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ARIZONA CORPORATION COMMIS

ORIGINAL

UTILITY COMPLAINT FORM

Investigator: Reg Lopez

Phone:

Fax:

Priority: Respond Within Five Days

Opinion No. 2008 70392

Date: 8/4/2008

Complaint Description: 08A Rate Case Items - Opposed
N/A Not Applicable

Complaint By: First: Donna Last: Schmelzla

Account Name: Donna Schmelzla

Home:

Street: 00000000

Work:

City: 000000000

CBR:

State: AZ Zip: 00000

is:

RECEIVED
2008 AUG 14 P 3: 27
AZ CORP COMMISSION
DOCKET CONTROL

Utility Company: Sulphur Springs Valley Electric Cooperative, Inc.

Division: Electric

Arizona Corporation Commission

Contact Name:

Contact Phone:

DOCKETED

Nature of Complaint:

AUG 14 2008

*****CHAIRMAN GLEASON REFERRAL*****

DOCKETED BY [Signature]

Received the following customer e-mail, via from CEWalczak as received from Betty Camargo, at Chairman Gleason's Office:

From: Donna Schmelzla
Sent: Monday, August 04, 2008 7:58 AM
To: Pierce-Web; Hatch-WebEmail; Gleason-WebEmail; Mundell-Web; Mayes-WebEmail
Subject: NYTimes.com Wind Machines

Dear Corporation Commissioners,
<http://www.nytimes.com/2008/08/04/us/04land.html>
Here is an interesting and hopeful article about wind machines from the New York Times this morning. This small community worked together with others to address the rising fuel cost. How refreshing!

I received a notice from our power company Sulpher Springs Valley Electric stating they were applying for an increase, the first one in 15 years. It would seem practical for our leaders to look at other avenues for power; think outside the box. I hope you do not give them an increase. One of SSVEC's request regarding the basic monthly service fee from \$7.50 to \$11 and some change was pretty evasive. It sounded like they were a bit short of funds in one area so they would just up the basic service fee to every one to make up the unaccounted for difference.

In my opinion, it seems reasonable to only charge those who use service exactly what they use, not just round up a shortage and pass it to every one. This argument comes from two thoughts.

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1) If you have rental property that is not rented because of economic issues, you are using little to no service with a 46% plus increase on the basic service portion alone just to keep the power on to show the property. Fixed income retirees are going to have a difficult time with this also.

2) For some reason sales tax (6.33% our rate) is assessed to basic service. This makes the increase more than 46% and it is not a tangible product and I argue that basic service is likened to labor and should not be assessed a transaction privilege tax at all. There is no tax on freight or labor if stated separately on an invoice. If basic service is the labor, office help, envelopes, stamps for sending the bills - there is no tax on labor, the envelopes had tax added when purchased as office supplies, the postage - now higher than the cost of envelopes is not taxable, the meters are read electronically, so why?

We may not have the wind power, but we certainly have the sun. From your position, will you offer guidance and direction or at least say no to another increase so our utilities companies have to think outside the box in order to keep utilities reasonable to all the communities SSVEC serves?

I would like to see the power companies a little more helpful in the area of assisting consumers put in solar or wind and sell back the extra power it provides to the utility.

Sincerely,

Donna Schmelzla

End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

8-5 I replied back to the customer with the following e-mail:

Dear Ms.Schmelzla:

On behalf of the Commissioner's at the Arizona Corporation Commission ("Commission"), I am pleased to have the opportunity to respond to your e-mail. The Commissioner's appreciate the time you have taken to express your opinion regarding the rate application by Sulphur Springs Valley Electric Cooperative ("SSVEC"). Your comments have been noted as a permanent record in the SSVEC rate application and will be considered by the Commissioner's before a final decision is rendered. In addition, your attached article was appreciated.

In reference to question number 2 which addresses the applicability of taxes, you may want to contact the Arizona Department of Revenue at 1-800-352-4090 for assistance. Regretfully, taxes are not within the statutory jurisdiction of the Commission. Please contact me if I can be of additional assistance by calling toll free at 1-800-535-0148 or 628-6555 if within the Tucson calling area.

Sincerely,

Reg Lopez
Public Utilities Consumer Analyst II
Utilities Division-Tucson Office

8-5 Follow up for 8-13 to close if no reply. This applies to SSVEC's rate case Docket No. E-01575A-08-0328.

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8-5 -----Original Message-----

From:

Sent: Tuesday, August 05, 2008 11:27 AM

To: Reg Lopez

Subject: Read: Sulphur Springs Valley Electric

This is a receipt for the mail you sent to < > at 8/5/2008 10:15 AM

This receipt verifies that the message has been displayed on the recipient's computer at 8/5/2008 11:26 AM

8-13 No reply from consumer. E-mailed copies of closed complaint to CEWalczak and to all Commissioner's as well as to Carmen Madrid at ACC's Phoenix Office to have this docketed towards SSVEC's rate application. Docket No.. E-01575A-08-0328. File closed.

End of Comments

Date Completed: 8/13/2008

Opinion No. 2008 - 70392
