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To: Arizona Corporation Commission
Docket Control
1200 West Washington
Phoenix, Arizona 85007
Docket Number E-01032C-00-0751

2002 APR -2 P 12:13

AZ CORP COMMISSION
DOCUMENT CONTROL

RE: Citizen's Utilities Company Rate Increase

I do not feel that Citizen's Utilities should be able to recover the excessive "Purchase Power Fuel Adjustment Clause" costs on to the customer because it gives them no incentive to shop around for lowest cost electrical power. If this clause was not in effect, the costs of purchasing power by Citizen's Utilities would be borne by the company first instead of the consumer. This would put Citizen's Utilities on equal footing with other businesses in Mohave County. Other companies have to raise prices for goods and services sold to the consumer as costs escalate. The company has to bear the increase in the cost of their goods or services before they pass the increase on to the consumer. Right now Citizen's Utilities can just pass the price of their services on to the consumer without having to worry about this cost affecting profits or losses.

Citizen's Utilities should have to prove that the costs they paid APS were the lowest costs available to them through any electrical power supplier available to them. If some other electrical power company could have supplied power cheaper than APS, Citizen's Utilities should be required to contract with that supplier. Electrical power companies in Wyoming and the Northwest, specifically Pacific Power and Light, and Utah Power and Light, should be included in this group. Mohave County is hooked into a power grid that includes the dams on the lower Colorado River, i.e. Glen Canyon, Hoover, Davis, and Parker Dams, which generate the lowest cost electrical power. These dams generate electrical power without further polluting the environment. Citizen's Utilities should be forced to buy power from these sources unless the "Purchase Power Fuel Adjustment Clause" is revoked.

Citizen's Utilities does not generate any electrical power on their own so they have to rely on others to generate the electrical power they sell. They are only a middle man that supplies power transmission lines. This practice only serves to drive up costs in the first place. Right now as far as I know, Citizen's Utilities contracts only APS for electrical power. APS produces most of their electrical power at their jointly owned Palo Verde Nuclear Power Plant near Phoenix; The Navajo Generating Station near Page, Arizona; The Four Corners Generating Station near Farmington New Mexico; and from dams supplying hydroelectric power on the Salt, Verde, and Gila Rivers in Arizona. I feel that APS could have been involved in a scheme to raise the price of electrical power. Units 2 & 3 at the Palo Verde Power Plant

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were involved in shutdowns for maintenance from July 13, 2001 until Unit 3 went back on line on November 5, 2001. Unit One was the only one running full power at this time. The news releases on the APS Home Page, <http://www.aps.com/> then click on news releases, still have not made mention of the status on Unit 2. The news releases mentioned that Unit 2 was scheduled to be back on line sometime during the middle of November 2001; but it is not clear that Unit 2 has ever gone back on line. Both the coal fired plants, The Navajo Generating Station and the Four Corners Generating Station, are under the gun by environmentalists over emissions harmful to the atmosphere and to the air quality in the Grand Canyon. These plants were down for maintenance or installation of scrubbers designed to remove or reduce harmful emissions. Wasn't the dates July 13 through the middle of November of 2001 the same dates that Citizen's Utilities incurred the loss they are trying to recover now? If I remember right, California even had electrical power blackouts during this time. Some mention was made that some of the electrical power generating plants in California were also down for routine maintenance during this time frame. It looks like the electrical power generating companies were running scared because of deregulation that is going now. I am sure they figured if they could increase the cost of generating electrical power by the figure of 30 % or more they could make a tidy profit during deregulation. This was easily accomplished by limiting the amount of electrical power available in the western power grid because the generating stations were off line due to maintenance. A shortage of a service provided or a shortage of manufactured goods most always causes prices to escalate sharply.

Revoke the "Purchase Power Fuel Adjustment Clause" of Citizen's Utilities Electrical Division and Citizen's Arizona Gas Division. This will put Citizen's Utilities in the same boat as the rest of the businesses in Mohave County. It is not fair to give one business an advantage over another business. Vote no on any rate increase being applied for by Citizen's Utilities Company. Thank you for your time.

James M. Maxwell

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RE: Docket #E-01032C-00-0751

Dear Commission Members,

Thomas & Linda Caldwell, am extremely concerned about the
Citizen Electric proposal to increase our electric costs by 31% or more to recover
their losses. The amount proposed is most objectionable.

I strongly urge you to deny this rate increase.

Sincerely,

Signed Thomas J. Caldwell

Business BMR-C-ENG @ HOMEOWNER

Address DOBAN SPRINGS, AZ. 86441

City, State, Zip

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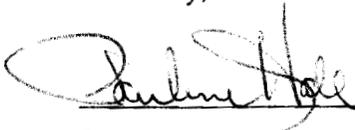
RE: Docket #E-01032C-00-0751

Dear Commission Members,

Pauline Hall, am extremely concerned about the
Citizen Electric proposal to increase our electric costs by 31% or more to recover
their losses. The amount proposed is most objectionable.

I strongly urge you to deny this rate increase.

Sincerely,



Signed

Business

18176 N Pomila Dr

Address

Dean Springs AZ 86441

City, State, Zip

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