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Tammy Russ

ORIGINAL

From: John Nichols [jnichols13@cox.net]
Sent: Wednesday, June 13, 2007 6:30 PM
To: Pierce-Web; Hatch-WebEmail; Gleason-WebEmail; Mundell-Web
Cc: City Council Scottsdale; Tribune Scottsdale; Arizona Republic
Subject: Proposed APS Rate Increase/Impact Fees Required

E-01345A-05-0816
E-01345A-05-0826
E-01345A-05-0827

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I was watching the news tonight and heard the APS spokesman talk of the need for APS to invest \$12.5 billion in needed infrastructure to meet expected development. Commissioner Mayes questioned why the rate payers should be burdened with a rate increase to pay for this infrastructure.

I agree with her. I have been a proponent of impact fees to absorb the cost of development. Municipalities and school districts across Arizona, faced with burgeoning costs of building municipal and school infrastructure needed to support planned development, have calculated the anticipated costs and imposed impact fees on developers, forcing them to absorb these costs by adding these costs to the costs of planned housing, etc..

I recommend that the Arizona State Corporation Commission create a rate structure designed to accomplish the same objective. Developers should be required to pay a similar impact fee to compensate for the cost of needed electrical power generating equipment and related infrastructure. There should be no free lunch. Failure to pass along these costs to the developers improperly saddles these cost on existing rate payers.

Sincerely yours,

John J Nichols

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Arizona Corporation Commission
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