

SRP Price Process Comments with Response

Week ending February 15, 2025

SRP Public Price Process

Responses from: 2/13/2025

Name: G. Dybwad

Record Number: aeaf5261
Delivery Method: Digital Submission
Received Date: 1/28/2025

Comment:

SRP: Please explain why homes with solar will receive a much higher cost increase than homes without. Why penalize solar? We send extra power to SRP on occasion and get little credit for it. G. Dybwad, Gold Canyon, AZ

Response Subject: SRP Corporate Pricing Response to Public Comment #aeaf5261

Response:

Hello,

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 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.

At the same time, the 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: Steve Neil

Record Number: 6856ca4f
Delivery Method: Digital Submission
Received Date: 1/30/2025

Comment:

Thank you for the response to my inquiry you have coded as 7b6b6359 about the "Per Exported kWh Credit". In your response, I learned that you only count the exported kWh on the E-13 and E-14 plans. 1. I recognize that E-15 and E-27 are monthly net metering type plans and grandfathered solar is likely on a annual net metering basis and their exported kWh data may not be as readily available as it is for E-13 and E-14, but your meter experts told me that your L&G meters track kWh Received in the meter's interval data which means you have the data. If that understanding is incorrect, please send all the details about why as in meter make and model, programming, etc. 2. So, unless the data does not exist, this request is to provide the same spreadsheet "Export Rate Calculation (Corrected with ELAP) (3.45).xlsx" but with additional columns for each of the following exporting customer groups: 1. E-15 2. E-27 3. grandfathered solar customers on any other plan other than the already counted customers on the E-13 & E-14, E-15, E-27 columns. 4. A column summing all 4 columns (or I can add myself but you might as well add it so you see what I'm going to see.) I suggest that you base the data on the customer's current plan and disregard whether the customer changed plans during the timeframe.

Response Subject: SRP Corporate Pricing Response to Public Comment #6856ca4f

Response Attachments: Export Rate Calculation (Corrected with ELAP) (3.45) (Incl all DG)_SN11.xlsx; SRP Management Response to Steve Neil's Eleventh Request for Information_SN11.pdf;

**To receive a copy of Attachments please
contact the Corporate Secretary's Office and Reference
Record #6856ca4f*

Response:

See SRP Management Response to Steve Neil's Eleventh Request for Information_SN11 for response details

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

Thank you for the response to my inquiry you have coded as 7b6b6359 about the "Per Exported kWh Credit". In your response, I learned that you only count the exported kWh on the E-13 and E-14 plans. 1. I recognize that E-15 and E-27 are monthly net metering type plans and grandfathered solar is likely on a annual net metering basis and their exported kWh data may not be as readily available as it is for E-13 and E-14, but your meter experts told me that your L&G meters track kWh Received in the meter's interval data which means you have the data. If that understanding is incorrect, please send all the details about why as in meter make and model, programming, etc. 2. So, unless the data does not exist, this request is to provide the same spreadsheet "Export Rate Calculation (Corrected with ELAP) (3.45).xlsx" but with additional columns for each of the following exporting customer groups: 1. E-15 2. E-27 3. grandfathered solar customers on any other plan other than the already counted customers on the E-13 & E-14, E-15, E-27 columns. 4. A column summing all 4 columns (or I can add myself but you might as well add it so you see what I'm going to see.) I suggest that you base the data on the customer's current plan and disregard whether the customer changed plans during the timeframe.

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SRP Response:

See attachment **Export Rate Calculation (Corrected with ELAP) (3.45) (Incl all DG)_SN11.xlsx**

Name: Steve Neil

Record Number: MI6991513
Delivery Method: Other
Received Date: 1/31/2025
Attachments: 20250131_PublicComment_Neil.pdf

**To receive a copy of Attachments please
contact the Corporate Secretary's Office and Reference
Record #MI6991513*

Comment:

*Flyer submitted at 1/31/2025 SRP Special District Board Price Process Meeting (See attached)

Response Subject: SRP Corporate Pricing Response to Public Comment #MI6991513

Response Attachments: SRP Management Response to Steve Neil's Thirteenth Request for Information_SN13.pdf;

**To receive a copy of Attachments please
contact the Corporate Secretary's Office and Reference
Record #MI6991513*

Response:

See SRP Management Response to Steve Neil's Thirteenth Request for Information_SN13.pdf for response details

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

See customer's "Flier" attachment for reference

SRP management identified the five questions below from the customer's flier (included as an attachment to this response). The reproduction of and responses to these questions does not constitute Management's agreement with or endorsement of any statements or images on that flier.

1. SRP has had about a billion dollars of income above expenses the past 6 fiscal years. Yet ... Long term debt has increased about a billion dollars And needs to charge customers more too? Where did the billions go? Have they explained that? Could belt-tightening like most consumers are doing be a compromise solution?

SRP Response:

From FY20-FY24, Combined Net Revenues (CNR) were approximately \$1.0B, or \$1.1B above budget. In that period, excluding the effects of the changes in the fair value of fuel and purchased power contracts, wholesale positions and investments, CNR was \$605M, or \$666M above budget.

Over that time horizon, SRP elected not to collect the FPPAM balance of \$206M.

From FY20-FY24, capital expenditures have averaged \$878M annually; in the prior 5-year period (FY15-FY19) capital expenditures averaged \$737M annually. In total, this is \$708M of capital more from FY20-FY24 than in FY15-FY19. Comparing capital expenditures to annual depreciation expense, which is included in CNR, average depreciation expense was \$630M from FY20-FY24, with capital expenditures, and accompanying cash needs, exceeding that by approximately \$250M annually for a total of \$1.25B. These capital expenditures are in support of replacing aging infrastructure to maintain reliability, adapting to an evolving power grid to meet sustainability and decarbonization goals, and enhancing customer programs and services.

FY24's debt ratio of 46% is equivalent to the 46% debt ratio in FY20. This means that the positive CNR flowing through to the balance sheet was enough to offset the increased amounts of long-term debt to maintain similar levels of financial metrics for SRP.

Please see the following regarding cost management efforts: [Cost Management Initiatives](#)

2. Only ½ of SRP residential on TOU. Is ¾ at APS! Why?

SRP Response:

SRP has a long tradition of both offering TOU to customers, and providing customer choice. SRP Management understands that many customers choose basic (E-23) out of simplicity. SRP continues to have one of the highest TOU enrollments out of any utility that does not require or default customers to TOU. Questions concerning another utility's customers should be directed to that utility.

3. Why is LOLP-Weighted Peak highest relative to 4CP Peak for the residential solar class?

SRP Response:

4CP is a measure of the retail system peak. In FY24, the year used for the cost study, this occurred nearest to HE17 (three peaks in HE17 and one in HE18).

LOLP reflects hours generation capacity is needed. In the LOLP study, on average that was between HE19 and HE20.

As measured by net kWh at the meter in FY24, the ratio of LOLP-Weighted Peak to 4CP was higher for the residential solar class than for the residential class.

4. Why is SRP not informing their customers of the financial cost of the many plans they offer? How is a consumer to know?

SRP Response:

SRP's website details the pricing proposal and average bill impacts. SRP customers can request individual bill comparisons by email, over the phone, or through an online submission. As stated previously, SRP Management is evaluating implementation of a new online price plan comparison tool.

We note that many factors (including overall energy usage, number of people in the household, changes in energy usage (such as adding a pool pump or an EV), and weather) impact bills; past behavior is not entirely predictive of future behavior.

For further detail, please reference SRP Management Response to Steve Neil's First Request for Information and SRP Management Response to Steve Neil's Seventh Request for Information.

5. Solar export plans to be frozen like E-13 & E-14 will stick at 3.45 cents until sunsetted in 2029 and will not be recalculated every year. Why not 1 export rate?

SRP Response:

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

Name: Elizabeth M McNamara

Record Number: bb7bcd55
Delivery Method: Digital Submission
Received Date: 2/1/2025

Comment:

The price concern is one thing but change in TOU plans is horrifying. How do you expect folks in AZ to not use their ac between the hours of 6-9pm or 5-10pm. That is beyond ridiculous. Also, your information states super off peak is until 3pm but doesn't elaborate what happens after that time. So on peak to some extent will be 3-10pm? Outrageous. You obviously care nothing for homeowners well-being. It's not like we have a choice in utility Co & can shop around. I truly hope this change is not allowed to go into effect. It's a public safety issue

Response Subject: SRP Corporate Pricing Response to Public Comment
#bb7bcd55

Response:

Hi Elizabeth,

Thanks for reaching out.

Under the proposal, SRP's two residential time-of-use plans going forward (E-16 & E-28) would each include daily 8 a.m. – 3 p.m. super off-peak prices that are more than 50% lower than basic price plans. The on-peak period would be weekdays from 6 – 9 p.m. or 5 – 10 p.m., depending on the Price Plan. All other hours are off-peak.

Existing TOU plans include options that include a summer on-peak period from 2 p.m. - 8 p.m., 3 p.m. - 6 p.m., or 4 p.m. - 7 p.m. Similar to today's plans, customers will not need to stop cooling their homes during the on-peak period to see potential savings.

Under the proposal, SRP will continue to offer the Basic plan (E-23) and M-Power plan (E-24) with no peak hours.

Full details on the proposed price plans are included here:

[Appendix A to Proposed Adjustments to SRP's Standard Electric Price Plans Effective with the November 2025 Billing Cycle \(Amended and Restated\) – Proposed Standard Electric Price Plans and Riders](#)

SRP Public Price Process Responses from: 2/14/2025

Name: Steve Neil

Record Number: MI7072662
Delivery Method: Email to Corporate Secretary
Received Date: 2/14/2025
Attachments: Board's rules and regulations regarding ARS 48-2334.pdf

**To receive a copy of Attachments please contact the Corporate Secretary's Office and Reference Record #MI7072662*

Comment:

From: Steve Neil
Sent: Friday, February 14, 2025 10:02 AM
To: SRP Corporate Secretary
Subject: Board's rules and regulations regarding ARS 48-2334

This request is not related to the current pricing process.

ARS 48-2334(F) says this:

"F. The board of directors shall establish and enforce rules and regulations to carry out the purposes of this section."

I would like to read these. If these rules and regulations are embedded in a larger set, please send the larger set.

--Steve

Response Subject: SRP Corporate Pricing Response to Public Comment #MI7072662

Response:

Hi Steve,

SRP Rules and Regulations can be found on the SRP website here:
<https://www.srpnet.com/about/rules-regulations>
