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OPEN MEETING AGENDA ITEM

Arizona Corporation Commission

RECEIVED

JEFF THOMAS [lifestylescottsdale@yahoo.com]

DOCKETED

Sent: Wednesday, June 13, 2007 11:18 PM

To: Gleason-WebEmail

Subject: Please do not approve anymore rate increases for APS residential electricity costs

JUN 14 2007

AA concerned APS rate payer letter to the Arizona Corporation Commission:  
From: Jeff Thomas, Northeast Scottsdale

DOCKETED BY [signature]

The recent APS requests for more rate increases, last year 8% and now 12% for a total of 20% has got to stop. Your commission approved 8% last year with no credible evidence that APS or Pinnacle West needs or deserves 8% to cover increased costs.

How does the Palo Verde Nuclear Plant continue to have increased costs to operate when the Plant gets free recycled toilet water from the City of Phoenix, the current inventory of fuel rods was purchased in the early 1980's, and all of the power lines have been in place for about 25 years or so.

According to this website:

Palo Verde Nuclear Generating Station is the largest nuclear electric generating site in the United States.

Three (3) Combustion Engineering Pressurized Water Reactor units each have an output of ~ 1270 MWe. Each unit has 2 reactor cooling loops, each with a 2 reactor cooling pump and a single steam generator.

Arizona Public Service Company is the operator and co-owns the units with utilities in New Mexico, Texas, and California. The Palo Verde site is at Wintersberg, Arizona, 34 miles west of Phoenix. Units 1 and 2 went commercial in 1986 and Unit 3 in 1988.

So, APS and Pinnacle West sells all of that Palo Verde cheap electricity to Southern California and Las Vegas and all of us in Arizona continue to get screwed with higher APS rates. How much yearly profit does Pinnacle West earn off the sale of Palo Verde electricity to California and Las Vegas?

From the website of Pinnacle West:

April 25, 2007

Pinnacle West Reports First Quarter Earnings Improvement Cooler Weather Spurs Increase in Electricity Sales

PHOENIX - Pinnacle West Capital Corporation (NYSE:

PNW) today reported consolidated net income for the quarter ended March 31, 2007, of \$16.5 million, or

\$0.16 per diluted share of common stock. This result compares with net income of \$12.5 million, or \$0.13 per share, for the comparable quarter a year ago.

The improved results were driven largely by higher retail sales at Arizona Public Service (APS) due to cooler weather and by fewer power plant outages, partially offset by lower results from the Company's real estate operations. Weather effects, highlighted by the coldest Arizona January in nearly two decades, contributed \$8 million, or \$0.08 per share, to the quarterly improvement.

Compared with the first quarter a year ago, electricity consumption by APS retail customers increased 7.1 percent in 2007 with a customer base that grew 3.8 percent, according to Chairman Bill Post.

"Serving Arizona's growth continues to drive our business and our strategies," he said. "During the first quarter alone, we invested more than \$180 million in capital improvements to Arizona's electric infrastructure. And, over the balance of the year, we expect to invest an additional \$750 million to continue reliably serving our retail customers."

APS reported earnings of \$4.3 million for the first quarter of 2007, compared with a net loss of \$5.5 million in the 2006 first quarter. Operationally, the 2007 quarter reflected significantly improved performance at the Palo Verde Nuclear

Generating Station, which recorded a site capacity factor of 94 percent.

Oh Come On - Where is the TRUTH???

So, how much more does Arizona residents continue to get screwed by APS with higher rates when they can post profits each quarter AFTER PAYING FOR THEIR INFRASTRUCTURE IMPROVEMENTS???

Does anybody on the Commission see the writing on the wall, APS is obviously paying for their increased coverage and STILL MAKING \$4,300,000 PROFIT FOR THE FIRST QUARTER OF 2007!!!

This 20 percent increase for Arizona residents that do NOT have a choice for an electricity utility because APS owns the state is totally not fair, not necessary, and obviously a big fat lie if APS just reported THEIR PROFIT OF 4.3 MILLION DOLLARS FOR THE FIRST THREE MONTHS OF 2007 AFTER THEY INCREASED THE PALO VERDE SITE CAPACITY FACTOR TO 94%!!!

Please for all of us that does not have an alternative to living in Arizona paying the current APS rates - DO NOT APPROVE ANOTHER APS RATE INCREASE.

Do the research and verify what the amounts of profit that both APS and Pinnacle West has earned since you approved the 8% rate increase last year.

APS and Pinnacle West supply more electricity to Southern California and Las Vegas than Arizona, obviously earning millions of dollars in profits for the 1st quarter of 2007 (APS gets 4.3 million dollars while Pinnacle West gets their 16.5 million dollars for just 3 months).

APS does not need a rate increase if their quarterly profit is \$4,300,000. APS does not need to charge more to Arizona residents when it sells more electricity to Southern California and Las Vegas. APS obviously has enough monthly income for the sale of electricity to cover the cost of new infrastructure serving new communities which are already paying for new development costs of bringing in new water, sewer, gas and APS electricity.

DO NOT APPROVE ANOTHER APS RATE INCREASE - THE PROOF OF APS NEEDING MORE MONEY FROM ARIZONA RESIDENTS IS A BIG FAT LIE!!! THEY GOT AN 8 PERCENT INCREASE LAST YEAR FROM YOUR COMMISSION AND EARNED \$4,300,000 IN PROFITS FOR JANUARY, FEBRUARY AND MARCH OF THIS YEAR.

Thank you very much for protecting all of Arizona from the constant lies of Arizona Public Service and Pinnacle West Capital Corporation demanding electricity rate increases when they show profits each quarter. This comedy has to stop.

Jeff Thomas  
Scottsdale, AZ

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