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Arizona Corporation Commission

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The Honorable Marc Spitzer
Commissioner
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

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**RE: Docket No. E-01345A-03-0437 -
Arizona Public Service Company Request for Rate Adjustment**

Dear Commissioner Spitzer:

We are writing to you today on behalf of more than 740,000 members in Arizona, many of whom are concerned about the state of energy and telephone services. They also worry about the impact of increased utility rates, particularly those living on low and fixed incomes. For several months, AARP has been following the Arizona Public Service Company's (APS) rate case. In our testimony delivered at the November 8, 2004 public hearing, we voiced our support for the automatic enrollment of low-income customers in utility assistance programs when they apply for other income-based financial assistance programs, such as Food Stamps. At this time, AARP Arizona wants to respond to Commissioner Mayes's questions on this very important issue.

For an average household, telephone, energy, water, and sewer services can account for more than 6 percent of the monthly household income. For some older Americans, this share can be as much as 23 percent of monthly income. Incredibly, some low-income households often spend a greater share of their income on utilities than on certain other necessities such as health care or property taxes. This is the case for an increasing number of older persons, as the average expenditures for telephone, energy, water, and sewer services for households headed by persons age 65 and older increase at a faster rate than both the level of income in the households and inflation.

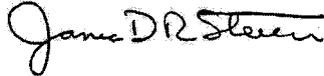
For these reasons, AARP urges the Commission to ensure that energy and telephone assistance programs reach the maximum number of intended beneficiaries by the most efficient means possible, which we strongly believe is through the process of automatic enrollment. We have reviewed the responses of the Commission Staff and the Arizona Community Action Association and are encouraged by their initial support of automatic enrollment as well.

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In other state proceedings, AARP has offered effective enrollment and outreach strategies and advocated for the selection of eligibility criteria that coincide with a number of state financial assistance programs that are already targeted to low-income households. We have expressed our strong belief that, where possible, state commissions should select eligibility criteria that will allow for the automatic enrollment of utility customers in assistance programs when the individual or household applies for financial assistance programs that must determine household income. We also encourage the Commission to include telephone assistance programs in any automatic enrollment effort. Telephone service is as essential and basic as energy services. There is much to be done to ensure that consumers who are eligible for these programs actually receive the assistance they need.

AARP appreciates the opportunity to present our views on this essential matter. We urge the Commission to move forward on the adoption of automatic enrollment for energy and telephone low-income programs in coordination with other Arizona low-income programs. We look forward to continuing to work with the Commission on this matter.

Sincerely,



James D. R. Steven
AARP State President



Lupe Solis
Associate State Director
Advocacy

cc: Jon Poston