

ORIGINAL



OPEN MEETING AGENDA ITEM
Arizona Community Action Association



May 20, 2010

RECEIVED

2010 MAY 21 A 11: 56

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

Kristin K. Mayes, Chairman
Gary Pierce, Commissioner
Paul Newman, Commissioner
Sandra D. Kennedy, Commissioner
Bob Stump, Commissioner
1200 West Washington
Phoenix, AZ 85007

Arizona Corporation Commission
DOCKETED

MAY 21 2010

DOCKETED BY *MA*

RE: Docket No. G-01551A-09-0039

Dear Chairman Mayes and Commissioners:

On May 12, 2010, Commission Staff filed comments and a recommended order in the above referenced Southwest Gas case. I am writing to comment on the Low Income Energy Conservation element of this docket and in particular the Proposed Program Modifications: Bill Assistance.

Arizona Community Action Association (ACAA) has been administering the SW Gas bill assistance program for approximately four years, working closely with representatives of the Company as well as our partner agencies throughout the Southwest Gas Service territory. Through the Home Energy Assistance Fund, ACAA administers the unclaimed utility deposit funds, manages and allocates funding from the El Paso settlement that resulted in the creation of the Home Energy Assistance Fund, manages the APS bill assistance and weatherization funds, manages and allocates the SRP bill assistance and weatherization funds, as well as the funding provided by Unisource Energy Services and SemStream Arizona Propane.

The partnerships ACAA has built and nurtures with the utility companies and the agencies distributing the funding is core to our work and key to our viability as a non-profit fuel fund. Our goal, however is to ensure that the funding which we are trusted to distribute to eligible low-income families throughout the State, gets to the homes that need it in a timely and effective manner.

Last year one of the agencies with which we work was unable to effectively manage and spend the funding provided through ACAA, an issue which has been addressed with this particular agency in the past. After working through our concerns, ACAA approached SW Gas staff to let them know we would like to shift the funding to another agency in the same service territory, to ensure families received the assistance they needed. The issues raised in this docket are, in part, a result of that conversation, and I appreciate the Company's receptiveness to the issue and Commission staff's as well.

I have two concerns related to staff's recommendation in this docket. The recommendation does not allow ACAA to add agencies able to distribute funds in any particular area no matter the reason. There are times when an agency is unable to distribute the funds either due to administrative reasons, due to reductions in funding or due to staffing issues within an agency. When that occurs, and it is not often,

Advocating, Educating and Partnering to Prevent and Alleviate Poverty.

Kristin K. Mayes, Chairman
Gary Pierce, Commissioner
Paul Newman, Commissioner
Sandra D. Kennedy, Commissioner
Bob Stump, Commissioner
May 20, 2010
Page Two

ACAA would appreciate the opportunity to consider a few options depending on the circumstances including: reducing that agency's funds and redistributing the remaining portion within the same service territory to another agency; and terminating the existing contract and shifting the funding to another agency.

ACAA staff is in regular contact with agencies throughout the year, and if we learn of situations in which an agency may not be able to distribute funding, we would like the opportunity to add agencies to the partnership in order to ensure the funding gets to the families in need on a prospective basis. ACAA does not believe the Commission staff recommendation provides an opportunity for us to act proactively as the contracting process takes place.

The process of noticing and shifting funding from one agency to another as recommended by Commission staff will slow the decision-making process down and could prevent the distribution of funds within the contract year. ACAA distributes the SW Gas funding on a State Fiscal Year basis, July through June. If, for example, the timeframe articulated in the recommendation is followed, ACAA will begin discussion with an agency on October 1st (3 months). On January 1st (6 months) additional contact will be made and if appropriate, the agency will be put on 60 days notice to file reports and distribute the funding. On March 1st (60 days) SW Gas will file a letter to the docket if there is no reasonable effort to report or spend the funding. Then, on May 1st (60 days after the Commissioners have a chance to comment) the funding/contract may be moved. The agency now has approximately two months to spend the money or whatever remains of the original contract amount, after the execution of a new contract. This may allow for customers to go un-served for a funding year. Any unused bill assistance funding in any given fiscal year, is returned to the Company and placed in the weatherization fund.

I respectfully request that ACAA be given the authority to manage these funds, as we do all other funds, negotiate with our partner agencies, invite new partners to the participate when appropriate, with the understanding that we will continue to be in regular contact with the staff of SW Gas regarding the management and expenditure of these funds.

ACAA takes our responsibility for the administration of these, and all our funding, very seriously. While we respect the authority and responsibility of the Commission for rate-payer funds, I must question the level of involvement this formalized process will have on the members of the Commission and staff at a time when resources are thin and there are many priorities that must take precedence over these contracting issues. Additionally, I would point out that the Company may pull our contract with 5 days notice to ACAA in the event we are not performing consistent with the contract we have with the Company.

Kristin K. Mayes, Chairman
Gary Pierce, Commissioner
Paul Newman, Commissioner
Sandra D. Kennedy, Commissioner
Bob Stump, Commissioner
May 20, 2010
Page Three

ACAA appreciates and supports the recommendation to distribute the funding above the \$5,000 base on a formula basis for the reasons stated in the memorandum to the Commission.

Thank you for your consideration of these concerns and request. If you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read 'Cynthia Zwick', with a stylized flourish extending to the right.

Cynthia Zwick
Executive Director