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ARIZONA CORPORATION COMMISSION

1200 WEST WASHINGTON ST.

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ATTENTION: DOCKET CONTROL

2010 MAR 25 P 2:00

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Arizona Corporation Commission

DOCKETED

MAR 25 2010

DOCKETED BY	<i>[Signature]</i>
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RE: DOCKET NO. E-01345A-07-0663

DOCKET NO. T-01846B-07-0663

Dear Commissioners,

I am writing this as a Hillcrest Bay (Hillcrest Bay Mobile Manor or "HB" or the "Tract") property owner and a court recognized expert in real property value. I am concerned that the ROO and recommendation of the Administrative Law Judge, The Honorable Sarah N. Harping, does not fully consider the end result of her recommendation to deny the formation of the planned UCSA.

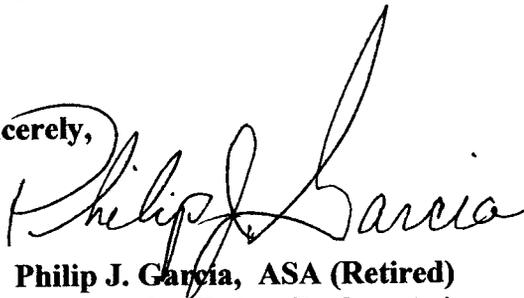
As I have testified, it is my opinion that formation of the UCSA and the undergrounding of the electric and phone utilities in HB would increase the safety, desirability and hence the value to the whole of the HB development. I believe that over time (2 to 5 years) the value of all properties will increase given the enhanced viewscape, increased safety, and the generally higher economic value that attaches to underground utilities. Studies indicate that buyers are willing to pay more in the resale market if utilities are underground.

It is the community safety and welfare that should be the primary drivers of a public works project. While safety is mentioned in the ROO, it is a problem that is handed off to APS and Verizon. In all that I have read in transcripts, briefs and the hearings that I have attended, APS has some unfinished (they refer to it as flexible) plan to change the service from the rear on most properties to the front. Accessibility and cost are the reasons given for making this monumental change (rear to front). Because the original feed was from the rear of most properties, the dwellings were constructed to accept service from the rear. Now in retrofitting HB, APS has deemed it appropriate (because of cost) to supply most of the development from the street. I do not think Mr. Wilson, who testified for APS, was as forthcoming as he could have been in discussing the eventual number of poles that will be necessary to completely refit the Tract.

There are a number of estimates ranging from an additional 42 new poles in the street with an additional 58 secondary poles used to reach the rear mounted meters on many homes. So the original 68 power poles in our Tract could eventually surpass 150 poles in total. This could mean that we could eventually have the unprecedented ratio of 150+ poles supporting 240 parcels. As a valuation expert I can say without reservation that property values would suffer in the extreme if this tragedy were allowed to happen. Many owners of new or remodeled dwellings will suffer the greatest loss in value but all properties, improved or unimproved, will suffer a diminution in value.

By denying the creation of the planned UCSA the Commission starts a cascade of events that, given the lack of information and definite plans by APS, very likely will result in a situation much worse than is currently the case in Hillcrest Bay. We cannot expect the status quo but the continuation of "piecemeal repairs" of an aging system, which did not meet Arizona building standards when it was originally constructed in the early 1970's. The principal reason cited for denying this UCSA appears to be economic and technical feasibility, that the benefits of undergrounding do not outweigh the costs. I believe that public policy that drives public works projects in this Country are approved and constructed with emphasis on long-term benefits and costs for a majority of the population. In this case the short-term benefits and costs appear to be the principal drivers of the recommendation to deny formation of the UCSA. A mistake made by the State nearly 40 years ago in granting Max Dunlap a variance (for economic reasons) to construct the power lines overhead will be repeated if this UCSA is allowed to fail. This is the last chance for the State to do the right thing and help a community improve its safety and well-being and remove a blight from one of the most beautiful areas in western Arizona.

Sincerely,



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