

NEW APPLICATION

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

KEVIN THOMPSON, Chairman
NICK MYERS, Vice Chairman
LEA MÁRQUEZ PETERSON
RACHEL WALDEN
RENE LOPEZ

IN THE MATTER OF THE APPLICATION OF
COLUMBUS ELECTRIC COOPERATIVE, INC.
FOR APPROVAL OF REVISED NET METERING
TARIFF

Docket No. E-01851A-25-

APPLICATION

Columbus Electric Cooperative, Inc. ("CEC" or "Cooperative"), in support of its
Application, states as follows:

1. CEC is a non-profit, member-owned corporation headquartered in Deming, New Mexico and authorized to do business and provide electric service in both New Mexico and Arizona.
2. The Cooperative holds a certificate of convenience and necessity from the Commission pursuant to Decision Nos. 34125 (October 15, 1962) and 34321 (January 25, 1963) to provide distribution electric service to areas within Cochise County, Arizona.
3. The territory served by CEC is rural in nature and includes three New Mexico counties and a small portion of Cochise County, Arizona.
4. The Cooperative serves approximately 5,038 customer meters in New Mexico and approximately 522 meters in Arizona.
5. CEC's 9-member Board of Trustees is elected by the Cooperative's members and oversees all aspects of the Cooperative's operations.
6. The Cooperative's current Arizona Net Metering Tariff was approved by the Commission in Decision No. 71791 (July 12, 2010).

1 7. Since 2010, certain provisions of the tariff have been rendered obsolete by
2 technological and other changes.

3 8. In light of these developments and after consultation with the Commission's
4 Utilities Division Staff, CEC has revised and updated its tariff, a clean version of which is
5 attached hereto as Exhibit A.

6 9. The substantive changes to the tariff, as shown on the redline attached hereto as
7 Exhibit B, are as follows:

- 8 a. The net metering facility generating capacity threshold has been revised to
9 focus on a percentage of customer kWh consumption rather than
10 connected load, which will allow customers with non-exporting facilities
11 (i.e., batteries) to qualify for net metering service;
- 12 b. The metering requirements have been updated to remove monthly charges
13 for metering that are no longer necessary;
- 14 c. The provision regarding time of use rates was removed because CEC does
15 not have time-of-use tariffs in place; and
- 16 d. Language was added to clarify, consistent with Decision No. 71797, that
17 the avoided cost rate listed in the tariff is updated on an annual basis.

18 10. By this Application, CEC respectfully requests Commission approval of its
19 revised Net Metering Tariff.

20 WHEREFORE, having fully stated its Application, Columbus Electric Cooperative, Inc.
21 respectfully requests that the Commission (1) approve the Cooperative's revised net Metering
22 Tariff and (2) grant such other and further relief the Commission deems appropriate under the
23 circumstances.
24

1 RESPECTFULLY SUBMITTED this 7th day of April, 2025.

2 GALLAGHER & KENNEDY, P.A.

3
4 By: 

5 Jennifer A. Cranston
6 2575 East Camelback Road
7 Phoenix, Arizona 85016-9225
8 *Attorney for Columbus Electric
Cooperative, Inc.*

9 **ORIGINAL** of the foregoing eFiled
10 with Docket Control via ACC Portal
this 7th day of April, 2025.

11 COPY of the foregoing emailed this
12 7th day of April, 2025, to:

13 Legal Division
14 Utilities Division
15 Arizona Corporation Commission
16 1200 West Washington Street
Phoenix, Arizona 85007
17 LegalDiv@azcc.gov
utildivservicebyemail@azcc.gov

18 /s/ Candice Beeson

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21
22
23
24 10292284v1/10722-0002

Exhibit A

COLUMBUS ELECTRIC COOPERATIVE, INC.

**ARIZONA ELECTRIC CONSUMER RATE
SCHEDULE ANM**

NET METERING TARIFF

Availability

Net Metering service is an option for all customers of the Cooperative with a qualifying Net Metering Facility. Participation under this schedule is subject to availability of enhanced metering and billing system upgrades. The electric energy generated by or on behalf of the member from a qualifying Net Metering Facility and delivered to the Cooperative's distribution facilities may be used to offset electric energy provided by the Cooperative during the applicable billing period.

Net Metering Facility means a facility for the production of electricity that:

- a. Is operated by or on behalf of the customer and is located on the customer's premises;
- b. Is intended to provide part or all of the customer's requirements for electricity;
- c. Uses Renewable Resources, a Fuel Cell or CHP (as defined below);
- d. Has a generating capacity less than or equal to 120% of the customer's most recent twelve (12) month consumption; and
- e. Is interconnected with and can operate in parallel in phase with the Cooperative's existing distribution system.

Service under this tariff is available provided the rated capacity of the customer's Net Metering Facility does not exceed the Cooperative's service capacity. The customer shall comply with all of the Cooperative's interconnection standards. The customer is also required to sign and complete an Interconnection Application prior to being provided Net Metering Service. This service is also referred to as Partial Requirements Service.

Net Metering Facilities with generation capacity that exceeds 100 kilowatts, which are interconnected presently, or desire to become interconnected, may, at the Cooperative's option, be subject to the negotiated terms and conditions set forth in multilateral contracts among the customer, Tri-State Generation & Transmission Cooperative, Inc. and the Cooperative.

Monthly Service Charge

There is no additional monthly service charge for Net Metering. The monthly Service Charge shall be the same as the non-net metering tariff that the customer would use if they did not choose to Net Meter.

NET METERING TARIFF SCHEDULE ANM

Metering

Fifteen-minute time registration demand metering shall be required. The meter utilized for the service being provided to the Net Metering Facility shall be capable of being electronically read by the Cooperative and must be approved by the Cooperative.

Monthly Billing

If the kWh supplied by the cooperative exceeds the kWh that are generated by the customer's Net Metering Facility and delivered back to the cooperative during the billing period, the customer shall be billed for the net kWh supplied by the Cooperative in accordance with the rates and charges under the customer's standard rate schedule.

If the electricity generated by the customer's Net Metering Facility exceeds the electricity supplied by the Cooperative in the billing period, the customer shall be credited during the next billing period for the excess kWh generated. That is, the excess kWh during the billing period will be used to reduce the kWh supplied (not kW or kVA demand or customer charges) and billed by the Cooperative during the following billing period.

The once per year "true up" will occur in September or when the account is closed, the Cooperative shall issue a check or billing credit to customers with Net Metering Facilities for the balance of any credit due in excess of amounts owed by the customer to the Cooperative for Non-Firm Power. The payment for any remaining credits shall be at the Cooperative's Annual Average Avoided Cost. Amounts over \$100.00 will be paid by check lesser amounts will be a billing credit. The Customer may also elect to donate the payment to Operation Round Up. Any payment for Firm Power will be pursuant to a separate contract.

Avoided Cost

The payment for the purchase of the excess kWh will be at Columbus' avoided cost, which is currently \$0.02730 and subject to annual updates.

**NET METERING TARIFF
SCHEDULE ANM**

Definitions

1. Avoided Cost is defined as the average wholesale fuel and energy costs per kWh incurred by the Cooperative during the previous 12 months and filed annually with the Arizona Corporation Commission. The Avoided Cost will be applied in the September "true up" period or when a NET Meter Account is closed during the Net Metering Calendar Year.
2. Calendar Year: For the purpose of determining the billing credit for the balance of any credit due in excess of amounts owed by the customer to the Cooperative, the Calendar Year for Net Metering is defined as September 1 through August 31 (September billing cycle).
3. Renewable Resource means natural resources that can be replenished by natural processes, including Biomass, Biogas, Geothermal, Hydroelectric, Solar or Wind as defined in A.A.C. R14-2-2302(2) &(3).
4. Combined Heat and Power or CHP (also known as cogeneration) means a system that generates electricity and useful thermal energy in a single, integrated system such that the useful power output of the facility plus one-half the useful thermal energy output during any 12-month period must be no less than 42.5 percent of the total energy input of fuel to the facility.
5. Fuel Cell means a device that converts the chemical energy of a fuel directly into electricity without intermediate combustion or thermal cycles. The source of the chemical reaction must be from Renewable Resources.
6. Determining the customers 120% capacity from load data: The most recent 12 months (calendar year) kWh consumption will be divided by 2190 (average annual PV production hours) to determine the 100% capacity level in kW which will achieve a "net zero" home or business. To which the 120% will be applied.
7. Partial Requirements Services- Electric service provided to a customer that has an interconnected Net Metering Facility whereby the output from its electric generator(s) first supplies its own electric requirements and any excess energy (over and above its own requirements at any point in time) is then provided to the Company. The Company supplies the customer's supplemental electric requirements (those not met by their own generation facilities). This configuration may also be referred to as the "parallel mode" of operation.
8. Non-Firm Power- Electric power which is supplied by the Customer's generator at the Customer's option, where no firm guarantee is provided, and the power can be interrupted by the Customer at any time.

**NET METERING TARIFF
SCHEDULE ANM**

9. Firm Power- Power available, upon demand, at all times (except for forced outages) during the period covered by the Purchase Agreement from the customer's facilities with an expected or demonstrated reliability which is greater than or equal to the average reliability of the Company's firm power sources.
10. Standard Rate Schedule- Any of the Company's retail rate schedules with metered kWh charges.
11. Time Periods- Mountain Standard Time shall be used in the application of this rate schedule. Because of potential differences of the timing devices, there may be a variation of up to 15 minutes in timing for the pricing periods. On-peak and off-peak time periods will be determined by the applicable Standard Retail Rate Schedule.

Exhibit B

COLUMBUS ELECTRIC COOPERATIVE, INC.

ARIZONA ELECTRIC CONSUMER RATE
SCHEDULE ANM

~~STANDARD OFFER TARIFF~~

NET METERING TARIFF

Availability

Net Metering service is an option for all customers of the Cooperative with a qualifying Net Metering Facility. Participation under this schedule is subject to availability of enhanced metering and billing system upgrades. The electric energy generated by or on behalf of the member from a qualifying Net Metering Facility and delivered to the Cooperative's distribution facilities may be used to offset electric energy provided by the Cooperative during the applicable billing period.

Net Metering Facility means a facility for the production of electricity that:

- a. Is operated by or on behalf of the customer and is located on the customer's premises;
- b. Is intended to provide part or all of the customer's requirements for electricity;
- c. Uses Renewable Resources, a Fuel Cell or CHP (as defined below);
- d. Has a generating capacity less than or equal to ~~125% of the customer's total connected load, or in the absence of customer load data, capacity less than or equal to the customer's electric service drop capacity~~ 120% of the customer's most recent twelve (12) month consumption; and
- e. Is interconnected with and can operate in parallel in phase with the Cooperative's existing distribution system.

Service under this tariff is available provided the rated capacity of the customer's Net Metering Facility does not exceed the Cooperative's service capacity. The customer shall comply with all of the Cooperative's interconnection standards. The customer is also required to sign and complete ~~the Net Metering~~ Interconnection Application prior to being provided Net Metering Service. This service is also referred to as Partial Requirements Service.

Net Metering Facilities with generation capacity that exceeds 100 kilowatts, which are interconnected presently, or desire to become interconnected, may, at the Cooperative's option, be subject to the negotiated terms and conditions set forth in multilateral contracts among the customer, Tri-State Generation & Transmission Cooperative, Inc. and the Cooperative.

Monthly Service Charge

There is no additional monthly service charge for Net Metering. The monthly Service Charge shall be the same as the non-net metering tariff that the customer would use if they did not choose to Net Meter.

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NET METERING TARIFF SCHEDULE ANM

Metering

Metering installed Fifteen-minute time registration demand metering shall be required. The meter utilized for the service being provided under this tariff to the Net Metering Facility, shall be capable of registering being electronically read by the Cooperative and accumulating the kilowatt-hours (kWh) of electricity flowing in both directions in a billing period.

The customer requesting Net Metering shall pay for the incremental cost difference of must be approved by the bi-directional meter required for Net Metering and the standard meter. The following additional monthly charges shall apply Cooperative.

Single-Phase \$0.89

Three-Phase \$2.35

Monthly Billing

If the kWh supplied by the cooperative exceeds the kWh that are generated by the customer's Net Metering Facility and delivered back to the cooperative during the billing period, the customer shall be billed for the net kWh supplied by the Cooperative in accordance with the rates and charges under the customer's standard rate schedule.

If the electricity generated by the customer's Net Metering Facility exceeds the electricity supplied by the Cooperative in the billing period, the customer shall be credited during the next billing period for the excess kWh generated. That is, the excess kWh during the billing period will be used to reduce the kWh supplied (not kW or kVA demand or customer charges) and billed by the Cooperative during the following billing period.

Customers taking service under time-of-use rates who are to receive credit in a subsequent billing period for excess kWh generated shall receive such credit during the next billing period during the on- or off-peak periods corresponding to the on- or off-peak periods in which the kWh were generated by the Customer.

The once per year "true up" will occur in September or when the account is closed, the Cooperative shall issue a check or billing credit to customers with Net Metering Facilities for the balance of any credit due in excess of amounts owed by the customer to the Cooperative for Non-Firm Power. The payment for any remaining credits shall be at the Cooperative's Annual Average Avoided Cost. Amounts over \$100.00 will be paid by check lesser amounts will be a billing credit. The Customer may also elect to donate the payment to Operation Round Up. Any payment for Firm Power will be pursuant to a separate contract.

Avoided Cost

The payment for the purchase of the excess kWh will be at Columbus' avoided cost of \$0.02735, which is currently \$0.02730 and subject to annual updates.

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NET METERING TARIFF SCHEDULE ANM

Definitions

1. Avoided Cost is defined as the average wholesale ~~fuel and energy~~ costs per kWh ~~charged~~ incurred by the ~~Cooperative's wholesale power supplier(s)~~ Cooperative, during the previous 12 months ~~calculated at and filed annually with the time of filing for approval of this tariff~~ Arizona Corporation Commission. The Avoided Cost will be applied in the September "true up" period or when a NET Meter Account is closed during the Net Metering Calendar Year.
2. Calendar Year: For the purpose of determining the billing credit for the balance of any credit due in excess of amounts owed by the customer to the Cooperative, the Calendar Year for Net Metering is defined as September 1 through August 31 (September billing cycle).
3. Renewable Resource means natural resources that can be replenished by natural processes, including Biomass, Biogas, Geothermal, Hydroelectric, Solar or Wind as defined in A.A.C. R14-2-2302(2) & (3).
4. Combined Heat and Power or CHP (also known as cogeneration) means a system that generates electricity and useful thermal energy in a single, integrated system such that the useful power output of the facility plus one-half the useful thermal energy output during any 12-month period must be no less than 42.5 percent of the total energy input of fuel to the facility.
5. Fuel Cell means a device that converts the chemical energy of a fuel directly into electricity without intermediate combustion or thermal cycles. The source of the chemical reaction must be from Renewable Resources.
6. ~~Determining the customers~~ 125 customers' 120% capacity from load data:
 - a. ~~In the absence of demand data (for residential and small business) the highest~~ The most recent 12 months (calendar year) kWh consumption ~~in the previous three years~~, will be divided by 2190 (average annual PV production hours) to determine the 100% capacity level in kW which will achieve a "net zero" home or business. To which the ~~125~~ 120% will be applied.
 - b. ~~For customers with a demand history it will be 125% of the highest demand in the most current 12-month period. Demand history can be obtained by a billing meter with a demand register.~~
7. Partial Requirements Services- Electric service provided to a customer that has an interconnected Net Metering Facility whereby the output from its electric generator(s) first supplies its own electric requirements and any excess energy (over and above its own requirements at any point in time) is then provided to the Company. The Company supplies the customer's supplemental electric requirements (those not met by their own generation facilities). This configuration may also be referred to as the "parallel mode" of operation.
8. Non-Firm Power- Electric power which is supplied by the Customer's generator at the Customer's option, where no firm guarantee is provided, and the power can be interrupted by the Customer at any time.

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**NET METERING TARIFF
SCHEDULE ANM**

9. Firm Power- Power available, upon demand, at all times (except for forced outages) during the period covered by the Purchase Agreement from the customer's facilities with an expected or demonstrated reliability which is greater than or equal to the average reliability of the Company's firm power sources.
10. Standard Rate Schedule- Any of the Company's retail rate schedules with metered kWh charges.
11. Time Periods- Mountain Standard Time shall be used in the application of this rate schedule. Because of potential differences of the timing devices, there may be a variation of up to 15 minutes in timing for the pricing periods. On-peak and off-peak time periods will be determined by the applicable Standard Retail Rate Schedule.