

E-01933A-07-0402  
E-01933A-05-0650



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**ORIGINAL**

**ARIZONA CORPORATION COMMIS**

**UTILITY COMPLAINT FORM**

4700

**Investigator:** Carmen Madrid

**Phone:** 7220 OCT-20 P 2:07

**Fax:**

**Priority:** Respond Within Five Days

AZ CORP COMMISSION  
DOCKET CONTROL

**Opinion No. 2008 72217**

**Date:** 10/17/2008

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

**First:**

**Last:**

**Complaint By:** Jeanmarie

Schiller-McGinnis

**Account Name:** Jeanmarie Schiller-McGinnis

**Home:**

**Street:**

DOCKETED

**Work:** (000) 000-0000

**City:** Tucson

OCT 20 2008

**CBR:**

**State:** AZ **Zip:**

DOCKETED BY

**is:**

**Utility Company:** Tucson Electric Power Company

**Division:** Electric

**Contact Name:** n/a

**Contact Phone:** n/a

**Nature of Complaint:**

I would like to comment on a policy being utilized by Tucson Electric Power Company ("TEPC") with regard to new accounts which I believe is unreasonably imposing a hardship on new customers. This policy relates to the deposit that is charged when a new customer attempts to establish an electric service account without prior credit history with TEPC. Despite the provisions set forth in the Tariff specifying the amount that may be charged for such deposits, TEPC has determined it may interpret those limitations in a manner which is much more favorable to TEPC than the customer. I believe this contradicts the original intention of the Tariff and should be clarified in a manner which is more reasonable and equitable to the consumer.

This problem came to my attention this summer when, as a landlord of studio apartments, I discovered that TEPC was charging my tenants (many of whom are students) inconsistent deposits for virtually identical size apartments. These deposits ranged from \$0 to \$200. Bearing in mind that the dwellings were all similar studio apartments of approximately 350 sq. ft., I was confused as to the discrepancy in amounts, but was most concerned, that the \$200 deposit figure seemed extremely onerous. Upon inquiry with TEPC representatives, I learned they calculate the deposit based upon 2 times the average monthly bill during the previous year for that particular service address. In the absence of a service history, such as in the case of new construction, TEPC charges a maximum of \$200, which is based on the citywide average. In addition, TEPC determines which individuals are subject to the highest deposit by criteria they would not reveal, but said was not based on a credit report.

I understand it is reasonable for the utility to charge a deposit when a customer opens an account without a prior credit history. As a landlord, I also charge a security deposit for new tenants. However, what TEPC has been doing in order to circumvent the Tariff restrictions and demand excessive deposits is morally, and perhaps legally, wrong. In a policy which TEPC refers to as a "Right of the Company" under the Tariff, they have determined that in the event there is a month in the previous year where the electric usage is less than "normal", TEPC can classify that dwelling as "new construction" and charge the \$200 maximum deposit. You can see where this could lead to a hardship for a person trying to obtain electric service for a small rental apartment. Such apartment may have very low electric usage depending on the individual tenant who had occupied it previously. Or, in the case of a unit being vacant for any part of the year, this would also apply. Demanding the

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same maximum deposit from a person renting a tiny studio apartment as would be required from someone building a 8000 sq. ft. mansion is ludicrous. When one considers it is the poorest in our community who usually rent the modest of apartments, you can see how TEPO's policy can unfairly affect the public.

I am unable to determine if TEPC's interpretation of the Tariffs rules regarding deposits is aimed at collecting more revenue in absence of a rate increase or other reasons. However, I would be strongly against the granting of a rate increase for TEPC unless the matter of deposits was clarified, limited and made uniform based on the type or size of dwelling. This would eliminate the ability of TEPC to arbitrarily demand deposits that vary from customer to customer at their whim. It would remove any suspicion of discrimination on TEPC's part and make housing more affordable and available in our community

\*End of Complaint\*

### Utilities' Response:

### Investigator's Comments and Disposition:

October 17, 2008

Jeanmarie Schiller-McGinnis

Tucson, AZ <sup>9</sup>

RE: TUCSON ELECTRIC POWER  
DOCKET NO. E-01933A-07-0402  
E-01933A-05-0650

Dear Ms. Schiller-McGinnis:

Your opinion regarding the Tucson Electric Power ("TEP") rate case will be placed on file with the Docket Control Center of the Arizona Corporation Commission ("Commission") to be made part of the record. The Commission will consider your comments before a decision is rendered in the TEP application.

The concerns raised in letters received from customers will assist the Commission in the investigation and review of the rate application. The Commission's independent analysis of the utility and its rate request attempts to balance the interest of the utility and its customers.

Commission Staff is very sensitive to the burden that high utility rates can place on the consumer, and though constitutionally required to allow a fair return to the utility, does everything within its authority to protect the consumer.

Staff appreciates your comments and the interest taken on the proposed rate increase. If you should have any questions relating to this issue, please call me toll free at (800) 222-7000.

Sincerely,

Carmen Madrid  
Public Utility Consumer Analyst  
Utilities Division

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Filed in docket no. E-01933A-07-0402 and E-01933A-05-0650  
\*End of Comments\*

**Date Completed:** 10/17/2008

**Opinion No.** 2008 - 72217

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