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ARIZONA CORPORATION COMMISSION

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September 16, 2004

Arizona Corporation Commission  
**DOCKETED**

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2004 SEP 17 A 8:01

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Chairman Marc Spitzer  
Commissioner Jeff Hatch-Miller  
Commissioner Mike Gleason  
Commissioner Kris Mayes  
Parties of Record

DOCKETED BY *CR*

Re: Avis Read; individually, on Behalf of All Others Similarly Situated, Complainants  
v. Arizona Public Service (APS), Respondent  
Docket No. E-01345A-04-0657

Dear Colleagues:

Consistent with my earlier position, I remain concerned that the matter of the billing estimation procedures of APS be investigated and resolved prior to the resolution of the APS rate case. APS counsel stated during a January 6, 2004 procedural conference the following:

*The good news is—if there is good news about being sued—is I believe that this issue is a heck of a lot easier to resolve than virtually any of the issues we're going to have in the rate case. And I sure hope we can resolve this both through the process standardization working group and the Commission way before we get around to deciding the APS rate case. (Mumaw, p.198)*

At the time this was said, there was litigation in progress in the Superior Court regarding the matter of bill estimation. Subsequently, that matter was dismissed from Superior Court on jurisdictional grounds and is now before us in the form of the complaint referenced above.

The issues raised by the earlier litigation and now by the complaint are significant. As one Commissioner, I want to be assured that questions regarding meter reading and bill estimation procedures are answered in advance of any Commission decision on the rate case. I do not think it is appropriate to be deciding proposals for higher rates when there are lingering questions regarding the meter reading resources and practices of APS and the bill estimation procedures used by the company when meters are not read. While the questions and concerns may apply to the entire industry, as opposed to just APS, we cannot ignore that APS has a pending multimillion dollar rate case before us, now in the form of a settlement involving our staff and numerous other parties. In my opinion, it would be inappropriate to finish the rate case without having confidence and clarity injected into the meter reading and billing processes. I believe that it is appropriate for the hearings on the rate case settlement to proceed as scheduled, but the matter should not come before the Commission for a vote until the issues of meter reading and bill estimation procedures are resolved.

Commissioners and Parties of Record  
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I look forward to docketed dialogue in response to this letter, and I would request that Chief Administrative Law Judge Farmer ensure the matters discussed in this letter be addressed during the next rate case procedural conference (Docket No. E-01345A-03-0437) that she calls.

Sincerely,



William A. Mundell, Commissioner  
Arizona Corporation Commission

cc: Brian McNeil  
Lyn Farmer  
Chris Kempley  
Ernest Johnson  
Docket Control