

ORIGINAL

Senior Vice President
for Business Affairs

THE UNIVERSITY OF
ARIZONA

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AZ CORP COMMISSION
DOCKET CONTROL

May 22, 2009

Commissioner Kristin K. Mayes
Arizona Corporation Commission
Commissioners Wing
1200 W. Washington - 2nd Floor
Phoenix, Arizona 85007

Arizona Corporation Commission
DOCKETED

MAY 26 2009

DOCKETED BY

Dear Commissioner:

RE: Corporation Commission Docket No. E-20633A-08-0513

On behalf of the University of Arizona, I am writing to you to express the University's support for the Solar Alliance request to the Commission for declaratory order determining whether or not Solar Service Agreement providers are Public Service Corporations (Corporation Commission Docket No. E-20633A-08-0513). While the University is less concerned than others may be about the ultimate Corporation Commission determination, the delay and uncertainty caused by the pendency of the matter is causing the University considerable expense, delay and inconvenience.

The University believes that the Arizona Corporation Commission has paved the way for development of renewable energy and distributed generation in the State of Arizona and been one of the national leaders in the area. Unfortunately, this leadership is significantly hobbled, at least among state agencies, by the current budgetary difficulties in our State. Under these circumstances, Solar Service Agreements are one of the few ways available to state agencies, and in particular the universities, to obtain distributed renewable energy equipment or power. Thus, the University would prefer a ruling that Solar Service Agreement providers are not Public Service Corporations subject to regulation as such corporations. However, even more urgent is the need for certainty in the field. Indeed, the University has one large and two medium sized projects currently pending, which are delayed in large part because of the uncertain regulatory climate. Private investors are reluctant to make the large scale and long term investments needed to make such projects a reality while the legal status of the operators of such projects is uncertain.



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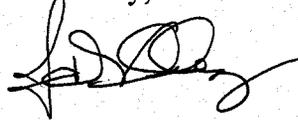
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Thus, the University of Arizona urges you and the Commission as a whole to expedite your ruling on this request as promptly as prudently possible and further urges a decision that either determines Solar Service Agreement providers to be non-regulated or imposes the lightest regulation consistent with the public interest and market principles.

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Joel D. Valdez", with a stylized flourish at the end.

Joel D. Valdez

Senior Vice President for Business Affairs

JDV/TT/ml

cc: Robert Shelton