

E-01345A-08-0172



0000092057

ORIGINAL

ARIZONA CORPORATION COMMISSION

UTILITY COMPLAINT FORM

47

Investigator: Trish Meeter

Phone: [REDACTED]

Fax: [REDACTED]

Priority: Respond Within Five Days

Opinion No. 2008 74074

Date: 12/18/2008

Complaint Description: 08E Rate Cases Items - In Favor
N/A Not Applicable

Complaint By: First: David Last: Maurer

Account Name: Prescott Chamber of Commerce Home: (000) 000-0000

Street: n/a Work: [REDACTED]

City: n/a CBR: [REDACTED]

State: AZ Zip: n/a is: Business

Utility Company: Arizona Public Service Company

Division: Electric

Contact Name: Melissa Smith Contact Phone: (602) 250-2162

Nature of Complaint:

12/18 RECEIVED THROUGH THE OFFICE OF CHAIRMAN GLEASON DOCKET NO. E-01345A-08-0172

Arizona Corporation Commission
DOCKETED

DEC 22 2008

-----Original Message-----

From: David Maurer [REDACTED]
Sent: Thursday, December 18, 2008 7:48 AM
To: Gleason-WebEmail
Subject: Prescott Chamber of Commerce RE: APS

DOCKETED BY [Signature]

Chairman Gleason:

Attached is a letter from the Prescott Chamber of Commerce regarding the APS interim rate case that you began hearing yesterday. Our Board of Directors authorized this letter at their meeting yesterday. The original, signed letter is in the mail, but I wanted you to have this copy by e-mail due to the timing of our action. Thank you.

David Maurer
CEO
Prescott Chamber of Commerce
[REDACTED]

attachment:

December 17, 2008

RECEIVED
2008 DEC 22 A 9:11
AZ CORP COMMISSION
DOCKET CONTROL

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Arizona Corporation Commission
1200 W. Washington
Phoenix, AZ 85007

Dear Commission Members:

On behalf of the more than 1,000 business members of the Prescott Chamber of Commerce, I am writing to express concern about the status of our electric utility, APS. Our community relies on APS for its electric power. Until now, we have taken this reliance for granted.

The Prescott area is growing, like the rest of the state, and our economic development efforts may be hampered if APS can't meet the projected energy needs in our area. It concerns us to learn that APS now has the third lowest credit rating among public utilities in the country and that their credit rating is in danger of being downgraded to junk bond status.

APS has been, in our opinion, a model company in the state of Arizona for many years. Many economic development programs, as well as community organizations, have benefited from a strong APS. A rate increase will always have its critics, but we believe APS has already taken steps to downsize its corporate structure and is looking at all forms of energy generation.

The Chamber asks that you carefully consider all aspects of this proposed rate increase.

Sincerely,

(Signature on original letter mailed 12/18 to ACC)

Karen Rizk
Chairman of the Board
End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

12/18

Called Mr. Mauer and advised that his comments would be docketed this afternoon. He thanked me for the call. He was unable to keep up with today's meeting.

End of Comments

Date Completed: 12/18/2008

Opinion No. 2008 - 74074

E. 01345A-08-0172

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Investigator: Richard Martinez

Phone: [REDACTED]

Fax: [REDACTED]

Priority: Respond Within Five Days

Opinion No. 2008 73725

Date: 12/5/2008

Complaint Description: 08E Rate Cases Items - In Favor
N/A Not Applicable

First:

Last:

Complaint By: Edmundo

Hidalgo

Account Name: Chicano Por La Causa-President & CEO

Home: (000) 000-0000

Street: [REDACTED]

Work: [REDACTED]

City: Phoenix

CBR: [REDACTED]

State: AZ Zip: 85034

is: Fax

Utility Company: Arizona Public Service Company

Division: Electric

Contact Name: [REDACTED]

Contact Phone: [REDACTED]

Nature of Complaint:

Docket Number (E-01345A-08-0172)

Received the following correspondence:

November 27, 2008

Arizona Corporation Commission 1200 W. Washington Phoenix, Arizona 85007

RE: Arizona Public Service

Dear Members of the Arizona Corporation Commission (ACC):

Chicanos Por La Causa (CPLC) in seeking to serve the essential needs of low to moderate income families within the Arizona community has recognized the exponential impact of developing impactful relationships with large community partners to maximize those efforts.

Arizona Public Service (APS) has maintained a seasoned and essential presence in that regard; one that has benefitted the Arizona community far beyond their core mission of providing timely, quality energy services in the regions they serves.

APS is now faced with the dilemma of maintaining a sound financial, structure to fully cover operating costs which have risen tremendously in the past year, primarily due to the volatile fuel costs. Sound fiscal oversight by the ACC at this time is paramount to ensure that APS will be able to continue to maintain the broad service structures and economic contribution which APS has so consistently demonstrated as a core of its corporate and employee volunteer culture, which all Arizonans have come to recognize.

We therefore would strongly urge that the ACC conclude it's deliberations for the current APS rate increase set

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

before it for approval and include interim approval of the 4% portion of the total requested increase to provide immediate relief to APS in that regard.

An additional important factor in the successful approval of these APS rate increases is centered in the current financial rating that APS finds itself bracketed in for determinations of appropriate financing costs. APS currently maintains a financial rating just above the threshold currently set for entities reflecting a "junk bond" status in other financial rating categories. It appears this rating is due in large part to the inability to properly recapture relevant operating costs; which will only partially be mitigated by these referenced total rate increases. Continuation, or deterioration of the current Financial rating will generate significant increases in financing costs for required future capital, asset expansion; costs that will ultimately have to be borne by Arizona consumers.

We therefore, respectfully urge the ACC to initiate immediate approval of the interim and full rate increases requested by APS; for the benefit of all Arizonans served by this long time supporter of a multitude of Arizona community causes.

Sincerely

Edmundo Hidalgo
President & CEO
End of Complaint

Utilities' Response:

na
End of Response

Investigator's Comments and Disposition:

12/05/08

I left customer and left a voice mail message that the ACC acknowledged receipt of his correspondence regarding his opinion in favor of the interim rate increase that APS is seeking. I stated that his opinion would be docketed so that the Commissioners will have an opportunity to read his concerns before rendering their decisions.

12-16

E-mailed Trish Meeter @ ACC's Phoenix Office to have this OPINION docketed towards Arizona Public Service Company proposed rate case E-01345A-08-0172. CLOSED.

End of Comments

Date Completed: 12/16/2008

Opinion No. 2008 - 73725

E-01345A-08-0172

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Investigator: Reg Lopez

Phone: [REDACTED]

Fax: [REDACTED]

Priority: Respond Within Five Days

Opinion No. 2008 - 74050

Date: 12/18/2008

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

Complaint By: **First:** H. Dawn **Last:** West

Account Name: H. Dawn West

Home: [REDACTED]

Street: [REDACTED]

Work: [REDACTED]

City: Phoenix

CBR: [REDACTED]

State: AZ **Zip:** [REDACTED]

is: Business

Utility Company: Arizona Public Service Company

Division: Electric

Contact Name: [REDACTED]

Contact Phone: [REDACTED]

Nature of Complaint:

Received the following customer e-mail:

From: West, H Dawn [mailto:[REDACTED]]
Sent: Thursday, December 18, 2008 7:59 AM
To: Utilities Div - Mailbox
Subject: APS Increase
Importance: High

I just read the article today about APS emergency increase and I think that is unacceptable. People are already struggling and they want to raise our bills.

I have been delinquent paying my bill for the last few months due to my husband getting hurt at work and what does APS do, they charge me an additional \$120 deposit. I had always made arrangements and kept them. I had to divide the deposit in 2 payments and because I got my days mixed up and paid the first payment late they shut my electric off (FOR A DEPOSIT) and I had to pay an ADDITIONAL \$75 to get it turned on the same day.

They are making money with all their fees, deposits and taxes, I don't believe they need to punish the community in this time of bad economy. Please reconsider

H Dawn West
Falcon Leasing Company
Mutual of Omaha Bank
Phone: [REDACTED]
Fax: [REDACTED]
Toll Free: [REDACTED]
End of Complaint

**ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM**

Utilities' Response:

Investigator's Comments and Disposition:

I called the customer and acknowledged he e-mail. I provided my name and advised that he comments would be noted as a permanent record in this application. I expressed thanks for taking the time to express her opinion in this matter.

I e-mailed this OPINION to Lupe Ortiz to have this docketed to APS rate case, docket # E- 01345A-08-0172.
File closed.

End of Comments

Date Completed: 12/18/2008

Opinion No. 2008 - 74050

E-01345A-08-0172

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Investigator: Reg Lopez

Phone: [REDACTED]

Fax: [REDACTED]

Priority: Respond Within Five Days

Opinion No. 2008 - 74050

Date: 12/18/2008

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

Complaint By: **First:** H. Dawn **Last:** West

Account Name: H. Dawn West

Home: [REDACTED]

Street: [REDACTED]

Work:

City: Phoenix

CBR: [REDACTED]

State: AZ **Zip:** [REDACTED]

is: Business

Utility Company: Arizona Public Service Company

Division: Electric

Contact Name: [REDACTED]

Contact Phone: [REDACTED]

Nature of Complaint:

Received the following customer e-mail:

From: West, H Dawn [mailto:[REDACTED]]
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They are making money with all their fees, deposits and taxes, I don't believe they need to punish the community in this time of bad economy. Please reconsider

H Dawn West
Falcon Leasing Company
Mutual of Omaha Bank
Phone: [REDACTED]
Fax: [REDACTED]
Toll Free: [REDACTED]
End of Complaint

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Utilities' Response:

Investigator's Comments and Disposition:

I called the customer and acknowledged he e-mail. I provided my name and advised that he comments would be noted as a permanent record in this application. I expressed thanks for taking the time to express her opinion in this matter.

I e-mailed this OPINION to Lupe Ortiz to have this docketed to APS rate case, docket # E- 01345A-08-0172.
File closed.

End of Comments

Date Completed: 12/18/2008

Opinion No. 2008 - 74050

E.01345A.08.0172

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Investigator: Guadalupe Ortiz

Phone: [REDACTED]

Fax: [REDACTED]

Priority: Respond Within Five Days

Opinion No. 2008 - 74009

Date: 12/16/2008

Complaint Description: 08E Rate Cases Items - In Favor
N/A Not Applicable

Complaint By: First: Glenn Last: Hamer'

Account Name: Arizona Manufacturers Council

Home: [REDACTED]

Street: [REDACTED]

Work:

City: Phoenix

CBR:

State: AZ Zip: [REDACTED]

is:

Utility Company: Arizona Public Service Company

Division: Electric

Contact Name: [REDACTED]

Contact Phone: [REDACTED]

Nature of Complaint:

*****REFERRED FROM CHAIRMAN GLEASON'S OFFICE*****

Email Received - OPINION IN FAVOR:

RE: Docket No. E-01345A-08-0172

From: Lorna Romero [mailto:[REDACTED]]
Sent: Wednesday, December 10, 2008 4:51 PM
To: Gleason-WebEmail
Subject: APS Interim Rate Relief

Dear Chairman Gleason:

Please view the attached letter from Glenn Hamer, President & CEO of the Arizona Chamber of Commerce & Industry, regarding the APS interim rate relief. If you have any questions, please feel free to contact us at 602-248-9172.

Thank you.

Lorna Romero
Public Affairs Associate
Arizona Chamber of Commerce and Industry

[REDACTED]
Phoenix, Arizona
P: [REDACTED]
C: [REDACTED]
lromero@azchamber.com

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

ATTACHED:

ARIZONA CHAMBER
of Commerce and Industry
Uniting Business. Advancing Arizona.

December 10, 2008

Chairman Mike Gleason
Arizona Corporation Commission
1200 West Washington
Phoenix, AZ 85007

Dear Chairman Gleason:

On behalf of the Arizona Chamber of Commerce and Industry, I write to express support for APS's interim rate relief request. The evidence is clear that the current rate structure is not sufficient for the utility to cover its costs. In large part as a result of this disparity, out of 139 electric utilities only two are lower rated, and APS is on the verge of "junk" status. In what is already a historically challenging time to gain access to credit, any further deterioration would result in much higher long term rates for consumers (business and residential), inadequate attention to infrastructure development as Arizona grows, and difficulty fully implementing the Arizona Corporation Commission's landmark Environmental Portfolio Standard.

APS's investment grade rating determines the cost of the money it borrows. It is in everyone's interests for APS to have as strong a credit rating as possible. If APS is downgraded to "junk," it could result in \$3 billion of higher financing costs as compared to a BBB rating. Ultimately, this would be passed on to electricity consumers. It seems there is a choice: pay a little more today or considerably more in the future.

In terms of infrastructure, a recent report from Arizona State University, "Preparing for an Arizona of 10 Million People," concluded that there will be a \$109 billion electricity infrastructure funding shortfall over the next 25 years. Again, maintaining APS's investment grade rating is critical to meeting this challenge with affordable borrowing costs.

Finally, this Commission has done more to create a climate for meaningful solar generation than any other state in the country. As the former chief executive of the national Solar Energy Industries Association, I know that Arizona utilities have been far ahead of the curve in making renewables a significant portion of their energy mix. As a result of the Commission's leadership, the Arizona Legislature's decision this year (HB 2614) to extend the favorable property tax treatment of renewable generation until 2040 and the recent eight year extension of the federal solar investment tax credit, Arizona's use of solar is poised to explode. However, if financing companies cannot count on a financially sound utility, otherwise viable projects will be abandoned. Reports indicate the Solana venture between APS and Abengoa Solar is suffering as a result of the tightening of the credit markets. We should do everything possible to ensure these cost-effective, environmentally beneficial projects go forward and Arizona becomes the nation's leader in solar generation.

Thank you for your consideration of the points raised in this letter.

Sincerely,

Glenn Hamer
ARIZONA
MANUFACTURERS COUNCIL
End of Complaint

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Utilities' Response:

Investigator's Comments and Disposition:

Email to Customer:

December 16, 2008

Dear Glenn Hamer,

Your email regarding the application filed by Arizona Public Service Company ("APS"), requesting approval of an increase in rates sent to Chairman Gleason of the Arizona Corporation Commission ("Commission") has been received and assigned to me for further handling.

An opinion will be placed on file with the Docket Control Center of the Commission on your behalf to be made part of the record. The Commission will take your comments and concerns into consideration before a decision is rendered in the APS rate case.

Concerns raised by customers assist the Commission within 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 both, 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.

Commission staff appreciates the time you have taken to express your comments and concerns on the proposed rate increase. If you should have any questions related to this matter, please feel free to call me directly at [REDACTED] or on our in state toll free number at (800) 222-7000.

Thank you,

Guadalupe Ortiz
Public Utilities Consumer Analyst
Arizona Corporation Commission
Utilities Division

CLOSED

End of Comments

Date Completed: 12/16/2008

Opinion No. 2008 - 74009

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Investigator: Brad Morton

Phone: [REDACTED]

Fax: [REDACTED]

Priority: Respond Within Five Days

Opinion No. 2008 - 74075

Date: 12/18/2008

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

Complaint By: First: Jay Last: Helm

Account Name: Jay Helm Home: [REDACTED]

Street: [REDACTED]

Work:

City: Phoenix

CBR:

State: AZ Zip: 85037

is:

Utility Company: Arizona Public Service Company

Division: Electric

Contact Name: [REDACTED]

Contact Phone: [REDACTED]

Nature of Complaint:

Docket No. E -01345A-08-0172

Customer feels company is asking for too high of a rate on return.
End of Complaint

Utilities' Response:

n/a
End of Response

Investigator's Comments and Disposition:

Opinion docketed, customer advised the case he is most likely reading about is APS's request for interim rates while their rate case is still pending . The hearing is going on in Open Meeting at this time.

End of Comments

Date Completed: 12/18/2008

Opinion No. 2008 - 74075

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

If their continued concern is more costly credit to build more infrastructure, I doubt they'll be needing any more capacity in the near future. We are in a depression, not a recession. You will note that it took a year to realize we were in a recession; it will also take them quite a bit of time to realize it is a depression after all.

Please do not consider any rate increases of any kind until this country can pull out of the current depression.

Very sincerely submitted.

APS Residential Customers Bill and Hedy Vann Sun City, AZ
End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

I replied via e-mail with the following:

Dear Bill and Hedy Mann:

This is to acknowledge your letter regarding the Arizona Public Service Company rate case. Your comments will be placed on file with the Docket Control Center of the Arizona Corporation Commission, and made a part of the record in this application.

Customer concerns addressed in letters, telephone calls and e-mails will assist staff in the investigation and review of the rate application. Staff's 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 at 1-800-535-0148 or in writing at the Tucson address noted below.

Sincerely,

Reg Lopez
Public Utilities Consumer Analyst II
Utilities Division
:rxl

I e-mailed this OPINION to Carmen Madrid to have this docketed to APS rate case, docket # E- 01345A-08-0172. File closed.

End of Comments

Date Completed: 12/19/2008

Opinion No. 2008 - 74073