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August 30, 2004

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Arizona Corporation Commission
 Utilities Division
 1200 West Washington
 Phoenix, AZ 85007-2996

2004 AUG 30 P 4: 45
 AZ CORP COMMISSION
 DOCUMENT CONTROL

Dear Corporation Commission:

I am aware of the pending rate review the Corporation Commission is conducting for Arizona Public Service. My hope is to initiate change with regards to the spending cap APS currently has in place for power extensions.

The current cap of \$25,000 was enacted approximately 25 years ago. When asked how long that amount has existed, an employee of APS with whom I was speaking, answered with "forever." Since the \$25,000 inception, costs to APS to extend power, as well as inflation and other economical factors have increased. Yet the cap has remained unchanged. Today, APS will extend power up to 2,000 feet, and even install the initial 1,000 feet for free; as long as the extension costs do not exceed the \$25,000 cap. When costs do exceed the cap, the property owner, who is attempting to build his/her home on the property and have already begun the building process on land they have purchased, have to pay for the *total* cost of the extension. A \$25,000 price tag for any goods or service is a steep cost for anyone, let alone the average home owner who has already financed to his/her maximum credit ability the purchase of their home.

The over-25 year old \$25,000 cap is grossly outdated for today's economic climate and extension costs.

Recently, my son sold a parcel of vacant land in Maricopa County that rested under the 2,000 foot extension limit. The particular parcel I am discussing was sold to Antonio Estrada and his wife, Lidia Perez.

Unfortunately, even though the extension is less than 2,000 feet, due to the path of the extension, and the requirement to turn one corner, the cost of the extension is over the 25-plus year old cap, and at that realization the purchaser is then required to pay the *total* cost of the extension. The Estradas are frustrated, and are unable to pay such a large sum.

Perhaps the limit of \$25,000 that was established some 25-plus years ago was a conservative estimate, and the Corporation Commission and APS did not need to address it due to the cap rarely being surpassed under extreme circumstances. But it is evident; it is obvious, that the cap is currently negligent and improper for the current limits and economy. Since the inception allowances for inflation have been made for A.P.S. salaries, construction costs, material costs, etc. No changes have been incurred for the current cap rates.

Arizona Corporation Commission

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AUG 30 2004

DOCKETED BY	<i>GAH</i>
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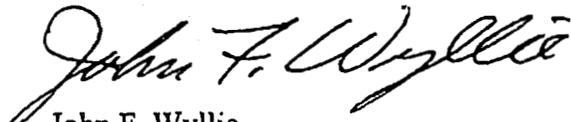
The parcel number of the property owned by Mr. Estrada is 506-33-545-D. Attached is a letter from Wilbur Call, a design project leader for A.P.S. Buckeye construction that describes the cost of the Estrada property, and how power cannot be extended even though the distance is less than 2,000 feet. Please address this issue soon. Mr. Estrada is immersed in the building permit process with intent to move and reside in his new home.

For the Estrada family to learn this far into the building process that their power cost is over \$25,000 because the A.P.S. operating costs have risen enough to put them over the 25-plus year old cap limit is unnecessary and avoidable.

How much shorter will it be next year?

The consumer needs to know where they stand instead of playing a guessing game each time they are able to extend power under current limits.

Thank you for your time,



John F. Wyllie

P.S. Please note the date Mr. Call faxed the letter from A.P.S. to Mr. Fisher as 8/30/04

08/30/2004

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NO. 161

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615 N 4th STREET • BUCKEYE, ARIZONA • 85326

Dear Mr. Fisher:

I have sent to you as an attachment to this letter Page 1 of Schedule #3 of APS Line Extension Policies. The information that concerns you is located in Section 1.1.4 under the heading "Footage Basis". This basically states that a residential landowner or developer cannot qualify for a line extension under the footage basis if the total cost of the line extension exceeds \$25,000. This same information can be found at the following web address:
http://www.aps.com/aps_services/business/rateplans/busrateplans_9.html

Your customer's parcel out at Van Buren and West of Wintersburg Road is situated some distance away from the closest power source that the cost APS will incur to bring power to him will easily exceed \$25,000. It has been our experience here in Buckeye that approximately 1500 feet of overhead line begins to exceed this \$25,000 figure. Your customer's parcel is located some 1700' away from the closest power line to the corner of his property. We would still have to calculate approximately 200 feet of service wire. Your customer very nearly exceeds the maximum wire footage of 2000 feet. This is the maximum amount of wire per residence that can be installed for a residence and still qualify under the footage basis.

Please give me a call if you have any questions. My phone number is (623) 932-6631.

Wilbur Call
Design Project Leader
APS Buckeye Construction