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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

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MIKE GLEASON
KRISTIN K. MAYES
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Arizona Corporation Commission

DOCKETED

AUG 31 2006

DOCKETED BY	<i>KK</i>
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IN THE MATTER OF THE APPLICATION) DOCKET NO. E-01345A-05-0816
 OF ARIZONA PUBLIC SERVICE COMPANY)
 FOR A HEARING TO DETERMINE THE FAIR)
 VALUE OF THE UTILITY PROPERTY OF THE)
 COMPANY FOR RATEMAKING PURPOSES,)
 TO FIX A JUST AND REASONABLE RATE OF)
 RETURN THEREON, TO APPROVE RATE)
 SCHEDULES DESIGNED TO DEVELOP SUCH)
 RETURN, AND TO AMEND DECISION NO.)
 67744)

Direct Testimony of

Lee W. Tanner

On behalf of Arizona Interfaith Coalition on Energy

Docket No. E-01345A-05-0816

August 31, 2006

AZ CORP COMMISSION
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Q. PLEASE STATE YOUR NAME.

My name is Lee W. Tanner. Both my home and my business are located in Phoenix, Arizona.

Q. BY WHOM ARE YOU EMPLOYED AND WHO DO YOU REPRESENT IN YOUR TESTIMONY?

My company is ElectriSol, Ltd. I am appearing on behalf of Arizona Interfaith Coalition on Energy (AZ-ICE) and serve on the AZ-ICE Board of Directors.

Q. WOULD YOU PROVIDE SOME INFORMATION ON THE ARIZONA INTERFAITH COALITION ON ENERGY AND DESCRIBE ITS INTEREST IN THIS PROCEEDING.

For over twenty years, AZ-ICE has been – and continues to be -- a broad-based organization of religious congregations and other communities of worship throughout Arizona. AZ-ICE's interest in this proceeding is to maintain the fair and equitable rate structure it helped establish in rate hearings before the Arizona Corporation Commission in prior years.

Q. WAS YOUR TESTIMONY PREPARED BY YOU OR UNDER YOUR DIRECTION?

Yes.

Q. WHAT IS THE SUBSTANCE OF YOUR TESTIMONY AND RECOMMENDATIONS?

Fifteen years ago, AZ-ICE intervened in consecutive APS rate hearings and was instrumental in establishing rates E- 20 through 24. We did this to correct the obvious inequities and punitive nature of the rate structure at that time toward houses of worship and other primarily off-peak customers of APS.

The proposed rate request eliminates rates E-21 through -24 and freezes E-20 (allowing for possible future elimination). In short, this proposed rate represents a return to a rate structure, which is prejudicial and harmful to houses of worship and other off-peak customers. AZ-ICE has already fought this fight – successfully fought this fight – and sees no reason to return to the 'bad old days'.

AZ-ICE recommends that E-21 through 24 be retained and that the freeze on E-20 be denied.

Q. DOES THIS COMPLETE YOUR COMMENTS?

Yes. Thank you for considering the AZ-ICE position and recommendation.

A handwritten signature in black ink, appearing to read "Lee W. Tanner", written over a horizontal line.

Lee W. Tanner