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By ORIGINAL

from Sherry Katrin

10575 E. Quail Run Rd
Cormville, AZ 86325-5828

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AZ CORP COMMISSION
DOCKET CONTROL

To Arizona Corporation Commission,

I am writing this letter to represent people like myself who came to Arizona 15 or so years ago to embrace the open land and the clean air and the friendly spirit of the people here at that time.

I was very distressed to read the enclosed article from the Arizona Republic stating that Barbara Wylie-Pecora wants APS rate increases and free utility lines for developers in order to make her already affluent son even wealthier. I was horrified to read this and hope that the Arizona Corporation Commission and APS will not cave in to such pressure.

Arizona used to be a wonderful place to live with affordable homes, low utility rates, clean air, and no traffic jams. Since the exodus from California ^{to Arizona} and the rampant development without planning, Arizona now has many problems: not enough water, air pollution, traffic jams, stressed out people.

The Arizona Corporation Commission needs to stand up to people like Ms. Wylie-Pecora to prevent more problems such as defaulted houses and high energy rates.

Development without planning is unconditional wrong in a desert environment like Arizona. I have met many developers through the years and they care (over):

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about one thing: quick money, and then they leave and retire somewhere else, like Florida.

Why should the majority of Arizonans have to pay higher utility rates so that developers can further compromise and destroy the environment?

Arizona has a large proportion of people about to retire and already retired, who are not wealthy people. Why should they receive APS and property tax increases to subsidize developers who care nothing about the quality of life here and whether people can afford the rate increase.

The American Dream does not include large numbers of people unable to pay their bills because APS and property tax rates are too high.

The Arizona Corporation Commission needs to vote against APS rate hikes and to insure that developers pay for new utility lines and electricity and roads and to plant mesquite trees to clean the air.

The Arizona Corporation Commission needs to protect Arizona from creating all the problems that are destroying California. Doesn't anyone care anymore about the quality of life in Arizona, or is everyone in on the money in development not caring about the quality of life here for everyone.

APS has had too many rate increases in the past few years. They waste money.

The development industry destroys the tourist industry. The rampant creation of time shares has depressed the tourist economy, as time share people only purchase at grocery stores. Too much emphasis is on development, when Arizona had the golden goose of tourism which development kills.

Sharon
Adams

POWER

APS extension lines stir fee quarrel

Realtors, developers want all customers, not just landowners, to fund extra footage

By Ryan Randazzo
THE ARIZONA REPUBLIC

Arguments have ignited at Arizona Public Service Co. rate-hike hearings over who should pay the costs of extending electrical service: utility customers or people receiving the new power lines.

Realtors, home builders and

some lawmakers want APS customers to pay for power lines to new homes and developments on the fringe of the power grid to help spur growth and the economy.

The change would raise rates for APS customers about \$10 a year but would benefit the state, proponents argue, fanning a hot dispute that has simmered since

the Arizona Corporation Commission required APS to stop building free connections in 2007.

The line fees have stirred emotions for the role they play in energy prices and urban sprawl, and they have lined up some of the most influential business interests in the state on opposing sides.

Corporation commissioners in 2007 thought it was unfair that the 1.1 million APS customers fund as much as 1,000 feet, or

\$25,000, of power lines for new developments.

The cost of the lines was built into power rates since 1954.

APS also gave free connections to businesses and subdivisions if they passed a feasibility study. Subdivisions had to front the money for extensions, and APS repaid them when the homes sold.

The money APS saved with the change has kept customer prices down since 2007.

But people across the state,

particularly in rural areas, who had bought land within 1,000 feet of power lines were rankled by estimates of \$10,000 to \$20,000 to connect to power. Some even gave up building their dream homes.

The costs vary depending on distance and terrain, but in many cases, the line extensions cost more than the land itself.

Businesses that once profited from the free power lines are

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Groups seeking free new lines

ELECTRICITY

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trying to get free extensions reinstated.

The Arizona Association of Realtors, builders, including Shea Homes, Pulte Homes, Lennar and DR Horton, and Arizona Sens. Sylvia Allen, R-Snowflake, and Russell Pearce, R-Mesa, all have written the commissioners asking them to reinstate the free extensions.

"Based on the idea that 'growth must pay for itself,' this change has resulted in outrageous charges to property owners," said Allen, a real-estate agent.

"The new policy inhibits growth and devalues property."

Many of the people and industries that have been fighting to keep APS rates low and have been testifying in the company's current rate-hike hearings are angry the land industry is essentially pushing for a rate increase.

Representatives from groups as diverse as Freeport-McMoran Copper and Gold Inc. and the Sierra Club oppose the free lines.

"There is nothing free about the free-foorage allowance," said Jodi Jerich, director of the Residential Utility Consumer Office, a state department created by the Legislature to represent the public at rate hearings.

"Maintaining lower electric rates for the majority of ratepayers outweighs the interests of a few," she said. "The ratepayer deserves a break from increas-

ing utility bills."

The development interests have lined up behind a woman named Barbara Wyllie-Pecora, whose family buys and sells land.

Wyllie-Pecora intervened in the APS rate-hike request, which was initiated last year, hoping to get the free lines back and has gathered support from the industry and lawmakers.

"The American dream has been shattered for many people in Arizona," Wyllie-Pecora said.

Her son, Mike Wyllie, who also deals in land and has helped organize an activist group to reinstate free lines, said APS customers would only be on the hook for about 80 cents a month, or less than \$10 a year, if all the free extensions were reinstated, less if they are just given to homeowners, not developers.

APS officials predict the economy will rebound and growth will pick up.

Customers could be financing \$49 million in extensions for homes, subdivisions and businesses by 2012, according to APS. Spread evenly among 1.1 million ratepayers, that would cost each about \$45 that year.

Allen said the costs are worth it to support development.

"Electricity is the foundation of our economy," she said.

"A lot of people are paying taxes for services they sure as heck don't use, but they are doing it for the best of the community. That is kind of how we've

done certain things in this country."

Commission Chairwoman Kris Mayes said she doubts ratepayers ever knew they were subsidizing growth with their electric bills.

"I wonder what the reaction of Arizona ratepayers would have been over the last 50 years if they knew their money was going to put people's houses away from the backbone of the utility," she said.

The commissioners also passed an order in December eliminating free extensions in Tucson Electric Power territory. Salt River Project's electric service is a political division of the state and not regulated by the commissioners, and it still offers 1,000 feet of free line.

Mayes said that APS might not need the rate hike it is requesting if the policy had been changed years ago, because if the state had grown slower, the utilities would not need to build as many power plants and long-distance transmission lines to serve the population.

Economist Kevin Higgins, called as a witness in the case, agreed.

"(The policy) has helped bring the price of electrical power in Arizona higher than it might otherwise be," he said. "There is a lot of upward pressure on electrical prices in Arizona because of growth."

"The cost of providing new resources is generally more expensive than existing resources. It is sort of a double whammy."