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Opening Statement 2/9/98

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Good Morning, Mr. Hearing Officer, Mr. Chairman, Commissioners

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I am Betty Pruitt, representing Arizona Community Action Association (ACAA). As you know, low-income consumers are our top priority, however, our interest in this proceeding extends to all small consumers. For once, the issue of poverty does not separate low-income from other small consumers. And, for many of these issues, consumers of all sizes are in the same boat. In the transition to competition, consumers should not be sacrificed at the free market alter.

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Small consumers have not asked for competition, yet it is coming whether we want it or not. The best low-income and small consumers can hope for is to be held harmless. The many risks facing small consumers must be mitigated, right along with the utilities stranded costs. A price cap is not a barrier to competition...it is a fundamental consumer protection necessary during the transition to full competition and during recovery of stranded costs. Those parties in opposition to a rate cap worry me. If it is true that competition will reduce costs to consumers...then a rate cap is no problem. If a rate cap is a problem...then we should be looking closer than ever at the true effects of competition and who the losers really will be.

Arizona electric utilities are good corporate citizens and valuable community partners. It is important to maintain their financial health for their employees, for the community, and Arizona's economic well being. On the other hand, small consumers should not bear the lion's share of the stranded cost burden. All parties should share in stranded costs....consumers in the competitive market, utility shareholders, and new market entrants.

I have a great deal of confidence in this Commission, that it will weigh the competing interests fairly and develop policies which are in the public interest and balance what is best for consumers and for incumbent utilities.

In closing, I would like to thank Mr. Rudibaugh for working with the small groups to allow us to participate. And, we, the small consumer group, owe a deep debt of gratitude to Greg Patterson and Deb Scott of RUCO for stepping up to the plate for consumers and providing legal assistance to the small consumer groups for cross examination.

Thank you.