

RUSSELL K. PEARCE
1700 WEST WASHINGTON,
PHOENIX, ARIZONA 85007-2844
CAPITOL PHONE: (602) 926-5760
CAPITOL FAX: (602) 417-3118
TOLL FREE: 1-800-352-8404
rpearce@azleg.gov



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COMMITTEES:
PROPRIATIONS, CHAIRMAN
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JOINT COMMITTEE ON CAPITAL
REVIEW, CHAIRMAN

JOINT LEGISLATIVE BUDGET
COMMITTEE, VICE-CHAIRMAN

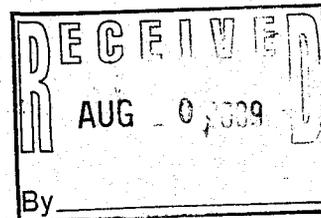
DISTRICT 18

Arizona State Senate

E-01345A-08-0172

ORIGINAL

August 4, 2009



Kristin Mayes, Chairman
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, Arizona 85007

Dear Chairman Mayes:

Historically, when someone wanted to build on a piece of land, the utility companies installed the necessary infrastructure for the first 1000 feet at no charge to the property owner, spreading the cost of the installation into their overall rates. Recently, however, the Arizona Corporation Commission eliminated the policy of providing free extensions. Utility companies now charge individual owners for the installation of the electrical infrastructure. Based on the idea that "growth must pay for itself," this change has resulted in outrageous charges to property owners amounting to thousands of dollars. The new policy inhibits growth and devalues property, causing numerous unintended consequences, not the least of which is decreased property taxes. Many people who bought property planning to build on it are now not able to even consider building because of the many thousands of dollars in expenses they face merely to bring electricity to their property.

This policy has robbed people of the use of their vacant land and driven property values down because now those parcels of land do not have utilities available. Furthermore, it is driving up the cost of development and putting land and home ownership out of reach for many of our citizens who want to buy land. It robs small communities of growth opportunities, slows the economy, and discourages business development in what could have been thriving, healthy villages but are instead stagnant towns. Adding [in many cases] tens of thousands of dollars to the cost of home construction is a deterrent and an obstacle that is unsurmountable for many people.

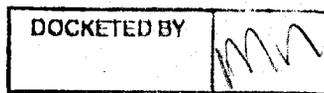
Please reverse this policy and return to the former practice of allowing up to 1,000 feet of free utility extensions before charging customers.

Thank you.

Sincerely,

Arizona Corporation Commission
DOCKETED

AUG 11 2009



AZ CORP COMMISSION
DOCKET CONTROL

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cc: Commissioner Paul Newman
Commissioner Gary Pierce
Commissioner Sandra D. Kennedy
Commissioner Bob Stump