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2 **This 4th day of February, 1998, to:**

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BEFORE THE ARIZONA CORPORATION COMMISSION

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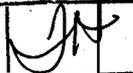
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Commissioner - Chairman
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Commissioner
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Commissioner

IN THE MATTER OF THE) Docket No.: No. U-0000-94-165
COMPETITION IN THE PROVISION OF)
ELECTRIC SERVICES THROUGHOUT)
THE STATE OF ARIZONA.)

Arizona Corporation Commission
DOCKETED

FEB 04 1998

DOCKETED BY 

REBUTTAL TESTIMONY OF

ELIZABETH S. FIRKINS

ON BEHALF OF

THE INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS

February 4, 1998

1 **Summary of Elizabeth S. Firkins' Rebuttal Testimony**

2
3 The International Brotherhood of Electrical Workers believe the
4 States economic health is linked directly to the States rural
5 communities and industry's participation in these communities.

6
7 Stranded Cost recovery is imperative. If the Affected Utilities
8 can verify prudent costs that become stranded as the State
9 transitions to competition, these costs must be 100%
10 recoverable.

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1
2 **REBUTTAL TESTIMONY OF ELIZABETH S. FIRKINS**
3 **ON BEHALF OF**
4 **THE INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS**
5 **IN DOCKET NO. U-0000-94-165**

6 **Q. Please state your name and business address?**

7 A. Elizabeth S. Firkins, 750 S. Tucson Blvd., Tucson, AZ
8 85716.

9 **Q. What is your position with the International Brotherhood of**
10 **Electrical Workers (IBEW)?**

11 A. I am an Executive Board member representing Power
12 Production and a Control Room Operator at the Irvington
13 Power Plant in Tucson, AZ.

14 **Q. What is the particular issue you wish to discuss?**

15 A. We are concerned with the numerous respondents that believe
16 the recovery of Stranded Cost is not necessary and prudent
17 to the successful transition to competition.
18

19 **Q. How do you wish to respond to this concern?**

20 A. It is ironic from our vantage point that the very parties
21 that supported and demanded that power plants be built, are
22 now shying away from the obligation to pay. Plants built
23 in the late 60's, 70's and early 80's were at that time the
24 best the market had to offer. They were more efficient,
25 polluted less and provided a new standard for electric
utility service. The cost of these plants was incorporated

1 into the rate base. Industrial, commercial and residential
2 all paid their fare share. With the advent of generation
3 unbundling, the circumvention of this obligation is being
4 defended and supported.

5
6 In the last ten years, electric usage prices have dropped
7 consistently for all classes of users. Our State is
8 enjoying a strong economy and robust employment levels that
9 Arizona has not had in past years. If the Affected
10 Utilities do not have the ability to recover the prudently
11 incurred Stranded Costs, it will not only be the utilities
12 that suffer. The people that have invested their savings
13 in state utilities stock, the workers that have dedicated
14 their careers to the utility business, and the communities
15 that depend on the tax base the plants provide, will also
16 suffer . The economics of our State is closely integrated
17 with industry. Many rural communities depend heavily on
18 industry to provide jobs and other opportunities for the
19 residents of "small town" Arizona. Large industry already
20 has the lowest rates available, and it is reasonable to
21 presume these rates will decrease further when competition
22 begins. Industry will not be damaged by competition unless
23 that industry is a power plant built in a rural community
24 unable to recoup the economic promises made in the past.

1 When asked, all the new entrants into the market will
2 gladly be the Provider of Choice. The IBEW's concern is
3 with the obligation to serve, the social programs provided
4 and the commitment to communities that have been provided
5 by and through the utilities vested interest in the areas
6 they serve. If utility companies are not allowed to
7 recover Stranded Cost and stranded investments, what
8 happens to these programs and these ideals that have been
9 made available by the electrical companies solid commitment
10 to our State?

11
12 The IBEW supports and defends the utility's ability to
13 recover costs incurred because of obligations made and our
14 States need for reliable, safe and continuous power. When
15 Arizona transitions to competition, all-new market entrants
16 and Affected Utilities must play by the same rules and
17 these rules must include obligation to communities and
18 vestiture in our State.

19 **Q. Does this conclude your comments?**

20 **A. Yes, it does. Thank you.**
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22
23
24
25