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ORIGINAL

ARIZONA CORPORATION COMMIS
UTILITY COMPLAINT FORM

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Investigator: Al Amezcua

Phone:

Fax:

Priority: Respond Within Five Days

Opinion No. 2009 - 81027

Date: 8/10/2009

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

First:

Last:

Complaint By: Miquelle

Scheier

Account Name: Miquelle Scheier @ Coconino County Communi Home: (000) 000-0000

Street: Work:

City: Flagstaff CBR:

State: AZ Zip: 86004 is: E-Mail

Utility Company: Unisource ** Energy Services (UNS)

Division: Gas

Contact Name: Contact Phone:

Nature of Complaint:

8/10/09 REFERRED THROUGH CHAIRMAN MAYES OFFICE

From: Scheier, Miquelle
Sent: Friday, August 07, 2009 12:01 PM
To: Mayes-WebEmail; Newman-Web; Pierce-Web; Kennedy-Web; Stump-Web
Cc: 'Cynthia Zwick'; Fischer, Verna
Subject: UNS Gas, Inc Rate Case

RECEIVED
2009 AUG 11 A 9:35
AZ CORP COMMISSION
DOCKET CONTROL

Ms. Mayes -

I want to heartily thank the Commission for coming to Flagstaff and providing the opportunity for input in the pending UNS GAS and Arizona Public Service rate cases. I want to especially thank you, Chairman Mayes, for your interest and responsiveness to the impact these proposed rate increases will have on the low-income consumers during these challenging economic times.

I have attached a written statement of the challenges our low-income individuals and families face in Coconino County, and the impact an increased energy burden can have on them.

Thank you again for your time and attention to this matter.

Miquelle Scheier, Senior Manager
Coconino County Community Services

Arizona Corporation Commission
DOCKETED

Hard copy has been mailed.
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AUG 21 2009

COCONINO COUNTY ARIZONA
COMMUNITY SERVICES DEPARTMENT

DOCKETED BY

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

August 4, 2009

Arizona Corporation Commission
Commissioners
Kristin K. Mayes, Chairman
Gary Pierce
Paul Newman
Sandra D. Kennedy
Bob Stump
1200 West Washington
Phoenix, Arizona 85007

RE: UNS Gas, Inc. and Arizona Public Service Rate Case

Dear Ms. Mayes:

My name is Miquidlle Scheier. I am a Senior Manager for Coconino County Community Services Department Community Resource Division, a position I have held for more than 10 years. I am a 37 year resident of Coconino County, and have worked more than 30 years with the low-income families in our county. I currently serve as a member of Arizona Community Action Association Board and have been on the Executive Committed for that board for the last four years serving as Vice-President. I recently provided comment in the special open meeting of the Arizona Corporation Commission held in Flagstaff on Monday, August 10, 2009 to address my concerns over the pending requests for rate increases by Arizona Public Service Company and UNS Gas, Inc.

I want to heartily thank the Commission for coming to Flagstaff and providing the opportunity for input in the pending UNS GAS and Arizona Public Service rate cases. I want to especially thank Chairman Mayes for her interest and responsiveness to the impact these proposed rate increases will have on the low-income consumers during these challenging economic times.

Throughout Coconino County we are seeing consistent increases in the requests for utility assistance. Coconino County Community Services Department (CCCSD) is turning away record numbers of individuals and families as the downturn in our economy continues its downward spiral and local residents are being notified of pending ob furloughs, cut back in hours, and lay-offs. In the first six months of 2009 CCCSD saw an increase of 35% in the number of people being turned away for rental, eviction and mortgage foreclosure assistance. We turned away 150 households in the month of March alone.

We know things are not getting better. The unemployment rate in Coconino County continues to rise, from 4.1% a little more than a year and a half ago, to over currently. The national unemployment rate is expected to hit more than 10% in 2010 and typically we are significantly higher throughout Coconino County. Case Workers

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throughout the County are reporting serving people that have never before requested assistance, and many of the families who have been 'making it' for the last few years are once again at our doors. The number of families that are finding themselves in need of assistance is growing daily and substantially, and the face of poverty is changing in Arizona.

While we were able to assist more families seeking energy assistance in 2009 with the increased LIHEAP funding we received in 2009, we have not received an increase in LIHEAP for 2010. It is rumored that there will

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be another allocation to the State of Arizona, however, there is no guarantee as to how or when this money will be allocated. Our total allocation of LIHEAP for 2009 was \$428,570. This year, 2010, Coconino County received \$172,000. We have never, even in good times, been able to keep up with the demand for energy assistance by our program participants. The requests for assistance rose in 2009 and we expect, given the continued state of our current economy, we will continue to see a rise in requests. Flagstaff, Page and Williams saw a doubling of requests by families who were on the verge of having their heat turned off this winter. Comparisons with 2008 expenditure indicate a 43% increase in a little over a year's time:

Month 07/08 08/09

Households Assisted Households Assisted

NOV 47 109

DEC 65 146

JAN 90 231

FEB 110 310

Last year the average gas bill was running about \$150 - \$200 and this year we are seeing \$250 - \$400; the average electric bill was running \$125, and this year it is up to \$175 - \$250. And, propane prices are off the charts, with no regulation. The northland experienced record cold temperatures the last few winters and it is predicted that we will continue to see these extremes temperatures again this winter (Arizona Weather.com). This means increasing utility bills. And with UNS Gas and APS, major providers of energy in Coconino County, asking for additional rate increases this year our low-income families remain in jeopardy. The outlook for financial assistance is bleak. The safety net that we have been providing has been torn and people are falling through in increasing numbers. With reductions to human services at the national and state levels in 2009 and anticipated cuts to funding for 2010, we anticipate that over a 1000 families in 2010 in Coconino County will not be served. What we know is that increased energy burdens have a direct correlation to homelessness.

Low-income families cannot pay their bills today, add an additional increase to the current energy burdens and more of our families are at increased risk for becoming homeless. This is especially true for one of our most vulnerable populations – our seniors living on fixed incomes.

CCCSD provides more than 35% of the utility assistance in our County. We're working harder than ever to partner with the other providers in each community and what we are learning is that, for all of us, the demand for services is far greater than it ever has been while funding and staffing are down at all agencies. We're seeing families who have never before had to ask for services and they are more stressed and need more help navigating the system. With resources diminishing, Coconino county is prioritizing the allocation of available funds - - families with children, the elderly living on fixed incomes, and those with medical needs. This prioritization leaves many unserved. The poverty rate for Coconino County is 16.1% compared to 14.2 % in Arizona, and 13.3% nationally. The low-income population includes those that live at or below 200% of the federal poverty level, which includes 44,307 residents - that is 35% of the County's population.

Arizona, especially Coconino County, experiences an extremely high housing affordability gap as well. The Department of Health and Human Services has determined that in order to maintain sustainability, a household should not spend more than 28% of their income toward housing. Sadly, 12% of all households statewide must pay over 28% of their income toward shelter in order to avoid living in substandard and/or overcrowded conditions. But in Coconino County 21.3%, or nearly a quarter of all residents, excluding those on the reservations, spend more than 28% of their income on housing which gives Coconino County the 2nd largest affordability gap in Arizona (Arizona Department of Housing, 2008). Many of our low-income residents report paying up to 52% of their income for housing.

Given these challenging circumstances increases in utility costs have the potential to devastate our low-income and most vulnerable residents. It is for these reasons that Coconino County Community Services supports the

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requests made by the Arizona Community Action Association in the UNS Gas, Inc. rate increase hearing: 1) to request that the Commission hold low-income customers harmless in this rate case, both in the CARES program and within the purchased gas adjustor; 2) to modify the CARES, Warm Spirits and weatherization program language to track the federal LIHEAP and weatherization eligibility language; 3) to increase the Company's outreach and enrollment efforts in the low income discount program, which would include the requirement that the Company automatically enroll LIHEAP and weathenzauon eligible customers in the CARES discount program; 4) exempt CARES customers from Rule/Regulation, Section No. 3, Establishment of Service, B. Deposits, 5. 5) to increase the Company's support of the Warm Spirits and Low-Income Weatherization programs.

I thank you for your time and consideration of this request. Please feel free to contact me with any questions that you might have.

Sincerely,

Miquelle Scheier, Senior Manager
Coconino County Community Services -
End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

8/10/09 I left a voice mail message for Ms. Scheier, advising her that I was calling on behalf of Chairman Mayes office. Comments were noted for the record and docketed with Docket Control.

End of Comments

Date Completed: 8/10/2009

Opinion No. 2009 - 81027
