email begins Round 3 on this request about E-28. Please send the attached PDF with questions about their responses or lack of response to the appropriate staff. I let Brandon Shoemaker know to expect this.

--Steve

See attached with markup and questions from SRP's Response to prior comment/questions.

Response Subject: SRP Corporate Pricing Response to Public Comment #MI6836615

Response Attachments: SRP Management Response to SteveNeil Third Request for Information_SN03.pdf;

**To receive a copy of Attachments please contact the Corporate Secretary's Office and Reference Record #MI6836615*

Response:

Hi Steve,

Please see the attached SRP Management response to your Round 3 Request for Information (SN03).

SRP Management Response to
Steve Neil's Third Request for Information Regarding
SRP's Proposed Changes to its Electric Rate Schedules

1. **In reference to Question 1 of SN02**: Totally illogical that Summer Peak On-Peak is lower than Summer!! Please justify/explain. This is lower on-peak and higher off-peak than I was thinking. And they didn't provide tranche examples as requested!

   SRP Response:

   SRP Management interprets this question as referring to the percentage of usage by pricing season. During Summer Peak (July and August), customer usage is largely driven by air conditioning load, and in those months, air conditioning is typically used for more hours of the day than in Summer. There is substantial air conditioning load both before and after the 6 – 9 PM hours, which leads to higher off-peak percent usage compared to Summer.

   For E-21, the same holds true; the on-peak percent of usage is 10.7% in Summer Peak and 10.8% in Summer.

2. **In reference to Question 2 of SN02:** How is it possible that there is such a difference in the tier percentages between the prev. 12 months dataset and the Nov24 dataset?

   SRP Response:

   Bill impacts during a price process are produced for customers who take service under a single price plan for 12 months. Customers may move in and out of SRP territory or otherwise no longer qualify as customers to which the bill impacts are produced. Tier 1 customers in multifamily settings, particularly apartments, frequently move every 6 or 12 months, more than other types of customers. Due to this, the Cost Allocation Study has a higher mix of Tier 2 customers than one would see if looking at a single month.

3. **In reference to Question 3 of SN02:** No bill impact given in this entire list of responses! Please provide something like what I requested.

   SRP Response:

   For purposes of this data request, below is a Customer Characteristics table approximating the impacts, as of April 2024, for E-28 pilot participants taking service under the proposed E-28 Price Plan.

   This table was created as a courtesy, solely to provide the information sought in this data request; it is not part of SRP Management's price proposal and may not be relied upon as an official price process table.

Stratum	Avg. Monthly Summer kWh (June-Sep)	% of Accounts	Avg. Annual Billed kWh per Acct	Avg. Annual Bill		% Change
				Current	Proposed	
1	0 – 400	1.7%	4,050	$632	$664	5.1%
2	401 – 850	5.3%	5,929	$902	$971	7.7%
3	851 – 1,300	18.6%	8,666	$1,239	$1,327	7.0%
4	1,301 – 1,800	26.1%	12,059	$1,630	$1,729	6.1%
5	1,801 – 2,600	28.1%	16,745	$2,167	$2,277	5.1%
6	2,600 +	20.3%	26,684	$3,326	$3,452	3.8%
Based on actual billing data from customers with 12 consecutive months of data ending April 2024						

4. **In reference to Question 4 of SN02:** "Typically" meaning that SRP didn't actually ask/survey? And what consumer would say that they did not like the inconsistency of being charged less in the winter half? Please have your experts weigh in and explain.

   SRP Response:

   SRP surveyed over 1,300 customers in September, 2023, the results of which showed a preference for consistent hours year-round, rather than changing by season.

   The differing prices by season remains for all prices, including the newly proposed E-28 and E-16 price plans.

5. **In reference to Question 5 of SN02:** For below, the proposed solar export price $0.0345 and prop. E-28 summer super off-peak $0.0401=.0056 diff. E-16 diff is .0048. Call it half a cent . These small diffs significanlty undermine your premise. Assuming 1000kW/month, 31% super off peak per above table, on sunniest days, say 100kWh exported per month = $3.45 credit less 20% imported on cloudy days = $4.00. 55 cents customer cost. Zero monthly net = $0. Please disagree and show your math.
   No examples as requested about monthly net metering credit vs. instantaneous export credit.

   SRP Response:

   E-27 was a net metering price plan because the energy price contained only the system benefits, fuel and purchased power adjustment, and a small portion of generation costs.

   SRP cannot provide examples comparing net metering to export credit under E-16/E-28 because the pricing in those plans is not designed for net metering.

6. **In reference to Question 6 of SN02:** "Read date" does not appear on a standard bill, nor is it a term explained on your website so not clear. I think it is the day after the billing cycle ends. For example, my account's read date is always the first of the month and is also the bill for that month and the service date range is the previous month's day 1 to day last. So, as I understand it, my

November bill has a read date of Nov 1 and is for Oct 1 through Oct 31. Correct? Also wondering about the last example you gave of 10-29 to 11-28 which would mean the read date was the 11-29. Do you actually have read dates on the 29th and 30th of months? What happens in February?

SRP Response:

Monthly bills are calculated using the midnight read on the read date, which results in billed usage through the end of the previous day.

SRP collects meter reads every day of the month. The total number of days in each month is considered when establishing the monthly read dates for billing. For example, an account with a January read date of 1/30 may have a February read date of 2/28.

Name: Robert Rinne

Record Number: d43d7308

Delivery Method: Digital Submission

Received Date: 1/9/2025

Comment:

My comments were never posted the first time, so I'm trying again.....I have not increased my power usage over the past few years, yet my bill continues to go up. Number one, I don't own an electric vehicle, so why am I to be responsible for paying higher prices per KWH because of those people who had increased their power usage by charging their cars at the rate of a 4-ton AC Unit? I should not be penalized for them using more power. Nor should I have to pay for everyone's EV Chargers, because SRP is handing them out like candy, and basically charging me for the EV owner's Charger. That is unethical business practices. Number two, you put smart meters on all the houses to save money, but my bill kept going up, what's up with that? Now you don't have people going out to read the meters, yet the per KWH rate keeps rising. If I want to reinstall a mechanical meter someone would have to physically read my meter, and then you want to charge me $45 per month more, for a read every other month. But when you got rid of the mechanical meters and went to smart meters, you didn't give me a discount on my bill of $45 per month. Once again, unethical business practices. Number three, everything has been going up in the past 4 years except my pay. I had to cut corners and tighten up the belt, so, SRP can do the same. Why should I be charged more due to your inability to cut your corners. Oh, just charge the customer more? Is this your logic? Once again, unethical business practices. Number four, every time it rains hard, three days later our power goes off, yet I don't get a discount on my bill. This has happened 5 times in a 15-month span. SRP fails to deliver, yet I still must pay full price. I called and was told that because the power is off, I am not being charge during that time. Really, I know that. The problem is the AC must run twice as long to make up for all the heat which is now in the house in the summertime. And it takes more energy to cool down the house than if the power didn't go off at all. The reason for the power going off is a failure of direct burial cables. Once SRP does replace the cables, they use direct burial cables again, you know, the ones that fail. Once again, unethical business practices. Number five, I wanted to replace my electrical panel on my house, but SRP just cuts the cable and splices it back, the cable coming up to the panel. I have known many people that had issues after this was done. Splicing 40-year-old direct burial cable is NOT the proper repair, it WILL fail. And when it fails, it usually burns out electronic devices and SRP does not take responsibility for the electronic devices, the customer must cover their own cost. Once again, unethical business practices. So, SRP can do what the rest of the us must do, tighten up the belt and do more for less. No Rate increase, SRP has not earned.

Response Subject: SRP Corporate Pricing Response to Public Comment #d43d7308

Response:

Robert Rinne,

Thank you for your interest in SRP's Pricing Process. Your questions are addressed below:

I don't own an electric vehicle, so why am I to be responsible for paying higher prices per KWH because of those people who had increased their power usage by charging their cars at the rate of a 4-ton AC Unit?

SRP Response: In general, additional usage on the grid from electric vehicles puts downward pressure on prices, including for customers without electric vehicles, because the fixed costs of running the grid are spread out over more kWh.

You put smart meters on all the houses to save money, but my bill kept going up, what's up with that? Now you don't have people going out to read the meters, yet the per KWH rate keeps rising. If I want to reinstall a mechanical meter someone would have to physically read my meter, and then you want to charge me $45 per month more, for a read every other month. But when you got rid of the mechanical meters and went to smart meters, you didn't give me a discount on my bill of $45 per month.

SRP Response: The primary drivers for price changes over the last several years have been unrelated to metering costs. The Fuel and Purchased Power Adjustment Mechanism (FPPAM) changes in 2021, 2022, 2023, and 2024 were because of higher Fuel and Purchased Power costs for SRP. The proposed increase in November 2025 is to account for rising costs, ensure that SRP maintains its long-term financial health, and reflect SRP’s continued transition to sustainable resources and new technologies. The price proposal reflects, among other things, an increase in base prices to address expenses related to replacing aging infrastructure, adapting to an evolving power grid, and enhancing customer programs and services, while maintaining reliability and safety.

In the past, when SRP meter readers serviced hundreds of thousands of meters, there was economies of scale that made the cost per physical meter read significantly lower than today when there are only a small number of physical reads per month. Everything has been going up in the past 4 years except my pay. I had to cut corners and tighten up the belt, so, SRP can do the same. Why should I be charged more due to your inability to cut your corners. Oh, just charge the customer more? Is this your logic?

SRP Response: SRP last conducted a pricing process in 2019. On March 25,

2019, the SRP Board of Directors approved an overall average annual price decrease of 2.2% that took effect with the May 2019 billing cycle. Unrelated to a pricing process, SRP's publicly elected Board of Directors recently approved an adjustment to the FPPAM rate that resulted in an overall 3.9% increase, effective Nov. 1, 2024. The FPPAM process was to update the component of prices that adjusts more frequently in response to changes in costs of fuel and power purchased via contract or on the market.

SRP continues to focus on controlling costs in the areas of financing, operations and maintenance, and new capital expenditures while planning to meet future customer needs and while meeting our ambitious carbon reduction goals.

SRP management continually leads efforts to operate the business in the most cost-effective and efficient manner while meeting or exceeding annual objectives. Key efforts include:

- Performing on-going Investment Recovery activities including selling scrap metal, materials, and assets that are no longer needed for business activities. These efforts brought in over $14 million in revenue in Fiscal Year 2024.
- Implementing cost-controlling practices within Information Technology (IT) Services, focusing on optimizing the management of IT assets and technology vendors. Since 2021, these efforts have resulted in over $30 million in cost savings or cost avoidance.
- Ongoing tracking and renegotiation of contracts related to meters, resulting in lower prices for two projects since 2021.
- Upgrading 11 of 12 combined cycle gas units with enhanced turbine hardware, which has enabled improved emissions, increased unit capacity, and reduced heat rate/fuel cost.
- Developing and utilizing asset optimization risk assessments to identify additional, low-risk, 69kV breaker preventative maintenance intervals that could be safely extended from 4 years to 6 years.

Additionally, as financial market opportunities arise, debt is refinanced at lower interest rates to lower overall interest expense. Over $2.6 billion of revenue bonds have been refinanced since May 2015, with another $300 million scheduled to be refinanced in 2025. The finalized refinancing transactions achieve net present value interest savings in excess of $18 million per year, on average, from Fiscal Year 2015 through Fiscal Year 2038.

Every time it rains hard, three days later our power goes off, yet I don't get a discount on my bill. This has happened 5 times in a 15-month span. SRP fails to deliver, yet I still must pay full price. I called and was told that because the power is off, I am not being charge during that time. Really, I know that. The problem is the AC must run twice as long to make up for all the heat which is now in the house in the summertime. And it takes more energy to cool down the house than if the power didn't go off at all. The reason for the power going off is a failure of

direct burial cables. Once SRP does replace the cables, they use direct burial cables again, you know, the ones that fail.

SRP Response: SRP owns, operates, and maintains a distribution system that spans over 22,099 miles of conductor, constructed over the past 100 years. A significant part of SRP's efforts is dedicated to enhancing grid performance and reliability, which involves continuous updates to design and construction standards. One notable advancement was the shift from direct-buried conductors to conductor-in-conduit systems in the early 1990s.

Today, our standards mandate conduit systems for all grid expansions to serve new customers, convert existing overhead lines to underground, and modify existing direct-buried infrastructure.

Given the timeline between the early power system years and the adoption of conduit requirements, a sizeable portion of our conductors remains direct buried. As part of our ongoing grid modernization strategy, SRP plans, budgets, prioritizes, and completes a wide range of system upgrade projects each year. Among these projects, cable replacement is a core focus, resulting in 1.1 million feet of conductor being converted from direct-buried to conduit systems annually.

Name: Steven Neil

Record Number: b5c8cc5f

Delivery Method: Digital Submission

Received Date: 1/10/2025

Comment:

This is a followup to "SRP Corporate Pricing Response to Public Comment #MI6435429" that I received 12-31. I reask two of the questions I asked on 12-5: 7. Regarding the S5 statement in Sep 2023, “we have different price plan comparison tools and calculators online, and call center representatives are available”, what are all the tools and calculators, both online for customers and only available to SRP employees, the tool or calculator name, the URL if available to customers, the customer types or classes available to, the date ranges the tool or calculators have been available, the time granularity of the data e.g. how many minutes, hours or days does the kWh data represent, the length of the period calculated e.g. in years, etc.? Sounds like a table would be the best way to provide this information. SRP Response: Due to the meter programming requirements for rooftop solar, which are specific depending on bill options including Net Metering, Export, or Customer Generation, SRP does not currently have an online tool on its website for customers with solar to compare price plans. Non-solar residential customers, with more generic meter programs, receive a comparison message on their bill. As you can see, I did not say a thing about "rooftop solar". And there is no response to my question. 9. The Blue Book's proposed adjustments will result in an increase in the number of plans available for a residential customer to choose from, and the plans offer a greater diversity in variables for the customer to consider. The adjustments will also result in a short timeframe of about 8 months for customers to choose a possible lower cost plan before 10 legacy plans are frozen from new participation and will no longer be an option they can choose. What is management's plan, in detail and including timeframes please, to assist customers in making an informed choice about the cost of the various plans? SRP Response: If SRP's Board of Directors approves the price changes, SRP will publish those changes on its website within one business day after the Board's approval. SRP will also notify all customers of the changes, by mail and-or email, before the first billing under the new prices. I'd like to give management another opportunity to address this question.

Response Subject: SRP Corporate Pricing Response to Public Comment #b5c8cc5f

Response Attachments: SRP Management Response to Steve Neil's Seventh Request for Information_SN07.pdf;

**To receive a copy of Attachments please contact the Corporate Secretary’s Office and Reference Record #b5c8cc5f*

Response:

Hi Steve,

Please see the attached SRP Management Response to your follow up to "SRP Corporate Pricing Response to Public Comment #MI6435429" that you received on December 31st.

SRP Management Response to

Steve Neil's First Request for Information Regarding

SRP's Proposed Changes to its Electric Rate Schedules

This information request is about SRP's guiding pricing principle of "choice", offering to customers multiple price plans and programs to choose from, and the important role SRP fills in helping customers understand the choices and their respective costs.

First, some numbered statements I found today on srpnet.com:

S1. From the "Learn about the public pricing process" 2025 webpage: "How the Board decides on prices / These are the principles the Board follows when making pricing decisions: [5th and final bullet point] Choice - Pricing options should be provided to help customers manage their energy costs."

S2. The Blue Book, page 46: "Management is proposing to freeze the old suite of TOU hour price plans as seen in Table 6." and said table lists 9 residential plans and 1 general service plan, 10 total.

S3. From the 2019 price process, a slide shown by management to the board states: "Today - Customers have the ability to call SRP, and if there is adequate history a price comparison will be given over the phone. • Prospective solar customers can access SRP's MyAccount web portal to compare their current price plan to E-27. Future - SRP is currently developing a price plan comparison tool. This feature will be made available in SRP's MyAccount web portal by spring of 2020."

S4. A media.srpnet.com page dated May 20, 2021 states: "SRP's My Account also offers price plan comparison, which gives customers the ability to compare their actual costs on their current price plan and see how their home's energy usage might look like on another price plan option. It's like comparing the best and most cost-effective insurance plan."

S5. An srpnet.com pdf entitled "Salt River Project (SRP) Integrated System Plan Advisory Group Meeting #14 - Summary" for a meeting held Sep 8, 2023 states: "As a starting point, we have different price plan comparison tools and calculators online, and call center representatives are available and happy to walk through plans with people."

S6. An srpnet.com pdf named "SRP Business Resource Guide" states: "Contact your Strategic Energy Manager for a personalized price plan comparison."

S7. SRP webpages for these plans - EZ-3 Plan, TOU Plan, EV Plan, Daytime Saver Plan, TOU Plan for Business - make this type of statement: "If your first three bills on [plan name] aren't lower than what you would have paid with the [non-TOU plan like the Basic Price Plan], we'll credit you the difference and switch you back." An SRP press release calls this "a 90-day risk-free guarantee".

Some questions of mine in regard to the above numbered statements by SRP:

1. Regarding S3, as an SRP customer with solar, I can say that there is no feature in MyAccount to compare my current price plan to E-27. When was it added/turned on? When was it removed/turned off? And why was it removed? When will it be restored? In other words, a history of its availability, please.

SRP Response:

Price plan comparison for residential rooftop solar in My Account was implemented July 2020. It was available to customers enrolled in the E-13 and E-14 Export price plans as well as the E-27 and E-15 Customer Generation price plans. The price plan comparison tool provided comparisons based on historical prices, time of use hours, and metered usage.

The price plan comparison tool was decommissioned in August 2024 due to significant maintenance requirements, limitations on price plans displayed, limited price plan changes associated with the tool, and the upgrades required in the current price process. SRP management intends to evaluate implementing a new price plan comparison tool after the Customer Modernization Program (described on Page 7 of the Proposed Adjustments to SRP's Standard Electric Price Plans Effective with the November 2025 Billing Cycle) is implemented.

2. Regarding S3 and the price plan comparison tool being available in MyAccount by the spring of 2020, when was it made available? And any times it was removed/turned off or added back/turned on?

   SRP Response:

   Price plan comparison for residential non-solar was implemented January 2020 with functionality for some residential rooftop solar customers implemented July 2020. The functionality was live until August 2024. The tool was not removed or made otherwise unavailable during this duration.

3. Regarding S3 and "adequate history", how many bills/months do you consider to be adequate?

   SRP Response:

   Price plan comparison required a minimum of twelve months usage history at the service location with no rate change during the historical period.

4. Regarding S4, I called SRP Customer Service on Dec 4, and the representative said that the MyAccount price plan cost comparison feature for customers without interconnected solar was removed around the spring of 2024. Why?

   SRP Response:

   See responses to Question 1 and Question 2.

5. In the SRP statements above, SRP did not disclose that, for customers with interconnected solar/DG, it does not currently offer any My Account comparison. Why? It is understood that because you chose in the 2019 price process to switch from the annual net metering arrangement for grandfathered solar and E-27's monthly net metering to an exported kWh price approach in E-13, E-14, E-15, that modeling the behind-the-meter consumption of solar output is not near as simple as calculating a plan's cost of kWh and kW based on a solar customer's past history, but this fact was well known by your staff before you made the above written statements to the Board of Directors and the public. In cost comparisons for customers with interconnected solar, have you attempted to use the solar production data from the Dedicated DER Meter you require to be

installed with every interconnected solar system? For customers who are considering adding interconnected solar, have you attempted to use PVWatts solar production data for the metropolitan part of your service territory?

SRP Response:

Because of the limited price plan changes associated with the tool and low customer use, the decommissioning was not directly communicated to customers. SRP has undertaken a significant effort to modernize back-office and customer-facing systems which will position SRP to implement future tools for our customers. For additional information, refer to SRP Response to Question 1.

The price plan comparison tool used customers' actual meter data for energy delivered and, when applicable, received, by SRP measured in 15-minute intervals to calculate energy costs for solar and non-solar customers. The use of actual metered values resulted in accurate calculations of historical bills at the price plans displayed.

SRP continues to provide DG price plan comparisons to solar customers by phone.

For prospective DG customers, SRP provides customers with a web-based calculator, WattPlan provided by Clean Power Research, through MyAccount. The program analyzes numerous variables including local solar irradiance, historical usage, SRP price plans, and roof orientation. Customers can modify the program recommendations, such as system size and financing options, and adjust EE upgrades and demand levels to test various scenarios.

6. In light of the SRP statements cited above, what are SRP's in-place plans and projected availability dates to provide price plan cost comparison for customers with solar/DG? Please describe any limitations or phased releases of the comparison functionality.

   SRP Response:

   See SRP response to Question 1.

7. Regarding the S5 statement in Sep 2023, "we have different price plan comparison tools and calculators online, and call center representatives are available", what are all the tools and calculators, both online for customers and only available to SRP employees, the tool or calculator name, the URL if available to customers, the customer types or classes available to, the date ranges the tool or calculators have been available, the time granularity of the data e.g. how many minutes, hours or days does the kWh data represent, the length of the period calculated e.g. in years, etc.? Sounds like a table would be the best way to provide this information.

   SRP Response:

   Due to the meter programming requirements for rooftop solar, which are specific depending on bill options including Net Metering, Export, or Customer Generation, SRP does not currently have an online tool on its website for customers with solar to compare price plans. Non-solar residential customers, with more generic meter programs, receive a comparison message on their bill.

8. Regarding S7, the "90 day guarantee" of savings, what is the total list of price plans with this type of offer from SRP? And for the residential plans it is not offered for, why not?

SRP Response:

The guarantee is offered to non-Time-of-Use customers without solar to encourage participation in Time-of-Use plans, shifting usage from higher cost on-peak hours to lower cost off-peak hours.

9. The Blue Book's proposed adjustments will result in an increase in the number of plans available for a residential customer to choose from, and the plans offer a greater diversity in variables for the customer to consider. The adjustments will also result in a short timeframe of about 8 months for customers to choose a possible lower cost plan before 10 legacy plans are frozen from new participation and will no longer be an option they can choose. What is management's plan, in detail and including timeframes please, to assist customers in making an informed choice about the cost of the various plans?

SRP Response:

If SRP's Board of Directors approves the price changes, SRP will publish those changes on its website within one business day after the Board's approval. SRP will also notify all customers of the changes, by mail and/or email, before the first billing under the new prices.

The precise date on which the frozen price plans will be eliminated is yet to be determined because it depends on administrative capability. Specifically, many SRP systems (including those related to customer billing) are being transformed and replaced as part of SRP's Customer Modernization Program, and the impacted systems must be stabilized before the frozen price plans can be eliminated. While the exact timing is not yet known, in advance of the date on which the price plans will be eliminated, SRP will send notice to all affected customers, by mail and/or email, advising those customers to choose a new price plan. As is the case today, SRP's website will feature advice and information to help customers choose the right plan for them, and SRP's customer service professionals will be available by phone every day.

10. The 2025 price process content available at srpprices.com does not mention "price plan comparison" or the like. Why?

SRP Response:

See response to Question 1.

11. Regarding S1 "Pricing options should be provided to help customers manage their energy costs." - how else does SRP inform customers of what their bills would have been on the various applicable price plans, if not already addressed by the above questions?

SRP Response:

See responses above.

the beginning of the prior price process in 2018? Please provide electronic copies of these communications.

SRP Response:

This request is unclear. SRP requests additional clarity as to what specific information or records are being sought by this request, and will supplement this response, as appropriate.

Name: DOUG REICHERT

Record Number: 291d0d47

Delivery Method: Digital Submission

Received Date: 1/22/2025

Comment:

I'd like to know what materials have increased for SRP over the last year that creates the need for an increase in rates to the customer. Materials- Natural Gas prices are relatively flat and less expensive when compared to 2023 levels Oil - Market prices are overall less now than they were one year ago and forecast to be even lower in the near future. Solar - The overall cost of Solar Panels has decreased over the last several years and expected to fall considerably in the future. So, in general what materials prices do you use, or other price figures do you use to determine customer rates for electricity. As i see it, our rates should go down or at the least stay the same.

Response Subject: SRP Corporate Pricing Response to Public Comment #291d0d47

Response:

Hi Doug,

SRP Response

Thank you for your question. In regards to Natural Gas, Oil, and Solar Panel prices, the costs of fuel and solar purchased power agreements are recovered through the FPPAM (Fuel & Purchased Power Adjustment Mechanism). As part of this proposal, SRP management is proposing a 1.6% price decrease to the FPPAM rate.

The other portion of the Pricing Proposal is a 4.0% increase in SRP's base prices. The proposed increase in base prices is to address expenses related to aging infrastructure, adapting to an evolving power grid, and enhancing customer programs and services, while maintaining reliability and safety.

Inflation and the Utility Industry

While inflation is easing, down from a 9.1% peak in mid-2022 to the current 2.89%, it remains above the Federal Reserve’s target of 2%. Because the core inflation rate excludes food and energy costs, many American consumers still feel the impact of the cumulative price increases that have soared since the COVID-19 pandemic, keeping consumer confidence low. Despite a decrease in inflation for the Consumer Price Index (CPI) and Producer Price Index (PPI) goods, inflation

for materials used by utilities remains high due to market imbalances and continuous high demand. Cumulatively, SRP can expect to see high rates of inflation for materials and services related to utility materials, construction and maintenance labor, and engineering services. Various economic supply-side and demand-side factors collectively contribute to the persistent high inflation for materials used by utilities. Factors and impact include:

- Impact of Inflation on Inventory: The cost of holding inventory has increased significantly compared to four years ago, affecting overall costs. Sample Percentage Increases for Utility Materials:
  - Power Wire and Cable: +15%
  - Fuses: +10%
  - Ballasts: +12%
  - Industrial Fixtures: +14%
  - Wiring Devices: +11%
  - Connectors: +13%
- Federal Incentives: Federal incentives, such as those from the Inflation Reduction Act, support clean energy initiatives, increasing demand for utility materials.
  - Utilities' Investments: Utilities are investing heavily in modernizing the grid and decarbonizing energy sources.
  - Alternate Generation Capacity: Investments in renewable energy sources like solar and wind are rising.
- Increased Demand:
  - Electrification: The push for electrification in transportation and heating increases demand for utility materials.
  - Data Centers and AI: The growth of data centers and artificial intelligence applications further drives demand.
- Raw Metals and Materials: The availability and price of raw metals and materials, such as copper, steel, and aluminum, are volatile; there is a global race to control mining and refining.
- Manufacturing Capacity: Limited manufacturing capacity and supply chain disruptions contribute to higher prices. Even with manufactures operating close to or above pre-pandemic capacity, demand exceeds capacity.
- Logistics Concerns: Rising fuel costs, labor shortages, union negotiations, and the looming threat of strikes, and transportation bottlenecks add to logistical challenges.
- Market Constraints:
  - US and Global Supply Chain Impacts: Ongoing US and global supply chain pressures from global demand for the same materials exacerbate material costs.
  - Regional Market Constraints: Specific regional constraints in Arizona and the Southwest including construction materials and services and the impact of Buy America affect supply and demand dynamics.

Name: Caryn Potter

Record Number: MI6957175

Delivery Method: Email to Corporte Secretary

Received Date: 1/24/2025

Attachments: 20250124_SWEEP_DataRequest.pdf

**To receive a copy of Attachments please contact the Corporate Secretary's Office and Reference Record #MI6957175*

Comment:

A response request for additional information on SWEEP01, from 1/24.

Attachment: FP2025 v5 Phase 2 Revenue Model Nov 2024 Prices PRICE PROCESS SEND.xlsx.

Response Subject: SRP Corporate Pricing Response to Public Comment #MI6957175

Response Attachments: FP2025 v5 Phase 2 Revenue Model Nov 2024 Prices PRICE PROCESS SEND_SWEEP01_S.xlsx;

**To receive a copy of Attachments please contact the Corporate Secretary's Office and Reference Record #MI6957175*

Response:

Hi Caryn,

Your recent requested file is confidential pursuant to A.R.S. § 30-805(A) and, therefore, SRP is unable to provide. To be responsive, SRP has attached a version of the **FP2025 v5 Phase 2 Revenue Model Nov 2024 Prices PRICE PROCESS SEND.xlsx** file with the tabs that were linked to in the **FP25 v5 Phase 2 Revenue Model Outputs for Price Process.xlsx** file that did not contain customer sensitive information.

SRP Public Price Process Responses from: 1/28/2025

Name: Daniel LaMoureaux

Record Number: 3985b75f

Delivery Method: Digital Submission

Received Date: 12/2/2024

Comment:

I'm unclear as to how my current pricing will change. Are there plans to build a calculator to see how things will change based on various plans? What exactly do the price tiers mean? If I'm in tier 2, will I expect my bill to go up $35?

Response Subject: SRP Corporate Pricing Response to Public Comment #3985b75f

Response:

Daniel,

You can contact customer support by phone at (602) 236-8888 or by email at help@srpnet.com to request a bill comparison to see how your bill will change under the proposed pricing structure and to get help choosing a price plan that best fits your particular situation. SRP management intends to explore introducing an online price plan comparison tool, though the feasibility and timing of implementing such tool will depend on system capabilities.

The monthly service charge (MSC) for residential customers is based on a portion of SRP's fixed costs, such as billing, customer service, metering, and distribution facilities. These costs are constant and do not change with the amount of electricity a customer uses. The current cost study estimates that these costs vary between $35 and $49 per month depending on the residence, meaning that only part of these costs is recovered through the MSC, with the rest recovered through per-kWh energy charges. To better adhere to SRP's Pricing Principles of Cost Relation and Equity and balancing Gradualism, SRP management's proposal includes tiering the MSC for all residential price plans based on the type of dwelling and the amperage level of their service:

- Tier 1: $20 for a single unit in multi-family house, an apartment unit, a condominium unit, a townhouse, or a patio home with a service entrance of 225 amps or less.
- Tier 2: $30 for a dwelling type not listed in Tier 1 with a service entrance of

225 amps or less.
- Tier 3: $40 for a residence with a service entrance of more than 225 amps.

SRP management's proposal would increase residential bills by an average of 3.5% ($5.61 per month). That proposed increase is an average across all residential customers and reflects all proposed price changes, including the proposed changes to the MSC. The average impact for each proposed MSC tier is:

- Tier 1 ($20 MSC): Average monthly bill decrease of $0.35
- Tier 2 ($30 MSC): Average monthly bill increase of $8.77
- Tier 3 ($40 MSC): Average monthly bill increase of $15.37

Under the proposal, while the average residential MSC for all three tiers together is increasing, the per-kWh energy price, on average, is decreasing. Individual impacts of the proposal, even within the same MSC tier, will vary depending on price plan and usage.

For more details on the pricing proposal, please visit Proposed Adjustments to SRP's Standard Electric Price Plans Effective with the November 2025 Billing Cycle (Amended and Restated)

Name: David Haka

Record Number: b1ac82c4

Delivery Method: Digital Submission

Received Date: 1/4/2025

Comment:

Why do you discriminate against residential solar panel owners? You see it as solar households getting a better deal than regular households. I disagree with that. Solar households reduce the amount of energy you need to produce. But that is not in your business plan. You make more money building new facilities and solar get stuck with the higher costs to pay for these facilities. You need to reduce the monthly access charge so it is equal to residential and eliminate this ridiculous on demand monthly charge.

Response Subject: SRP Corporate Pricing Response to Public Comment #b1ac82c4

Response:

Hi David,

Thanks for the questions.

Under SRP management's proposal, customers on solar price plans (E-13, E-14, E-15, and E-27) have a higher percent average increase because, relative to other residential customers, they pay a lower percentage of the costs incurred by SRP in providing those customers with electric service. Currently, customers on solar price plans do not pay the full amount of the fixed costs that SRP incurs to serve those customers; the unpaid costs are being borne by other customers.

The proposed changes bring the residential and residential solar classes closer together and provide more appropriate cost recovery consistent with SRP's Pricing Principles of Equity, Cost-Relation, and Gradualism.

You mention the monthly service charge (MSC), which helps cover costs of customer service, billing, and your connection to the grid, and is $20.00 today (or perhaps $32.44 or $45.44 if you're a solar customer). This proposal includes a tiered MSC for all price plans:

- If you're in a multi-family home (apartment, condo, townhome), it stays at $20.00
- If you're in a typical single-family home, it is $30.00
- If you're in a home with a very large electric service entrance, it is $40.00. About 3% of SRP residential customers fall into this category.

As part of this proposal, the MSC is being unified across residential price plans, so solar and non-solar rates will be consistent.

You also mention a demand charge. Today, SRP has two standard price plans that have demand charges for residential customers, E-27 and E-15. For solar customers we offer the E-13 price plan today, which has no demand charge. The pricing proposal introduces two new time-of-use (TOU) plans E-16 and E-28, available to all residential customers, with 8 AM – 3 PM super off-peak prices that are more than 50% lower than basic plan prices, and designed to offer savings to customers who can shift energy usage. E-16 has an average demand charge, while E-28 does not have a demand charge.

Name: Paul Carruthers

Record Number: d965514d

Delivery Method: Digital Submission

Received Date: 1/4/2025

Comment:

U've got to be kidding! Proposing to raise Electric rates 3.4%! I'm sure SRP Executives will be getting a larger Raise than 3.4%! Please justify the rationale for the Raise! As a Public Consumer Electric Provider, your rates should be set on usage not some ratio that your Financial Advisors think is appropriate. When was your last Raise? It should be in increments of 1% every 4-5 years. Of course, the Valley is growing, and there are only 2 choices: SRP & APS. There should be a Special Rate for Elderly- 62 & up, most of us are careful at what electric & water we use, so we should have some benefit for our being careful. It is easy to forget those who have to count pennies to be able to survive. Just because Social Security gives a % increase, doesn't mean that there is enough to go around to all of the expenses older people have. It's tough for EVERYBODY! Families, Singles, all of us. Please use a 'compassion' filter before you request the Corporation Commission to increase our Rates!

Response Subject: SRP Corporate Pricing Response to Public Comment #d965514d

Response:

Hi Paul,

In Fiscal Year 2024 (FY24), SRP executive compensation (including salaries & wages, bonuses, dependent tuition reimbursement, and deferred compensation/healthcare reimbursement), was approximately $9.2M*.

Under SRP management's proposal, in Fiscal Year 2026 (FY26), SRP would collect approximately $4,384.6M in revenues from customers. Therefore, executive compensation (based on FY24 figures) is approximately 0.21% of proposed revenues in FY26.

SRP management is proposing price changes intended to account for rising costs, ensure that SRP maintains its long-term financial health, and reflect SRP’s continued transition to sustainable resources and new technologies. The price proposal reflects, among other things, an increase in base prices to address expenses related to replacing aging infrastructure, adapting to an evolving power grid, and enhancing customer programs and services, while maintaining reliability and safety.

The last price increase was in November 2024, in the form of a $0.0025/kWh increase to the Fuel and Purchased Power Adjustment Mechanism (FPPAM). SRP recovers the costs of fuel and purchased power (including natural gas; solar, wind, and storage purchase agreements; and market purchases used to help maintain energy reliability) through a separate component of a customer's monthly bill based on energy usage, allowing for a direct pass through of those costs. Because fuel and purchased power costs fluctuate often, the Fuel and Purchased Power Adjustment Mechanism (FPPAM) allows for periodic price adjustments to ensure timely recovery of those costs.

Although SRP does not offer a specific discount for seniors, there are various options available to help customers save on their bill. One such option is the Economy Price Plan, which provides a discount for eligible customers with limited incomes. SRP management is proposing an expansion to, and increase of, the limited income discount, expected to make over 100,000 more customers eligible for a $25 per month credit to their bills.

In addition, included in SRP management's proposal are two new price plans that include an 8 a.m. – 3 p.m. super off-peak period every day of the year, where energy costs are more than 50% lower than on the basic plan. You may be able to save by choosing a time-of-use Price Plan and shifting electricity usage away from the on-peak period and into the super off-peak period.

For more information about savings and our customer programs, including program eligibility and enrollment processes, please go on SRP's website and click Customer Service in the banner at the top, or call our Customer Service department: (602) 236-8888.

*The SRP executive management team currently consists of the General Manager & Chief Executive Officer and nine Associate General Managers. Transition efforts associated with retirements in FY24 led to a temporary increase in the number of SRP executives; there are 14 executives included in this figure.

Name: Hazel Clift

Record Number: 0130fbfa

Delivery Method: Digital Submission

Received Date: 1/5/2025

Comment:

Why is the current revenue insufficient to cover the cost of infrastructure maintenance? Why has SRP not accounted for this? I am a senior citizen who has already used the COLA from Social Security for the increases to both my Homeowners and Auto insurance premiums. I am now at a deficit where any more increases for basics is concerned. And I know that my income is larger than a lot of other seniors who are already struggling. You may think that $5 isn't a lot but when every bill goes up by $5+ it means that there is something you have to cut back or cut out of your budget. Please consider the effects of this on seniors and low-income households. The thing they cut could be medications or AC in the summer.

Response Subject: SRP Corporate Pricing Response to Public Comment #0130fbfa

Response:

Hi Hazel,

SRP management is proposing price changes intended to account for rising costs, ensure that SRP maintains its long-term financial health, and reflect SRP's continued transition to sustainable resources and new technologies. The price proposal reflects, among other things, an increase in base prices to address expenses related to replacing aging infrastructure, adapting to an evolving power grid, and enhancing customer programs and services, while maintaining reliability and safety.

SRP focuses on controlling costs in the areas of financing, operations and maintenance, and new capital expenditures while planning to meet future customer needs and while meeting our ambitious carbon reduction goals. SRP management continually leads efforts to operate the business in a cost-effective and efficient manner while meeting or exceeding annual objectives. Key efforts include:

- Performing on-going investment recovery activities, including selling scrap metal, materials, and assets that are no longer needed for business activities. These efforts brought in over $14 million in revenue in Fiscal Year 2024.
- Implementing cost-controlling practices within Information Technology (IT)

Services, focusing on optimizing the management of IT assets and technology vendors. Since 2021, these efforts have resulted in over $30 million in cost savings or cost avoidance.
- Ongoing tracking and renegotiation of contracts related to meters, resulting in lower prices for two projects since 2021.
- Upgrading 11 of 12 combined cycle gas units with enhanced turbine hardware, which has enabled improved emissions, increased unit capacity, and reduced heat rate/fuel cost.
- Developing and utilizing asset optimization risk assessments to identify additional, low-risk, 69kV breaker preventative maintenance intervals that could be safely extended from 4 years to 6 years.

Additionally, as financial market opportunities arise, SRP refinances debt at lower interest rates to lower overall interest expense. Over $2.6 billion of revenue bonds have been refinanced since May 2015, with another $300 million scheduled to be refinanced in 2025. The finalized refinancing transactions achieve net present value interest savings in excess of $18 million per year, on average, from Fiscal Year 2015 through Fiscal Year 2038.

Regarding bill assistance, although SRP does not offer a specific discount for seniors, there are various options available to help customers save on their bill. One such option is the Economy Price Plan, which provides a discount for eligible customers with limited incomes. SRP management is proposing an expansion to, and increase of, the limited income discount, expected to make over 100,000 more customers eligible for a $25 per month credit to their bills.

In addition, included in SRP management's proposal are two new price plans that include an 8 a.m. – 3 p.m. super off-peak period every day of the year, where energy costs are more than 50% lower than on the basic plan. You may be able to save by choosing a time-of-use Price Plan and shifting electricity usage away from the on-peak period and into the super off-peak period.

For more information about savings and our customer programs, including program eligibility and enrollment processes, please go on SRP's website and click Customer Service in the banner at the top, or call our Customer Service department: (602) 236-8888.

Name: Ralph G Baca

Record Number: ea3bf796

Delivery Method: Digital Submission

Received Date: 1/6/2025

Comment:

Seems like those of us with solar installations are being discriminated against for trying to conserve energy ? What is the reasoning behind charging more for solar installations ? The amount SRP pays for unused electricity has already been reduced to less than a 1 for 1 amount. Isn't that enough of a benefit for SRP as they can turn around and charge more ? Why are we being gouged for trying to do the right thing ? It doesn't make sense to me in fact we should be getting more of an incentive than what SRP now offers.

Response Subject: SRP Corporate Pricing Response to Public Comment #ea3bf796

Response:

Ralph Baca,

Under SRP management's proposal, customers on solar price plans (E-13, E-14, E-15, and E-27) have a higher percent average increase because, relative to other residential customers, they pay a lower percentage of the costs incurred by SRP in providing those customers with electric service. Currently, customers on solar price plans do not pay the full amount of the fixed costs that SRP incurs to serve those customers; the unpaid costs are being borne by other customers.

The proposed changes bring the residential and residential solar classes closer together and provide more appropriate cost recovery consistent with SRP's Pricing Principles of Equity, Cost-Relation, and Gradualism.

Customers who produce some of their own energy still rely on the SRP grid; SRP needs to recover from those customers the costs of providing reliable electric service. As an analogy, assume that SRP offered distributed batteries for lease, and that instead of using the grid, you complemented your solar by leasing a battery owned and maintained by SRP. It would be clear that SRP would not be recovering the cost of owning and maintaining the battery if SRP only had a net kWh charge; even if you only ever used energy that you stored, SRP would still have to collect its costs. Similarly, SRP must recover the costs of SRP's distribution, transmission, and generation system. Even if a customer generates as much energy as they consume on an annual basis, there are still fixed costs associated with the grid that SRP needs to collect, either by imposing a separate charge, or by excluding grid-related costs from the export rate (making the

delivered energy price higher than the export credit).

The existing E-27 and E-15 Price Plans use the first approach; net metering all energy and charging or crediting for the net amount at the same retail rate, but including a separate demand charge to cover grid costs.

The existing E-13 and E-14 Price Plans use the second approach. The price for energy delivered to customers includes both energy-related and grid-related costs, while energy exported to the grid is credited at the avoided cost of solar energy.

SRP management's proposal aims to improve the experience for solar customers without shifting costs to others. The proposal simplifies the current portfolio of residential price plans by moving from six residential time-of-use plans and four solar price plans to two time-of-use plans (E-28 and E-16) that will be available to customers with and without solar. Solar customers on those new plans will have the same Monthly Service Charge, time-of-use hours, and delivered energy charges as customers without solar, with no additional grid access fees. They can maximize savings by using their generation on-site to offset the full retail per kWh price. Any energy exported to the grid will be credited at an export rate (to be updated each year), which is based on a three-year average of the real-time market prices for energy.

Name: Aaron Richards

Record Number: 90c601a4

Delivery Method: Digital Submission

Received Date: 1/8/2025

Comment:

This is insane. 1. You make no mention of the cost of use from 3pm to 5 or 6pm. Considering the recent history of time of use, we can assume it will be just a few pennies less per kwh than the "on-peak", essentially extending peak hours by 2-3 hours per day. 2. You are charging more to the people who "can afford it" to offset more $25 rebates for low income. This is socialism! It is completely unacceptable. Why not try incentivizing low income homes to conserve rather than making the rest of us pay for their power? 3. The peak hours of your new time of use is during dinner preparation time. Are we supposed to not use our oven or stove from 5 or 6pm to 9 or 10pm? This targets families as the new primary "cash cow". 4. How much were your bonuses this year? There should be no bonuses if the business can't afford to continue operating without a rate increase. This is poor leadership. Your estimate of an increase of $5-6 per month is ridiculously low. The jump from $20 to $30 for a single family home is $10 alone! Who does your math? This is no more than a knee-jerk reaction to the days remaining hotter for longer and SRP trying to capitalize on this. Our SRP bill has never crested $400 per month. By the time I let my EZ-3 time of use plan expire in 2029 (as you have stated) the summer bills will likely be over $500 per month. This is unacceptable. You are doing a disservice to everyone and especially those not receiving the $25 vouchers. Rethink this plan, or change your leadership team. Arizona says no!

Response Subject: SRP Corporate Pricing Response to Public Comment #90c601a4

Response:

Hi Aaron,

Thanks for reaching out. I'll break your comments and questions into sections.

1. You make no mention of the cost of use from 3pm to 5 or 6pm. Considering the recent history of time of use, we can assume it will be just a few pennies less per kwh than the "on-peak", essentially extending peak hours by 2-3 hours per day.

All the prices for both current and proposed price plans are located here:

Proposed Adjustments to SRP's Standard Electric Price Plans Effective with the November 2025 Billing Cycle (Amended and Restated)

2. Why not try incentivizing low income homes to conserve rather than making the rest of us pay for their power?

SRP has many programs to help customers to manage or conserve energy usage, and supports other resources, such as the federal Weatherization Assistance Program. As you mention, the proposal includes an increase of the Economy Price Plan discount for eligible customers with limited income from $23 to $25 a month.

3. The peak hours of your new time of use is during dinner preparation time. Are we supposed to not use our oven or stove from 5 or 6pm to 9 or 10pm?

Currently, all time of use (TOU) price plans have on-peak hours that include the hours of 5 - 6 PM. Under the proposed E-28 price plan, the hours of 5 - 6 PM are off-peak. TOU hours are reflective of SRP's costs, with off-peak and super off-peak hours intended to encourage customers to use energy during lower-cost hours.

4. How much were your bonuses this year?

Under SRP's bonus program, for the most recently completed fiscal year, which runs from May 1, 2023 to April 30, 2024, most eligible employees earned a 4% award.

5. Your estimate of an increase of $5-6 per month is ridiculously low. The jump from $20 to $30 for a single family home is $10 alone! Who does your math?

The proposed average increase of 3.5% ($5.61 per month) for residential customers is an average across all residential customers and reflects all proposed price changes.

The average impact for each proposed monthly service charge (MSC) tier is:

- Tier 1 ($20 MSC): Average monthly bill decrease of $0.35
- Tier 2 ($30 MSC): Average monthly bill increase of $8.77
- Tier 3 ($40 MSC): Average monthly bill increase of $15.37

Under the proposal, while the average residential MSC for all three tiers together is increasing, the per-kWh energy price, on average, is decreasing. Individual impacts of the proposal, even within the same MSC tier, will vary depending on price plan and usage.

Name: Harold Melamed

Record Number: fe70684a

Delivery Method: Digital Submission

Received Date: 1/9/2025

Comment:

Why do you hate solar customers so much? Stop your greedy ways and give your solar customers some fair pricing.

Response Subject: SRP Corporate Pricing Response to Public Comment #fe70684a

Response:

Harold Melamed,

SRP management's proposal aims to improve the experience for solar customers without shifting costs to others. The proposal simplifies the current portfolio of residential price plans by moving from six residential time-of-use plans and four solar price plans to two time-of-use plans (E-28 and E-16) that will be available to customers with and without solar. Solar customers on those new plans will have the same Monthly Service Charge, time-of-use hours, and delivered energy charges as customers without solar, with no additional grid access fees. They can maximize savings by using their generation on-site to offset the full retail per kWh price. Any energy exported to the grid will be credited at an export rate (to be updated each year), which is based on a three-year average of the real-time market prices for energy.

Name: Mary (Mrs. Delton) Ressler

Record Number: ef69c8c9

Delivery Method: Digital Submission

Received Date: 1/11/2025

Comment:

I am currently a solar customer and have the following questions: Why is the increase planned more expensive for the solar customer? Also it was mentioned that some TOU plans are proposed to be added, kept, or changed to something else. I currently have Customer Generation Plan in use with my solar. What would be the proposed future of this plan or the substituting proposal for the most economical use?

Response Subject: SRP Corporate Pricing Response to Public Comment #ef69c8c9

Response:

Mrs. Delton,

Under SRP management's proposal, customers on solar price plans (E-13, E-14, E-15, and E-27) have a higher percent average increase because, relative to other residential customers, they pay a lower percentage of the costs incurred by SRP in providing those customers with electric service. Currently, customers on solar price plans do not pay the full amount of the fixed costs that SRP incurs to serve those customers; the unpaid costs are being borne by other customers.

The proposed changes bring the residential and residential solar classes closer together and provide more appropriate cost recovery consistent with SRP's Pricing Principles of Equity, Cost-Relation, and Gradualism.

But as you mention in your inquiry, the proposal is to freeze all current residential and residential solar time-of-use Price Plans, including E-13, E-14, E-15, and E-27. Freezing a price plan means that it will no longer be offered to new customers. Under this proposal, to simplify pricing, certain existing time-of-use (TOU) price plans will be frozen as of the November 2025 billing cycle and will be eliminated by the November 2029 billing cycle. You mention that you are on the Customer Generation Plan; you can stay on that plan until it's eliminated, or you can switch to a different plan, including, starting in the November 2025 billing cycle, one of the two proposed new TOU options (E-16 and E-28).

The proposed new TOU options (E-16 and E-28) will be available to customers with and without solar. Solar customers on those new plans will have the same Monthly Service Charge, time-of-use hours, and delivered energy charges as

customers without solar, with no additional grid access fees. They can maximize savings by using their generation on-site to offset the full retail per kWh price. Any energy exported to the grid will be credited at an export rate (to be updated each year), which is based on a three-year average of the real-time market prices for energy.

Name: Cynthia A Olson

Record Number: 94b51141

Delivery Method: Digital Submission

Received Date: 1/21/2025

Comment:

I would like to know why customers that use solar will pay more than customers that don't use solar pay less? I feel that the customers who do use solar are being punished for wanting to save money. The new pricing should be the same for all residents.

Response Subject: SRP Corporate Pricing Response to Public Comment #94b51141

Response:

Cynthia A Olson,

The new pricing (E-16 and E-28) is the same for all residential customers, those with and those without solar. SRP management's proposal aims to improve the experience for solar customers without shifting costs to others. The proposal simplifies the current portfolio of residential price plans by moving from six residential time-of-use plans and four solar price plans to two time-of-use plans (E-28 and E-16) that will be available to customers with and without solar. Solar customers on those new plans will have the same Monthly Service Charge, time-of-use hours, and delivered energy charges as customers without solar, with no additional grid access fees. They can maximize savings by using their generation on-site to offset the full retail per kWh price. Any energy exported to the grid will be credited at an export rate (to be updated each year), which is based on a three-year average of the real-time market prices for energy.

Under this proposal, to simplify pricing, certain existing time-of-use (TOU) price plans will be frozen as of the November 2025 billing cycle and will be eliminated by the November 2029 billing cycle. If you are currently on one of those plans, you can stay on that plan until it's eliminated, or you can sooner switch to a different plan, including, starting in the November 2025 billing cycle, one of the two proposed new TOU options (E-16 and E-28). Under the proposal, SRP will continue to offer the Basic plan (E-23) and M-Power plan (E-24).

Under SRP management's proposal, customers on frozen solar price plans (E-13, E-14, E-15, and E-27) have a higher percent average increase because, relative to other residential customers, they pay a lower percentage of the costs incurred by SRP in providing those customers with electric service. Currently, customers on solar price plans do not pay the full amount of the fixed costs that SRP incurs

to serve those customers; the unpaid costs are being borne by other customers.

SRP bills will be lower with solar generation than it would be without, though SRP must bill for the amount needed to cover the costs of providing electric service. Typically, solar customers continue to rely on SRP for around two-thirds of their electricity needs, especially during peak times when electricity is most expensive.

The proposed changes bring the residential and residential solar classes closer together and provide more appropriate cost recovery consistent with SRP's Pricing Principles of Equity, Cost-Relation, and Gradualism.

Name: Scott Jon Peterburs

Record Number: MI6943441

Delivery Method: Other

Received Date: 1/21/2025

Attachments: FW_ Arizona Corporation Commission Utility - Inquiry #206312 - Scott Peterburs .pdf; 20250121_Complaint _Peterburs.pdf

**To receive a copy of Attachments please contact the Corporate Secretary's Office and Reference Record #MI6943441*

Comment:

Complaint filed with ACC 1/21/2025

Once again SRP is proposing additional punitive pricing to their well intentioned customers that have elected to generate their own electricity. Between demand charges and changes to net metering, you've forced our hand to purchase expensive load controllers and batteries and now if this current proposal passes, there will be no way around your punitive pricing except to purchase a houseful of batteries. To say that my bill would only go up 5.5 percent is pure fantasy! And even if that is the case, why is the increase for solar customers 35% higher than for non-solar customers? Time and time again you pretend to embrace sustainable energy but in reality you only embrace it if there's something in it for you. Our country has historically frowned on monopolies but SRP clearly is one in that I can not choose where my electricity comes from. My only 'choice' is to make some of my own. And when I do, you come after me for more money. In the simple equation of right and wrong and fair and not fair, this is simply wrong and unfair. Stop bankrolling SRP on the backs of solar customers. And make rate changes that are fair and equitable to ALL of your customers.

Response Subject: SRP Corporate Pricing Response to Public Comment #MI6943441

Response:

Scott Jon Peterburs,

Under SRP management's proposal, customers on solar price plans (E-13, E-14, E-15, and E-27) have a higher percent average increase because, relative to other residential customers, they pay a lower percentage of the costs incurred by SRP in providing those customers with electric service. Currently, customers on

solar price plans do not pay the full amount of the fixed costs that SRP incurs to serve those customers; the unpaid costs are being borne by other customers.

The proposed changes bring the residential and residential solar classes closer together and provide more appropriate cost recovery consistent with SRP's Pricing Principles of Equity, Cost-Relation, and Gradualism.

SRP management's proposal aims to improve the experience for solar customers without shifting costs to others. The proposal simplifies the current portfolio of residential price plans by moving from six residential time-of-use plans and four solar price plans to two time-of-use plans (E-28 and E-16) that will be available to customers with and without solar. Solar customers on those new plans will have the same Monthly Service Charge, time-of-use hours, and delivered energy charges as customers without solar, with no additional grid access fees. They can maximize savings by using their generation on-site to offset the full retail per kWh price. Any energy exported to the grid will be credited at an export rate (to be updated each year), which is based on a three-year average of the real-time market prices for energy.

SRP Public Price Process Responses from: 1/29/2025

Name: Chee Y Leong

Record Number: 44d1fb43

Delivery Method: Digital Submission

Received Date: 12/29/2024

Comment:

Why SRP not utilize Arizona heat to generate more energy to grid instead of price increase to consumer? Why high energy industry bear the upgrade cost?

Response Subject: SRP Corporate Pricing Response to Public Comment #44d1fb43

Response:

Chee,

SRP has established ambitious goals to reduce carbon intensity by 82% from 2005 levels by 2035 and achieve net-zero carbon emissions by 2050 while maintaining a reliable and affordable supply of power. In pursuit of these goals, SRP has added significant zero-carbon resources to its generation portfolio through competitive requests for proposals (RFPs) issued in 2020, 2021 and 2023. SRP has procured, or is in final negotiations for, over 4,000 MW of zero-carbon resources identified through those RFPs. The agreements for those resources do not require direct capital investment by SRP; SRP pays associated costs through operations and maintenance expenses recovered via the FPPAM.

SRP's Board also approved development of a utility-scale advanced solar generation facility capable of generating up to 55 MW of solar energy in Phase 2 of the Copper Crossing Energy and Research Center (CCERC) in Florence. This will be the first utility-scale solar asset in SRP’s portfolio that SRP self-develops, owns, and operates. The self-development aspect of this project, as opposed to outsourcing the development, is forecasted to save SRP $38 million in development costs alone. Additionally, SRP anticipates that self-developing the project will allow the project to be in service six months sooner than it otherwise would.

SRP proactively engages in the development of new resource technologies. In particular, SRP's Board approved Phase 3 at the CCERC, which will include the installation of non-lithium ion long-duration energy storage pilot projects. The first

project under development is the 5 MW Desert Blume project, which will use a flow battery storage technology made by CMBlu Energy. CMBlu will build, own and operate the project on SRP's behalf. SRP has issued an RFP for additional non-lithium ion long-duration storage technologies.

Details on SRP's proposal can be found at Pricing process documents and materials | SRP.

Thank you for your interest in SRP.

Name: Steven Neil

Record Number: 7b6b6359

Delivery Method: Digital Submission

Received Date: 1/4/2025

Comment:

This request is about the “exported kWh credit” and seeks answers regarding its calculation and the proposed changes from the "Intercontinental Exchange Palo Verde Peak index" to the "CAISO External Load Aggregation Point price" (ELAP). (Quotations are from your pricing process documents) The “Management's Complete Proposal” document and the “Appendix A” document and the “Cost Allocation Study” have not a single word of explanation about this proposed change. So I have a few questions about this. And because some of my prior questions have not been answered, could you please be sure to review every question and then verify your response is fully responsive? 1. For many years, your ratebook has stated that the net metering credit is based on the “Intercontinental Exchange Palo Verde Peak index”. However, the Intercontinental Exchange website, ice.com, has no index with that exact name. 1a. What is the Intercontinental Exchange name for the data you use? 1b. What is the online link where a person can freely obtain adequately granular data to verify your calculation of the “Annual Average Market Price” as defined in your “Renewable Net Metering Rider”? 2. The same questions as #1 for the CAISO ELAP node? 3. The same questions as #1 for the CAISO Palo Verde node? 4. If your descriptions of the various indices or nodes do not contrast differences between them, what are the differences? 5. What is or are the complete reason(s) for the proposal to switch to CAISO ELAP? The new and proposed residential price plans, E-16 and E-28, contain a section that is not in any other price plan and it is entitled “Per Exported kWh Credit” and gives details about how and when you propose to recalculate the credit. 6. What is the data needed to make this average calculation? Please provide the actual data for the last six years of calculation. 7. What is the calculation and price when the customer does not meet the “entire 12 months” specification? 8. You state that the “Residential Solar Loss Factor is 5.67%.” How was this value determined? Is there empirical data that supports your determination? If so, please provide in complete detail. In view of your 12-30-24 proposed modifications to the proposal: 9. What is the CAISO Palo Verde node price over time that would have been used in such a calculation? Please provide the actual data for the last six years of calculation or the online link to freely available data. 10. Who reported to SRP this erroneous use of the CAISO Palo Verde price? And when? 11. I see that for the existing export plans, E-13, E-14, E-29, etc., you do not propose an annual recalculation. I understand that you propose sunsetting these plans and others around November 2029. Why no annual recalculation over that period? With the export credit calculation for E-16 and E-28 being recalculated annually, you will undoubtedly have two exported kWh credit prices. Why? 12. Since the annual recalculation of the exported kWh

credit is proposed to effective starting with the May billing cycle of each year, and you propose the price to first be effective in November 2025, why do you propose first recalculating it for May 2026 bills instead of recalculating it for May 2025 which would be applied to November 2025 to April 2026 bills? 13. For any data requested above, if not already provided, where, when and how can a member of the public obtain it at no charge? If an internet location, what are the exact links?

Response Subject: SRP Corporate Pricing Response to Public Comment #7b6b6359

Response Attachments: Export Rate Calculation (Corrected with ELAP) (3.45)_SN04.xlsx; Exported Energy 2020-2023_SN04.xlsx; CAISO RTM Hourly External Load Aggregation Point (ELAP_SRP-APND) Apr2020 - Nov2024_SN04.xlsx; Export Rate Calculation (Original with Palo Verde) (3.08)_SN04.xlsx; SRP Management Response to Steve Neil's Fourth Request for Information_SN04.pdf;

**To receive a copy of Attachments please contact the Corporate Secretary's Office and Reference Record #7b6b6359*

Response:

Please see SRP Management Response to Steve Neil's Fourth Request for Information (SN04) for response details.

SRP Management Response to

Steve Neil's Fourth Request for Information Regarding

SRP's Proposed Changes to its Electric Rate Schedules

This request is about the "exported kWh credit" and seeks answers regarding its calculation and the proposed changes from the "Intercontinental Exchange Palo Verde Peak index" to the "CAISO External Load Aggregation Point price" (ELAP). (Quotations are from your pricing process documents) The "Management's Complete Proposal" document and the "Appendix A" document and the "Cost Allocation Study" have not a single word of explanation about this proposed change. So I have a few questions about this. And because some of my prior questions have not been answered, could you please be sure to review every question and then verify your response is fully responsive?

1. For many years, your ratebook has stated that the net metering credit is based on the "Intercontinental Exchange Palo Verde Peak index". However, the Intercontinental Exchange website, ice.com, has no index with that exact name.

a. What is the Intercontinental Exchange name for the data you use?

b. What is the online link where a person can freely obtain adequately granular data to verify your calculation of the "Annual Average Market Price" as defined in your "Renewable Net Metering Rider"?]

SRP Response:

The Intercontinental Exchange (ICE) name for the product is Palo Verde Peak and can be found here: https://www.ice.com/products/1077

SRP purchases ICE hourly pricing data. It's not publicly available, which is among the reasons that management's proposal includes switching to publicly available data such as CAISO.

2. The same questions as #1 for the CAISO ELAP node?

SRP Response:

Click the link below and navigate the drop-down menus to: Prices / Energy Prices / Hourly RTM LAP Prices

Then in the drop-down box for "Node" select "ELAP_SRP-APND"

http://oasis.caiso.com/mrioasis/logon.do

3. The same questions as #1 for the CAISO Palo Verde node?

SRP Response:
Click the link below and navigate the drop-down menus to: Prices / Energy Prices / Interval Locational Marginal Prices

Then in the drop-down box for "Node" select "PALOVRDE_5_N101"

http://oasis.caiso.com/mrioasis/logon.do

4. If your descriptions of the various indices or nodes do not contrast differences between them, what are the differences?

SRP Response:

CAISO Palo Verde Node Price: The California Independent System Operator (CAISO) Palo Verde node is one individual load location in SRP's territory. It is the node with the most volume, as it acts as a nexus to the CAISO Energy Imbalance Market (EIM) due to its location in the

transmission network. The exact name of the CAISO Palo Verde node is "PALOVRDE_5_N101".

CAISO ELAP Price: The CAISO calculates an hourly real-time External Load Aggregation Point (ELAP) price for SRP as explained in Section 3.1.4, 3.1.5, and 3.2 of the CAISO Business Practice Manual for Market Operations. The ELAP price is calculated after the EIM market clears and is derived from the weighted average of the locational marginal prices at the individual load locations. SRP's hourly real-time ELAP node is "ELAP_SRP-APND". The most recent CAISO Business Practice Manual for Market Operations is available here:

https://bpmcm.caiso.com/BPM%20Document%20Library/Market%20Operations/BPM_for_Market%20Operations_V100_Redline.pdf

The CAISO ELAP price and the CAISO Palo Verde node price are very similar, since the Palo Verde price constitutes a large portion of the weighted ELAP price.

5. What is or are the complete reason(s) for the proposal to switch to CAISO ELAP? The new and proposed residential price plans, E-16 and E-28, contain a section that is not in any other price plan and it is entitled "Per Exported kWh Credit" and gives details about how and when you propose to recalculate the credit.

   SRP Response:

   In the original proposal, the initial Export Rate was calculated using the Palo Verde price, but the recalculation clause used the ELAP price. For consistency, the ELAP price should have been used for the initial calculation of the Export Rate; it is an appropriate price to use as a basis for calculating SRP's avoided cost of energy under a market-based methodology.

6. What is the data needed to make this average calculation? Please provide the actual data for the last six years of calculation.

   SRP Response:

   The Export Rate, as calculated in this proposal, and as proposed to be recalculated as of every May billing cycle, requires Hourly Exported Energy, Hourly Price, and Residential Solar Loss Factor.

   The following Excel files, containing the original and corrected Export Rate calculations, exported energy data, and ELAP price data, are attached to this response:

   - **Export Rate Calculation (Original with Palo Verde) (3.08).xlsx** - Supports the original calculation of 3.08 cents.
   - **Export Rate Calculation (Corrected with ELAP) (3.45).xlsx** - Shows the corrected

version that uses the ELAP instead of only the Palo Verde Node.

- **CAISO RTM Hourly External Load Aggregation Point (ELAP_SRP-APND) Apr2020 - Nov2024.xlsx** - Shows the CAISO ELAP data for SRP's nodes that SRP pulled and considered for the Pricing Proposal.
- **Exported Energy 2020-2023.xlsx** Years other than 2023 were not used for the Pricing Proposal, but are included here as it was readily available and may be responsive to your request.

Actual data for the last six years of calculation do not exist but the above files include those data as far back as it exists.

7. What is the calculation and price when the customer does not meet the "entire 12 months" specification?

   SRP Response:

   The "entire 12 months" specification refers to the set of residential customers, with distributed generation systems, whose exported energy will be used in the annual recalculation of the Export Rate. All customers receiving the Export Rate will receive the same rate, per kWh.

8. You state that the "Residential Solar Loss Factor is 5.67%." How was this value determined? Is there empirical data that supports your determination? If so, please provide in complete detail. In view of your 12-30-24 proposed modifications to the proposal:

   SRP Response:

   This value is from the Cost Allocation Study, on page 35. If you take the Residential Solar class (E-27, E-13, E-14, and E-15) and average the sum delivered MWh at the meter vs. the generator, the weighted average loss factor is 5.76%.

9. What is the CAISO Palo Verde node price over time that would have been used in such a calculation? Please provide the actual data for the last six years of calculation or the online link to freely available data.

   SRP Response:

   The CAISO Palo Verde node prices used in the original published calculation of 3.08 cents were the prices from the three full calendar years immediately preceding the date of publication of the proposal, 2021 to 2023, and can be found in the Export Rate Calculation (Original with Palo Verde) (3.08).xlsx attachment.

10. Who reported to SRP this erroneous use of the CAISO Palo Verde price? And when?

    SRP Response:

    An analyst within SRP's Corporate Pricing Department discovered the error on December 12th, 2024.

11. I see that for the existing export plans, E-13, E-14, E-29, etc., you do not propose an annual recalculation. I understand that you propose sunsetting these plans and others around November 2029. Why no annual recalculation over that period? With the export credit calculation for E-16 and E-28 being recalculated annually, you will undoubtedly have two exported kWh credit prices. Why?

    SRP Response:

    The structure of frozen price plans, such as peak hours and the fixed export rate, are not proposed to change.

12. Since the annual recalculation of the exported kWh credit is proposed to effective starting with the May billing cycle of each year, and you propose the price to first be effective in November 2025, why do you propose first recalculating it for May 2026 bills instead of recalculating it for May 2025 which would be applied to November 2025 to April 2026 bills?

    SRP Response:

    The proposal was first published on December 2, 2024. As of that date, there was not a full calendar year of pricing information available to calculate the exported kWh credit as of May 1, 2025.

13. For any data requested above, if not already provided, where, when and how can a member of the public obtain it at no charge? If an internet location, what are the exact links?

    SRP Response:

    The relevant links were provided in this answer, and the response and questions will be made publicly available.

Name: Steve Wolfel - Inergy Systems

Record Number: 5e7177b3

Delivery Method: Digital Submission

Received Date: 1/7/2025

Comment:

SRP's website has 2 of Inergy Systems Demand Management systems listed for $250 rebate, if installed by an SRP Preferred Solar Installer. The systems support E-27 & E-27P & E-15. The proposed rates include a Demand Averaging rate with On Peak of 5 PM - 10 PM Mon - Fri. (E-16) I am one of the Managing Partners of the company. Our team is interested to know if the demand averaging method will be the same as E-15? And if the cost per On Peak kW will be set prices for every kW E-15 has Summer $19.29 - Summer Peak $21.94 - Winter $8.13 Or if the cost per On Peak kW will be tiered similar to E-27 & E-27P? We will be attending the Open House session on January 9th. Best Regards, Steve Wolfel

Response Subject: SRP Corporate Pricing Response to Public Comment #5e7177b3

Response:

Steve,

SRP management's proposed E-16 price plan would use the same demand averaging methodology as E-15, though the on-peak hours on E-16 would be 5-10 pm weekdays year-round (in contrast to E-15 which, which has on-peak hours from 5-9 am/pm in the winter and 2-8 pm in the summer and summer peak seasons.) Having one year-round on-peak window is intended to make managing on-peak usage easier for customers.

The per-Average kW prices are not tiered and are proposed to be $11.71, $16.20, and $7.73 per-Average kW in the Summer, Peak, and Winter seasons respectively.

The full details of the new proposed Price Plans can be found in the Documents and Materials page of SRP's Pricing process website. Page 61 of Management's Complete Proposal provides a description of E-16 and page 20 of Appendix A to the Proposed Adjustments shows the proposed rate sheet.

Name: David Bender

Record Number: 4541e71a

Delivery Method: Digital Submission

Received Date: 1/8/2025

Comment:

These questions and requests continue from the 9 submitted on December 11, 2024 (submission confirmation number: ecb014ee) that we have not net received responses to. 10. Produce all spreadsheets, workpapers, and underlying data in unlocked electronic format, with all formulas, functions and underlying data intact, supporting your “Proposed Adjustments to SRP's Standard Electric Price Plans Effective with the November 2025 Billing Cycle and Appendix A to Proposed Adjustments to SRP's Standard Electric Price Plans Effective with the November 2025 Billing Cycle: Proposed Standard Electric Plans and Riders” dated December 30, 2024 (“December 2024 Adjustments”). This includes, but is not limited to the spreadsheets used to create Figure 5, Figure 6, Table 1, Table 3, Figure 9, Table 8, Figure 10, and Table 10. 11. Confirm that the per kilowatt hour credit for electricity delivered by residential customers with solar generation to SRP are subtracted from proposed revenues used to calculate the figures and values in the December 2024 Adjustments, including but not limited to those in Figure 5, Figure 6, Table 1, Table 3, Figure 9, Table 8, Figure 10, and Table 10. 12. Provide the amount of per kilowatt hour credits (total kilowatt hours and price per kilowatt hour) for electricity delivered by residential customers with solar generation assumed in the calculations in the December 2024 Adjustments. 13. Please provide the values for Figure 5, Figure 6, Table 1, Table 3, Figure 9, Table 8, Figure 10, and Table 10 in the December 2024 Adjustments if the per kilowatt hour credit for electricity delivered by residential customers with solar generation to SRP are not subtracted from (i.e., do not decrease) current and proposed revenues. 14. Please confirm that, following implementation of the proposed price plan changes, residential customers with solar generation will be permitted to move to the E-23 if they choose to do so. 15. Please confirm that customers on a price plan that will be sunset are permitted to move to any price plan they choose and for which they are qualified, rather than the default price plan SRP proposes to move those customers to. If so, will customers be permitted to move to their preferred plan prior to 2029? 16. Do SRP's estimated bill impacts, including in Figure 5, Figure 6, Table 1, Table 3, Figure 9, Table 8, Figure 10, and Table 10 in the December 2024 Adjustments, account for adjusters and riders, or base rates only? 17. The Cost Allocation Study uses an LOLP-weighted peak for purposes of generation cost allocation. a. How many hours are used in this calculation? b. Please provide hourly LOLP data in electronic, unlocked, format with all internal functions, data, and cross-references intact.

Response Subject: SRP Corporate Pricing Response to Public Comment #4541e71a

Response Attachments: Table 1 and 3 Earth Justice EJ02 Response_EJ02.xlsx; SRP Management Response to Earth Justice's Second Request for Information_EJ02.pdf;

**To receive a copy of Attachments please contact the Corporate Secretary's Office and Reference Record #4541e71a*

Response:

See SRP Management Response to Earth Justice's Second Request for Information_EJ02 for response details

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SRP Management Response to

Earth Justice's Second Request for Information Regarding

SRP's Proposed Changes to its Electric Rate Schedules

10. Produce all spreadsheets, workpapers, and underlying data in unlocked electronic format, with all formulas, functions and underlying data intact, supporting your "Proposed Adjustments to SRP's Standard Electric Price Plans Effective with the November 2025 Billing Cycle and Appendix A to Proposed Adjustments to SRP's Standard Electric Price Plans Effective with the November 2025 Billing Cycle: Proposed Standard Electric Plans and Riders" dated December 30, 2024 ("December 2024 Adjustments"). This includes, but is not limited to the spreadsheets used to create Figure 5, Figure 6, Table 1, Table 3, Figure 9, Table 8, Figure 10, and Table 10.

SRP Response:

Figure 5, 6 – File was provided as part of SRP's response to Earth Justice's first data request. See FP25 FY26 Cost Allocation Study - Published 12-02-2024_EJ01.xlsx.

Table 1 and 3 – File (Table 1 and 3 Earth Justice EJ02 Response.xlsx) was created and uploaded to record number 4541e71a. File contains annual design revenues from the price plan design sheets' Schedule 5 in support of Tables 1 and 3.

The following tables provide the data supporting Figures 9 and 10, respectively:

E-13 Customer Impacts	
Impact	Number of Customers
<-2%	355
-2% to 0%	421
0% to 2%	1,112
2% to 4%	2,238
4% to 6%	2,761
6% to 8%	1,450
8% to 10%	325
>10%	73

E-14 Customer Impacts	
Impact	Number of Customers
<-2%	55
-2% to 0%	53
0% to 2%	108
2% to 4%	158
4% to 6%	128
6% to 8%	51
8% to 10%	13
>10%	1

The data in Tables 8 and 10 was generated using an SAS query on SRP's customer database and cannot be disclosed because it is confidential customer information.

If you wish to receive any additional data or materials supporting the proposal, please supplement your request with the specific aspect of the proposal for which you are requesting information.

11. Confirm that the per kilowatt hour credit for electricity delivered by residential customers with solar generation to SRP are subtracted from proposed revenues used to calculate the figures and values in the December 2024 Adjustments, including but not limited to those in Figure 5, Figure 6, Table 1, Table 3, Figure 9, Table 8, Figure 10, and Table 10.

SRP Response:

In the price proposal materials, the energy delivered from SRP customers to SRP is referred to as exported energy, hence the "export credit" on E-13 and E-14. In the Cost Allocation Study, exported energy decreases the costs allocated to customers, and thus their revenue targets. Unless otherwise noted, the total cost and revenues from solar customers have both been reduced because of the exported energy.

12. Provide the amount of per kilowatt hour credits (total kilowatt hours and price per

kilowatt hour) for electricity delivered by residential customers with solar generation assumed in the calculations in the December 2024 Adjustments.

SRP Response:

For the price plans of E-13 and E-14, the table shows the following used for determinants used in the pricing proposal.

	Exported kWh (Rounded)	Current Export Credit Price	Total Current Credit	December 2024 Adjustments Price	Total December 2024 Adjustments Credit
E-13	93,667,740	$0.0281	$2,632,064	$0.0345	$3,231,537
E-14	6,689,917	$0.0281	$187,987	$0.0345	$230,802

13. Please provide the values for Figure 5, Figure 6, Table 1, Table 3, Figure 9, Table 8, Figure 10, and Table 10 in the December 2024 Adjustments if the per kilowatt hourcredit for electricity delivered by residential customers with solar generation to SRP are not subtracted from (i.e., do not decrease) current and proposed revenues.

SRP Response:

This would not be an appropriate calculation because the cost reduction due to the exports is embedded in the E-13 and E-14 expenses.

14. Please confirm that, following implementation of the proposed price plan changes, residential customers with solar generation will be permitted to move to the E-23 if they choose to do so.

SRP Response:

As proposed, the E-23 price plan is not available to customers with on-site generation, other than, for a limited time, “grandfathered” customers, as described in the Applicability section of the proposed E-23 price plan.

15. Please confirm that customers on a price plan that will be sunset are permitted to move to any price plan they choose and for which they are qualified, rather than the default price plan SRP proposes to move those customers to. If so, will customers be permitted to move to their preferred plan prior to 2029?

SRP Response:

Yes, customers will be able to move to any price plan they are qualified for beginning in the November 2025 billing cycle, subject to availability. If a customer does not change price plans by the time theirs is eliminated, they will be moved to the price plan shown in Table 6 of the Proposed Adjustments.

16. Do SRP's estimated bill impacts, including in Figure 5, Figure 6, Table 1, Table 3, Figure 9, Table 8, Figure 10, and Table 10 in the December 2024 Adjustments, account for adjusters and riders, or base rates only?

SRP Response:

Revenues used in the Cost Allocation Study and price plan designs include the following (if applicable to customer type):

- Base rates
- FPPAM
- Economy Price Plan (EPP)
- Dedicated distribution / facilities charges
- Aggregation discount
- Electric fees
- Energy efficiency cap
- The newly proposed >69 kV transmission discount
- Full Electric Service Requirements (FESR)

17. The Cost Allocation Study uses an LOLP-weighted peak for purposes of generation cost allocation. a. How many hours are used in this calculation? b. Please provide hourly LOLP data in electronic, unlocked, format with all internal functions, data, and cross-references intact.

SRP Response:

The original study used a Monte Carlo simulation, with tens of thousands of annual iterations at an hourly level, but was summarized for the Cost Allocation Study by Month (12), Hour Ending (24), and Weekday/Weekend (2) making 12x24x2= 576 hours

used in the Cost Study. The file was provided as part of SRP's response to Earth Justice's first data request. See LOLP Study Resulst_EJ01.xlsx

Name: Derek Engle

Record Number: 8f8ae7ab

Delivery Method: Digital Submission

Received Date: 1/8/2025

Comment:

Can you provide a detailed comparison of service costs incurred by SRP per proposed residential 'tier' that justifies the additional MSC to customers with existing single-family homes? Everything I'm seeing in the Cost Allocation Study is broken down by price plan with no reference to tiers (unless I'm missing something). Although I can easily see an argument for different costs to connect to new construction single-family homes vs. new construction apartments--for example, more and longer feeders for homes, but larger feeders and metering and distribution enclosures for apartments--I am failing to see how *existing* single-family homes would be more expensive to *maintain service to* than existing apartments. (If anything, I'd expect apartments with individual unit metering will incur more customer service costs as residents more frequently move in and out, generating more service start and stop requests). Additionally, I don't see why townhomes are in the same tier as apartments. Aren't they more like single-family homes in terms of feeder sizes and lengths, metering, service drop sizes, and customer service costs than apartments? I would expect homes served with aerial service to have higher maintenance costs than those with undergroundÂ”yet this is not reflected in the tiers? Without a detailed study, it's all guesswork. If service costs are related primarily to the size of service drop (as suggested on pg. 10 Selected Electric Utility Trends, Concentric Energy Advisors 2-2-24), then MSCs should be based on service drop size rather than residence type (so the proposed plan could have 2 tiers: 225A or less and above 225A, or 3 tiers: 100A or less, 101-225A, and above 225A). Additionally, if the goal is to recover more basic service costs via MSCs instead of per kWh charges, I would expect MSCs to increase across all tiers while per kWh charges decrease. Without a detailed study of service costs incurred by SRP per proposed tier, the structure of the new tier pricing appears arbitrary and unjustified. Please provide this study, if you have it. If not, a study should be completed and made available to the public prior to introducing a new tier system. I am not against a tiered system for MSCs based on service costs, but it needs to be justified by a detailed study. It cannot be arbitrary, based on speculation, or based on prioritizing favored types of development.

Response Subject: SRP Corporate Pricing Response to Public Comment #8f8ae7ab

Response:

Hi Derek,

Thanks for the follow up questions. Some of these were answered in response to your previous submittal, but I'll copy the relevant responses. I'll break this into parts to make it easier to follow.

1. Can you provide a detailed comparison of service costs incurred by SRP per proposed residential 'tier' that justifies the additional MSC to customers with existing single-family homes?

On page 48 of the Cost Allocation Study, the sigma non-coincident peaks (ΣNCP) are referenced for the 3 dwelling type tiers. This is used as the basis for the differentiated distribution facilities cost.

2. Although I can easily see an argument for different costs to connect to new construction single-family homes vs. new construction apartments--for example, more and longer feeders for homes, but larger feeders and metering and distribution enclosures for apartments--I am failing to see how *existing* single-family homes would be more expensive to *maintain service to* than existing apartments. (If anything, I'd expect apartments with individual unit metering will incur more customer service costs as residents more frequently move in and out, generating more service start and stop requests).

As part of this tiering proposal, only the distribution facilities costs are differentiated by tier. In the interest of simplicity, customer service and meter costs are the same for all tiers.

The distribution facilities cost pays for infrastructure replacement as well. When the transformer outside of homes needs replacing, the distribution facilities costs help pay for that. Multifamily dwellings are generally assigned lower kVa than single family homes, and therefore have a lower share of their cost of the transformer.

3. Additionally, I don't see why townhomes are in the same tier as apartments. Aren't they more like single-family homes in terms of feeder sizes and lengths, metering, service drop sizes, and customer service costs than apartments?

As part of this tiering proposal, only the distribution facilities costs are differentiated by tier. In the interest of simplicity, customer service and meter costs are the same for all tiers.

Townhomes non-coincident peak is much closer to apartments and condos than to the single family homes.

4. I would expect homes served with aerial service to have higher maintenance costs than those with underground, yet this is not reflected in

the tiers?

This proposal takes a wide range of customer distribution characteristics, most of which currently pay a single monthly service charge ($20), and splits that into three distinct categories with a differing monthly service charge for each. There is a balance between customer simplicity and cost relation.

5. Without a detailed study, it's all guesswork. If service costs are related primarily to the size of service drop (as suggested on pg. 10 Selected Electric Utility Trends, Concentric Energy Advisors 2-2-24), then MSCs should be based on service drop size rather than residence type (so the proposed plan could have 2 tiers: 225A or less and above 225A, or 3 tiers: 100A or less, 101-225A, and above 225A). Additionally, if the goal is to recover more basic service costs via MSCs instead of per kWh charges, I would expect MSCs to increase across all tiers while per kWh charges decrease.

Amperage of the service entrance is used in both tier 2 and tier 3. For customers with larger than 225 amp entrances, SRP requires a special type of meter. SRP maintains meter records for all customers. For customers who have 225 or less amps, the meter type is the same whether it's 100 amps or 200 amps. SRP has construction data on service entrances, but it is incomplete, particularly for dwellings older than the 1980s. If SRP based all tiers only on amperage, SRP would have to physically examine service entrances for thousands of customers. Multifamily dwellings (tier 1) generally have lower amperage service entrances than single family homes (which makes up the bulk of tier 2); many have 150 amp or lower entrances, while single family homes in Phoenix rarely have those.

Under the proposal, while the average residential MSC for all three tiers together is increasing, the per-kWh energy price, on average, is decreasing. Individual impacts of the proposal, even within the same MSC tier, will vary depending on price plan and usage.

6. Without a detailed study of service costs incurred by SRP per proposed tier, the structure of the new tier pricing appears arbitrary and unjustified. Please provide this study, if you have it. If not, a study should be completed and made available to the public prior to introducing a new tier system. I am not against a tiered system for MSCs based on service costs, but it needs to be justified by a detailed study. It cannot be arbitrary, based on speculation, or based on prioritizing favored types of development.

On page 48 of the Cost Allocation Study, the sigma non-coincident peaks (ΣNCP) are referenced for the 3 dwelling type tiers. This is used as the basis for the differentiated distribution facilities cost.

The study is not arbitrary or based on speculation, and does not favor or prioritize specific types of development.

Name: David Vernon

Record Number: de8f4663

Delivery Method: Digital Submission

Received Date: 1/13/2025

Comment:

On the proposed changes to SRP price plans, page 60 shows per kW pricing of $22.31 per kW (summer), $25.15 per kW (summer peak), and $10.73 per kW (winter) for the E-16. On page 65, the price plan shows $11.71 per kW (summer), $16.20 per kW (summer peak), and $7.73 per kW (winter). Are the per kW numbers for the proposed E-16 demand charges correct on page 60, or on page 65? Is there a reason there are 2 different sets of demand charge numbers for the same rate plan on these 2 different pages of the proposal?

Response Subject: SRP Corporate Pricing Response to Public Comment #de8f4663

Response:

Hi David,

Thanks for reaching out. I'd be happy to clarify:

$22.31, $25.15, and $10.73 charges are for the Summer, Summer-Peak, and Winter season respectively for the E-15 price plan. These are on page 57 of the proposal (page 60 of a PDF version).

$11.71, $16.20, and $7.73 charges are for the Summer, Summer-Peak, and Winter season respectively for the E-16 price plan. These are on page 62 of the proposal (page 65 of a PDF version).

These are two different price plans. E-15 is a current price plan; E-16 is a new price plan, proposed to be effective starting in the November 2025 billing cycle.

Name: Matthew Hicks

Record Number: e722c553

Delivery Method: Digital Submission

Received Date: 1/28/2025

Comment:

It is unclear on what the demand charge is for solar users. Could we be provided with more clarity on why this charge exist on the solar plans and what the charge goes towards?

Response Subject: SRP Corporate Pricing Response to Public Comment #e722c553

Response:

Hi Matthew,

Demand charges pay for customers' use of the grid, while energy charges pay for the customers' consumption over time. For example, a household may be running their AC, cooking on an electric range, and heating water with electricity throughout a 3-hour period during which equipment may occasionally run concurrently. When the timing of those loads match, the demand that home has on the grid increases, requiring more from the grid, but the energy used in that period remains the same. Demand charges offer customers an option to differentiate between energy and capacity charges.

SRP developed a video which is published on our website to help our customers understand the difference between demand and energy, or kW and kWh respectively. The video can be found (about halfway down) on the following linked webpage: https://www.srpnet.com/price-plans/residential-electric/solar-demand-plans-savings

SRP has had both solar and non-solar customers on price plans with a demand charge since 2015. Price plans with a demand charge offer greater opportunity to have lower bills, but SRP offers non-demand price plans to give customers choice. Since 2019, SRP has offered solar customers four price plans: 1) E-27 demand plan, 2) E-15 average demand plan, 3) E-13 Time-of-Use (non-demand) with export, and 4) for those with an electric vehicle, E-14 (non-demand).

While SRP management has proposed freezing and sunsetting E-13 and E-14, the proposal includes two new plans that will be open to all types of residential customers (both customers with solar and customers without solar), each of which includes an 8 a.m. - 3 p.m. super off-peak period (where energy is more than 50% lower than our basic plan prices), and an on-peak period (where energy is more expensive). One proposed plan (E-28) has an on-peak period from 6 – 9 p.m. with no demand charge, and the other (E-16) has an on-peak period from 5 – 10 p.m., with an average demand charge. Each of these proposed price plans provides the rate at which SRP will credit the customer for energy exported to SRP.

Thank you for your interest in SRP.

SRP Public Price Process Responses from: 1/30/2025

Name: Kelly Molloy

Record Number: 78af1f0d

Delivery Method: Digital Submission

Received Date: 1/10/2025

Comment:

I am opposed to the proposed residential price increase, given the current economic stressors being endured by the community in virtually every aspect of our lives. While I appreciate that SRP's plans include a focus on being able to meet the resources needed for our ever - expanding state, the current plan is lacking in transparency as to how much of the financial burden is being placed on residential customers rather than business customers, or how much of the increase is due to Arizona's recent push to woo IT businesses (which place disproportionate strain on SRP's and other utilities' resources, but appear to bear little to none of the economic repercussions). I believe that residential price increases should be the last resort, only after businesses, particularly those that are heavy utilizers of power, water, etc, have had their utility costs adjusted. The review on SRPs website reviewing the proposed business changes is incredibly vague, and offers no assurance that the residential increase is anything other than a means of offsetting the cost of practices favoring business over people. I am grateful for the services SRP provides to all of us, but I am concerned that further residential price increases will quite literally harm people, especially in the summer, when someone's inability to afford air conditioning becomes a matter of life and death. What is SRP doing specifically regarding the heavy new demands placed on it by businesses, especially those in the tech industry? If this residential price increase is implemented, is the money strictly used for addressing the needs of residential customers?

Response Subject: SRP Corporate Pricing Response to Public Comment #78af1f0d

Response:

Kelly,

SRP appreciates your submission. SRP is a public power utility that does not have investors and serves to maintain a stable revenue stream from retail sales sufficient to cover anticipated operating expenses while also providing a level of funding for additional

investments in resources that deliver safe and reliable power to all customers. Consistent with long-establishing pricing principals, SRP considers the cost to provide electricity, the impact of price increases on customers, and SRP's financial health when evaluating price changes. Since the 2019 pricing process, supply chain disruptions, inflation and interest rate policy have driven up costs for both consumers and businesses.

The base increase drivers are necessary to address expenses related to replacing aging infrastructure, adapting to an evolving power grid, and enhancing customer programs and serves while maintaining reliability and safety. SRP has taken steps to control operating costs and effectively manage the expansion of assets and services but increases in operations and maintenance expenses are driving the need for the price plan adjustments.

SRP's Board of Directors formally adopted Pricing Principals in December 2000 to guide the pricing of SRP's electric service and have been used in the development of price plans and associated policies in Management's Price Proposal. Cost Relation, which established prices in relation to costs and SRP's stewardship to its water constituents, and thus not to pursue the maximization of "profit". Gradualism, which seeks to enhance sound economic decision-making by customers of all types through stabilizing price levels and smoothing the impact of cost movements that may be caused by temporary factors. Equity, which seeks to treat customers of all types in an economically fair manner. Choice, which seeks constantly improve customer satisfaction through the creative design of pricing structure. Sufficiency, enables SRP to recover the cost of and to invest and reinvest in a system of assets to perform its policy obligations, including its obligation to store and delivery water to the owners of land within the boundaries of the Salt River Project Reservoir District, to maintain SRP's financial well-being, and to following the foregoing principles.

The proposed overall 2.4% net revenue change, effective with November 2025 billing cycle translates into a rate of return of 4.7%. Return can vary between price processes due to the changes in the number of customers and evolving customer characteristics, such as customer demand, energy and usage patterns. Management proposes base plan adjustments that move the relative rates of return on net plant less construction work in progress (CWIP) for each price plan closer to the overall average. The proposed increase was allocated to each of the customer classes based on the results from the Cost Allocation Study. A higher-than-average increase to base prices is propose for those customer classes with lower-than-average returns, while a lower-than-average increase to base prices is proposed for customer classes with higher rates of return. This is demonstrated on Figure 5, page 30 of the published proposal found at Proposed Adjustments to SRP's Standard Price Plans Effective with the November 2025 Billing Cycle_Web.pdf. Figure 6, page 31 provides the proposed increase in revenue that is necessary to achieve the proposed rate of return from Figure 5. These graphs demonstrate the residential class recovery and necessary price increase. The previous link is management's proposal and provides the detail behind every aspect of the proposal.

SRP expects significant load growth driven by various large-load customers. In an effort to shield other customers from being required to pay for costs incurred to serve customer load that may not materials, Management is proposing modification to the E-67 price plan designed to ensure that SRP recovers the costs incurred to provide the customer-requested capacity. Under the proposal, new accounts with at least 20 MW of forecasted

load will be placed on the E-67 price plan and will pay a demand charge based on the greater of their actual demand or 80% of their forecasted load.

This proposal also includes a change in the eligibility requirements for residential customers to receive the discount specified in the Economy Discount Rider, often referred to as the Economy Price Plan (EPP), which would allow more customers to qualify. Currently, qualified customers with household income at or below 150% of the Federal Poverty Level (FPL) are eligible for the EPP. Management is proposing that the household threshold be adjusted to 200% of the FPL. In addition, Management proposes an increase to the EPP from $23 per month to $25 per month. The current EPP program can be found at Economy Price Plan for limited-income customers | SRP. SRP continues to provide its residential customers with options should they need financial support, more flexible payment options or tips to lower energy costs. These options can be found at SRP financial assistance | SRP. There are also a variety of resources throughout the Valley to help those in times of need, including utility assistance, rent assistance, heat relief and more. These resources are found at Limited-income assistance programs | SRP.

We hope this response provides additional insights to management's proposal.

Name: L Duane Johnson

Record Number: 8071076c

Delivery Method: Digital Submission

Received Date: 1/14/2025

Comment:

The new Trump administration coming in 20 Jan 2025 is promising a large reduction of the inflation in the United States caused by the Obama and Biden Administrations . Please hold off raising SRP electric rates for another year and see if the SRP operating costs do not go down and thus make an increase in residential and commercial electrical rates unnecessary. The present SRP electrical rates and programs are very reasonable and I do not want to see any increase if not necessary. IF the Board decides to increase our rates and then inflation decreases to the 2017 - 2021 levels. Would the Board then institute hearings to decrease SRP electric rates and programs??

Response Subject: SRP Corporate Pricing Response to Public Comment #8071076c

Response:

Hi Duane,

We appreciate your submission. Every year, SRP assembles a one-year operating budget and a six-year financial plan. This annual process helps SRP assess its financial situation and how SRP funds its planned expenditures. The first year of the financial plan is the operating budget, and the Board votes to approve the operating budget every March. The longer-term financial plan gives SRP insight into the funds needed over the long run. SRP strives to balance borrowing and increased revenues from pricing actions when funding its expenditures. To that end, the financial plan informs SRP of the need for a pricing process and the level of pricing actions required to sensibly fund it expenditures over the coming years.

SRP has managed to keep its prices below comparable utilities and below the pace of inflation since the last pricing process in 2018-19, even with price increases to the Fuel and Purchased Power Adjustment Mechanism (FPPAM) due to increased energy costs. However, costs like replacing aging infrastructure, building new infrastructure to support customer growth and grid transformation, and implementing new customer and sustainability programs have increased and are forecasted to rise further. A base price increase will provide additional revenues to fund the current business environment. Additionally, the level of increase will still fall below recent inflation trends and allow SRP to update its price plans in a formal pricing process.

Thank you.

Name: Autumn Johnson

Record Number: MI6932185

Delivery Method: Email to Corporate Secretary

Received Date: 1/16/2025

Attachments: AriSEIA 1st DR to SRP 1.16.2025.pdf; RE_ Price Proceeding.pdf

**To receive a copy of Attachments please contact the Corporate Secretary's Office and Reference Record #MI6932185*

Comment:

ARIZONA SOLAR ENERGY INDUSTRIES ASSOCIATION (ARISEIA) FIRST SET OF DATA REQUESTS TO
SALT RIVER PROJECT (SRP)
JANUARY 16, 2025
PROPOSED ADJUSTMENTS TO SRP'S STANDARD ELECTRIC PRICE PLANS EFFECTIVE WITH THE NOVEMBER 2025 BILLING CYCLE (AMENDED AND RESTATED)

GENERAL INSTRUCTIONS

1. All information is to be divulged that is in your possession, custody or control, or the possession, custody, or control of your attorneys, investigators, agents, employees, or other representatives, or which you may discover through reasonable inquiry.

2. If you cannot answer a Data Request in full and have exercised thorough diligence in an attempt to secure the information requested, then you must so state. You must also explain to the fullest extent possible the specific facts concerning your inability to answer the Data Request and supply whatever information or knowledge you have concerning any unanswered portion of the Data Request.

3. If your answer to any Data Request is "unknown," "not applicable," or any other similar phrase or answer, state the following:
a. Why the answer to that Data Request is "unknown" or "not applicable";
b. The efforts made to obtain answers to the particular Data Request; and
c. The name and address of any person who may know the answer.

4. Where a Data Request requires you to state facts you believe support a particular allegation, contention, conclusion, or statement, set forth with

particularity:
a. All facts relied upon;
b. The identity of all lay and expert witnesses who will or may be called to testify with respect to those facts.

5. If you contend that the answer to any Data Request is privileged, in whole or in part, or if you object to any Data Request, in whole or in part, state the reasons for such objection and identify each person having knowledge of the factual basis, if any, on which the privilege is asserted.

6. Where an individual Data Request calls for an answer that involves more than one part, each part of the answer should be clearly set out so that it is understandable.

7. These Data Requests are intended as continuing Data Requests which require that you supplement your answers setting forth any information within the scope of the Data Requests as may be acquired by you, your agents, attorneys, or other representatives following the service of your original answer.

DEFINITIONS

As used in these Data Requests the following terms have the meanings set forth below:
1. “You” or “your” refer to and are meant to include, International Brotherhood of Electrical Workers (“SRP”) and all of its agents, attorneys, investigators, employees, representatives, officers, directors, managers, members, subsidiaries, and parent companies, and separate answers should be given for each.
2. “Document” refers to any physical or electronic thing containing information or from which information can be discerned including, without limitation, any affidavit, agreement, appraisal, audio tape, bank trust, book, bid, book of account, cd-rom, check, computer disk, contract, correspondence (sent or received), declaration of trust, deed, deposition, diagram, diary, drawing, e-mail, instrument, invoice, lease, ledger, memorandum, memorandum of lease, note, notes of conversation (typed or written), outline, paper pamphlet, partnership agreement, photograph, receipt, recording (whether or not transcribed), report, statement, study, text message, transcript, trust instrument, visual depiction, voicemail, voucher, and any other such physical objects and things and any data compilation(s) from which information can be obtained, translated through dictation devices into reasonably usable form when translation is practicably necessary. “Document” or “Documents” further include any and all “original” or “duplicate” “writings,” “recordings” or “photographs” (as those italicized terms are defined in Rule 1001 of the Arizona Rules of Evidence1), whether stored electronically or in traditional paper files and including (but not limited to) all “writings” and “recordings” memorializing or constituting any communications, data, files or information stored on any computer, computer software, computer programs, computer system, or electronic media, of every kind and description, however produced or reproduced, WHETHER DRAFT OR FINAL, including (but not limited to) all communications,

documentation, letters, correspondence, e-mail, Internet Web Pages, memoranda, notes, films, transcripts, contracts, agreements, licenses, memoranda or notes of telephone conversations or personal conversations, telephone messages, microfilm, telegrams, books, newspaper articles, magazines, advertisements, marketing materials, periodicals, bulletins, circulars, pamphlets, statements, notices, reports, rules, regulations, directives, teletype messages, minutes of meetings, lists of persons in attendance, interoffice communications, reports, summaries, financial statements, ledgers, books of account, proposals, prospectuses, schedules, organization charts, offers, orders, receipts, working papers, calendars, appointment books, diaries, time sheets, logs, movies, tapes for visual or audio reproduction, recordings, or materials similar to any of the foregoing, however denominated, and including writings, drawings, graphs, charts, photographs, data processing results, printouts and computations (both in existence and stored in memory components), and other compilations from which information can be obtained or translated, if necessary, through detection devices into reasonably usable form. THE TERM “DOCUMENT” INCLUDES ALL DUPLICATES OF A DOCUMENT WHICH CONTAIN ANY ADDITIONAL HANDWRITING, UNDERLINING, NOTES, DELETIONS, OR ANY OTHER MARKINGS, MARGINALIA OR NOTATIONS, OR ARE OTHERWISE NOT IDENTICAL COPIES OF THE ORIGINAL.

3.“Possession” and “custody” include the joint or several possession, custody, or control of the above named or its agents, attorneys, employees, officers, directors, managers, members, subsidiaries, parent companies, and representatives.

4. “And” and “Or” and any other conjunctions or disjunctions used herein shall be read both conjunctively and disjunctively so as to require the provision of all information responsive to all or any part of each particular Data Request in which any conjunction or disjunction appears.

5. “Any,” “Each” and “All” shall be read to be all inclusive.

6. “Relating to” or “Related to” means referring to, relating to, responding to, concerning, connected with, commenting on, in respect of, about, regarding, discussing, showing, demonstrating, memorializing, describing, mentioning, reflecting, analyzing, comprising, supporting, sustaining, constituting, evidencing, and pertaining to, whether in whole or in part.

DATA REQUEST
1.1 Please provide all data requests, responses, and attachments provided to other “interviewers” within this proceeding.
2.1 Please provide all work papers with formulas intact that were utilized in the development of your proposal and cost allocation study (CAS).
3.1 Please refer to page 14 of your proposal, why does self-developing solar projects cost less?
3.1.1. Why so much less when the bids are participating in an all source request

for proposal (ASRFP)?
3.1.2. Why are self builds able to come online faster?
4.1 Please refer to page 15 of your proposal, does SRP intend to continue obtaining certificate of environmental compatibility (CECs) for any new gas projects?
5.1 Please refer to page 19 of your proposal, when does SRP plan to retire Springerville?
6.1 Please provide your expected load growth in the test year by customer class. What percentage of that growth is from data centers?
7.1 Despite significant load growth in the commercial and industrial space, SRP just changed master meter requirements that require multi-family housing units to have hundreds of interconnects per project, which will drive up costs and reduce the likelihood that all of the housing necessary to accommodate this growth to have any on-site generation. Is this going to be corrected? When?
8.1 Your proposed changes seem to indicate that solar + storage is preferable to standalone solar, but not enough to actually make the addition of a battery advantageous, so the result will likely be less distributed generation (DG) overall. Is that the intent? If not, please explain.
9.1 Which new rate is the default rate for new customers? What is the current default rate for new customers?
9.1.1. Is a time of use (TOU) rate the default? Should it not be, given the load growth expected?
10.1 Why are any customers going to get bumped to E-16 on or before November 2029? As opposed to working with them to select the correct plan?
11.1 Why would you move TOU customers (E-21 and E-22) to a non-TOU plan (E-23)?
12.1 How does the demand charge on E-16 work now versus current demand charges on the older plans?
13.1 Please refer to page 45 of your proposal, why are 64% of your residential customers not on a TOU plan? Does that make sense given the grid and all the load growth you predict?
14.1 Why are the on peak v off peak differentials not greater for all new plans? Why are they not closer to 3:1?
15.1 Is it correct that the on and off peak rates are different at different times of the year? Why? Is that confusing to customers? How does SRP know?
16.1 Please refer to your E-32 proposal: Why was the TOU period changed?
17.1 For commercial rates, the pricing differentials are not sufficient to justify storage, so the net effect is that solar investments appear to be marginally worse than before the rate design change. Energy storage will not pencil. Was that the intent?
18.1 Please refer to your E-36 proposal: Why do you continue to use a declining block rate design? Why would you want prices to get cheaper the more you use, if we are seeing major increases in demand?

- -

1 Rule 1001 provides, in pertinent part:
“Rule 1001. Definitions. For purposes of this article the following definitions are applicable:
(1) Writings and recordings. “Writings” and “recordings” consist of letters, words, or numbers, or their equivalent, set down by handwriting, typewriting, printing, photostating, photographing, magnetic impulse, mechanical or electronic recording, or other form of data compilation.”
(2) Photographs. “Photographs” include still photographs, x-ray films, video tapes, and motion pictures.
(3) Original. An “original” of a writing or recording is the writing or recording itself or any counterpart intended to have the same effect by a person executing or issuing it. An “original” of a photograph includes the negative or any print therefrom. If data are stored in a computer or similar device, any printout or other output readable by sight, shown to reflect the data accurately, is an “original”.
(4) Duplicate. A “duplicate” is a counterpart produced by the same impression as the original, or from the same matrix, or by means of photography, including enlargements and miniatures, or by mechanical or electronic re-recording, or by chemical reproduction, or by other equivalent technique which accurately reproduces the original.”

*SEE LETTER ATTACHMENT

Response Subject: SRP Corporate Pricing Response to Public Comment #MI6932185

Response Attachments: FP25 FY26 Cost Allocation Study - Published 12-02-2024_SEIA01.xlsx; FP25 Financial Plan Model - CAS Inputs_SEIA01.xlsm; Customer Systems Study - FP25_SEIA01.xlsx; FY24 Typical Loads and Demand Characteristics (Interval Data)_SEIA01.xlsx; FP25 v5 Phase 2 Revenue Model Outputs for Price Process_SEIA01.xlsx; LOLP Study Resulst_SEIA01.xlsx; Weighted Avg Marginal Energy Cost_SEIA01.xlsx; GSU assets data 4-30-24_SEIA01.xlsx; Lighting Distribution O&M_PP25_SEIA01.xlsx; Meter Depr FY23 - Aug FY25_SEIA01.xlsx; Streetlights assets data projected NBV 4-30-25_SEIA01.xlsx; SRP Management Response to AriSEIA First Request for Information_SEIA01.pdf;

**To receive a copy of Attachments please contact the Corporate Secretary's Office and Reference Record #MI6932185*

Response Sent by CSO 1/30/2025 9:12 AM

Response:

See SRP Management Response to AriSEIA First Request for Information_SEIA01.docx for response details.

From: John M Felty
Sent: Thursday, January 30, 2025 3:34 PM
To: Autumn Johnson
Subject: Response and Files

Autumn,

SRP's response to your Request can now be accessed via SRP's Managed File Transfer site. To view the response, please click this link and follow the instructions below:

1. Click **Create Account.** (If you created an account in the past, you will not see a prompt to create a new one. Please log in with your previously created credentials.)
2. Enter your email address and desired password.
3. Click **Create Account**. (A confirmation email will be sent to the email address you entered.)
4. Open the confirmation email and click **Activate Account**. (You will be redirected to the SRP Managed File Transfer site.)
5. Log in to the site using your new credentials.
6. Download the files to your desktop.
7. When you are finished, log out.

A Managed File Transfer guide is also attached. Please note: The files will be available for approximately 2 weeks, so please download what you need before then. Let me know if you have any issues accessing.

Thanks,

John

John M. Felty | SRP Corporate Secretary
Mail Station PAB215 | P.O. Box 52025 | Phoenix, AZ 85072-2025

SRP Management Response to
AriSEIA First Request for Information Regarding
SRP's Proposed Changes to its Electric Rate Schedules

Requested Response Date: January 26, 2025

1. Please provide all data requests, responses, and attachments provided to other "interviewers" within this proceeding.

   SRP Response:

   All responses from SRP management are posted at Pricing process documents and materials | SRP. If any response references a separate data file or attachment, those materials are available for inspection at SRP's main administrative offices. To receive a copy of a particular record, please submit a specific written request.

2. Please provide all work papers with formulas intact that were utilized in the development of your proposal and cost allocation study (CAS).

   SRP Response: See attached files:

   - **FP25 FY26 Cost Allocation Study - Published 12-02-2024.xlsx** - The worksheets are protected to prevent inadvertent edits but there is no password.
   - **FP25 Financial Plan Model - CAS Inputs.xlsm** - This model is owned by MCR Consulting Services. Per SRP's licensing agreement with them, SRP has limited rights over sharing the entire model. This limited model provides a comprehensive view of the financial data for the FP25 FY26 test year.
   - **Customer Systems Study – FP25.xlsx**
   - **FY24 Typical Loads and Demand Characteristics (Interval Data).xlsx**
   - **FP25 v5 Phase 2 Revenue Model Outputs for Price Process.xlsx**
   - **LOLP Study Results.xlsx**
   - **Weighted Avg Marginal Energy Cost.xlsx**
   - **GSU assets data 4-30-24.xlsx**
   - **Lighting Distribution O&M_PP25.xlsx**
   - **Meter Depr FY23 – Aug FY25.xlsx**
   - **Streetlights assets data projected NBV 4-30-25.xlsx**

3. Please refer to page 14 of your proposal, why does self-developing solar projects cost less?

   a. Why so much less when the bids are participating in an all source request for proposal (ASRFP)?

   b. Why are self builds able to come online faster?

   SRP Response:

a. The financial advantage in self-development over outsourcing the development of Copper Crossing can be attributed to the following key cost factors and operational efficiencies in the execution of this project:

- Lower Overhead and Profit Margins

  EPC proposals evaluated reflected a premium for their services, including management fees, contingencies, and profits margins. By self-developing, SRP is able to control many of those costs, as the project is managed in-house or with fewer intermediaries.

- Direct Control Over Resources

  By Self-performing, SRP has direct control over labor, materials, and equipment. This eliminates the need to pay for EPC markup on subcontractor work, material procurement, and other third-party services, leading to significant savings.

- Avoidance of Risk Premium

  EPC contractors included risk premiums in their pricing to account for uncertainties during the project execution. By self-performing, SRP assumes the risk and can manage it more cost-effectively through proactive planning and resource management.

- Improved Schedule and Efficiency

  Self-Development allows for greater flexibility and direct communication between the teams, reducing delays and inefficiency that could drive costs and project duration.

  An EPC may not have the same level of alignment with the organization's goals and schedule priorities.

- Tailored Procurement Strategies

  This approach allowed SRP to develop and execute its own procurement strategies, sourcing materials and services at competitive rates without paying EPC markups.

- Avoidance of Duplication of Effort

  Adopting this model, we avoid duplication of roles between the owner and the contractor. This streamlined approach minimizes redundant costs related to project management, quality assurance and oversight.

b. The Copper Crossing project is a relatively small PV solar installation. SRP's approach in executing this project allowed overlapping of engineering, procurement, and construction activities. This concurrent execution is more streamlined than the sequential and more conservative approach employed by the EPC contractors, resulting in an improved project delivery.

4. Please refer to page 15 of your proposal, does SRP intend to continue obtaining certificate of environmental compatibility (CECs) for any new gas projects?

SRP Response:

Currently there are no active projects to initiate a CEC for new gas. However, SRP's Integrated System Plan (ISP) anticipates at least 2000 MW of natural gas additions by 2035, which could be developed by SRP, a third-party developer, or through repowering existing generating

infrastructure. The timing of these additions is driven by customer demand and reliability needs and is expected to occur beyond the test year. As such, there are no expected impacts to the current Price Process. For more information about SRP's ISP, the full report is linked here.

5. Please refer to page 19 of your proposal, when does SRP plan to retire Springerville?

SRP Response:

SRP has not determined a date for the retirement of Springerville Unit 4. New federal regulations finalized in 2024 introduced additional requirements for these facilities to continue operations post-2031. SRP is working with the other owners of Springerville Generating Station to determine a path forward to minimize emissions while maintaining reliability. Due to the timing of decisions around this facility, there are no expected impacts to the current Price Process.

6. Please provide your expected load growth in the test year by customer class. What percentage of that growth is from data centers?

SRP Response:

Class	MWh Growth FY25-FY26	% of Total Annual Growth
Residential	92,306	4%
Residential Solar	68,441	3%
General Service	-54,191	-2%
Large General Service (Total)	2,522,821	96%
Datacenters (Subset of LGS)	1,460,600	56%

7. Despite significant load growth in the commercial and industrial space, SRP just changed master meter requirements that require multi-family housing units to have hundreds of interconnects per project, which will drive up costs and reduce the likelihood that all of the housing necessary to accommodate this growth to have any on-site generation. Is this going to be corrected? When?

SRP Response:

SRP updated its electric service specifications with respect to residential master meter requirements for new residential multi-family construction in response to concerns raised by the Limited/Moderate Income (LMI) community that residents in master metered communities did not have access to important programs and services afforded to SRP customers, as well as concerns about the level of power reliability at these locations due to the distribution infrastructure being owned by the site and not the utility.

The challenges for solar installations for LMI housing projects were an unintended consequence of SRP's construction standards update. After consideration of the information provided in AriSEIA's letter addressed to the Board and additional feedback from solar developers involved in these projects, SRP leadership has implemented a workable solution to help simplify the path for LMI residents to realize solar benefits.

SRP recognizes that while the recently implemented solution, targeting LMI multi-family housing projects with on-site solar, is workable in the shorter term for in-flight projects, it may not fully address AriSEIA's concerns from a broader residential master metering perspective. This topic will be included in the agenda of this year's SRP/AriSEIA Interconnection Program and Standards Annual Meeting.

8. Your proposed changes seem to indicate that solar + storage is preferable to standalone solar, but not enough to actually make the addition of a battery advantageous, so the result will likely be less distributed generation (DG) overall. Is that the intent? If not, please explain.

SRP Response:

SRP's intent is to price according to our costs; there is no intent to reduce the amount of distributed generation. We set overall revenues sufficient to cover SRP's costs and allocate those costs to each customer class equitably based on how SRP incurs costs to serve each class. Management then also considers Gradualism when setting revenue targets for each Price Plan. As part of the rate design process, SRP sets various time-of-use periods and charges (monthly service charge, per kWh charge, kW charges, etc.) to collect the overall revenue target for the Price Plan, guided by SRP's underlying energy and demand marginal costs within each costing period.

9. Which new rate is the default rate for new customers? What is the current default rate for new customers?

    a. Is a time of use (TOU) rate the default? Should it not be, given the load growth expected?

SRP Response:

If new customers call to begin service, the customer service representatives will typically list at least one rate option beyond E-23, in their discretion. If no TOU price plan is chosen, then E-23 will generally be the "default" rate. Management anticipates that, if approved, E-28 would be the option that most representatives would guide customers to, since it has a shorter on-peak period compared to E-16.

10. Why are any customers going to get bumped to E-16 on or before November 2029? As opposed to working with them to select the correct plan?

SRP Response:

SRP wants to ensure that our customers are on the most suitable price plan for their usage patterns. E-16 will be the price plan for a customer currently on demand price plans (E-15, E-27, E-27P) if that customer does not make a different selection before their price plan is sunset. Those customers have experience with demand charges, and the evening on-peak periods for the existing plans have significant overlap with the 5 PM – 10 PM on-peak period for E-16.

As with all other customers, SRP will proactively reach out to customers and invite them to select a different price plan.

11. Why would you move TOU customers (E-21 and E-22) to a non-TOU plan (E-23)?

SRP Response:

E-21 has on-peak hours from 3 – 6 PM, which has zero overlap with the 6 – 9 PM on-peak hours for E-28.

Similarly, E-22 has on-peak hours from 4 – 7 PM, which only shares one hour with the 6 – 9 on-peak hours of E-28.

There is concern that customers moved from E-21 or E-22 to E-28 would continue their existing behavior, increasing their usage starting at 6 PM or 7 PM when their on-peak ends today. This would result in increased on-peak usage on E-28, and likely higher bills.

SRP will proactively reach out to customers on E-21 and E-22 to encourage them to switch to E-28 or E-16, and provide education and reminders, as well as alerts if customers do not appear to be shifting load.

12. How does the demand charge on E-16 work now versus current demand charges on the older plans?

SRP Response:

The demand charge on E-16 works the same way as it does on E-15, only with different on-peak hours. It is calculated by taking the average of the daily maximum thirty-minute integrated kW demands occurring during the on-peak periods of the billing cycle.

Customers on E-27 are billed based on the single maximum thirty-minute integrated kW demands occurring during the on-peak periods.

13. Please refer to page 45 of your proposal, why are 64% of your residential customers not on a TOU plan? Does that make sense given the grid and all the load growth you predict?

SRP Response:

SRP has long been an advocate of TOU plans, promoting them as a way for customers to save money and reduce peak demands. The new suite of TOU plans reflects SRP's pricing principle of Cost Relation.

Choice is another SRP pricing principle, and most customers choose a basic price plan or M-power.

While important, TOU is not the only tool to manage load growth concerns around peak demand. Demand response programs, such as SRP's Bring Your Own Thermostat program continue to be an important part of a portfolio of load shifting programs.

14. Why are the on peak v off peak differentials not greater for all new plans? Why are they not closer to 3:1?

SRP Response:

SRP's price plans have long had very strong peak-to-off ratios. The current E-21 ratio is 3.46:1 during Summer Peak. At the time of the most recent price process (in 2019), the E-21 ratio was 4.04:1 (34.44 cent on-peak and 8.53 cent off-peak). Due to FPPAM increases which were applied uniformly across peak periods, the ratios have been decreasing.

Both Winter and Summer have lower marginal cost deltas between on and off-peak periods compared to Summer Peak, so the ratios are lower. During Summer Peak, when SRP expects most marginal generation needs to occur, there is a very large difference between the marginal costs. This is reflected in the peak-to-off peak ratio of 3.14:1 during the Summer Peak season.

15. Is it correct that the on and off peak rates are different at different times of the year? Why? Is that confusing to customers? How does SRP know?

SRP Response:

The per kWh on- and off-peak charges vary by season to reflect some of the cost differential between seasons. For Gradualism purposes, some of the Summer Peak costs are collected in the Summer and Winter seasons. By aligning prices with costs, SRP sets price signals that, by customers following, can reduce both SRP costs and customer bills. If incorrect price signals caused customers to change behavior in ways that did not reduce costs (i.e., if SRP had Winter on-peak prices as high as Summer Peak on-peak prices), there would be no corresponding SRP cost reduction to accompany the customer bill reduction, which would cause cost shifts between customers.

Overall, this does not appear to be confusing to customers as indicated by their actual behavior, which is to reduce on-peak usage more during seasons when the prices are higher to reflect the higher costs.

16. [Please refer to your E-32 proposal: Why was the TOU period changed?]

SRP Response:

SRP's existing TOU price plans work well in terms of demand management on the traditional grid. However, as increasing amounts of solar are added to the system, the net load that is served by dispatchable resources begins to peak later in the day. As a result, higher system costs are shifting to later in the evening, between 6 p.m. and midnight, and the lower-cost hours are shifting to early- and mid-day periods. As high-cost hours are shifting to later in the evening, it is prudent to likewise adopt later on-peak hours in SRP's price plans.

17. For commercial rates, the pricing differentials are not sufficient to justify storage, so the net effect is that solar investments appear to be marginally worse than before the rate design change. Energy storage will not pencil. Was that the intent?

SRP Response:

No, that is not the intent. SRP management based the updated prices in the proposal on SRP's seasonal and intraday costs.

18. Please refer to your E-36 proposal: Why do you continue to use a declining block rate design? Why would you want prices to get cheaper the more you use, if we are seeing major increases in demand?

SRP Response:

The E-36 Price Plan is not a declining rate structure. E-36 is a load factor base structure, which provides customers with a more consistent usage pattern a lower average price per kWh.