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VIA FACSIMILE TO 542-2129

To: Office of the Utilities Division Director, Arizona Corporation Commission

From: Steve Brintle [Stakeholder in Retail Electric Competition]
Don't Waste Arizona, Inc.

DOCUMENT CONT

Re: Comments on Draft Statement of Position of the ACC Staff

There is little for the residential user in any of this. Large users will be offered the chance to reap the "benefits" of lower power rates while virtually all residential customers will be excluded. In Item C., Implementation of Competition, it states in part, "The goals of the ACC are: To provide the benefits of competition to all ratepayers in a timely manner."

The Residential Phase-In Program fails to meet this. Having 0.5% of residential customers with access to competition on 7/1/99, with an additional 0.5% gaining access to competition each quarter, all this takes something like fifty (50) years to implement. That is absurd. And it certainly is not providing "the benefits of competition to all ratepayers in a timely manner." If anything, this is contrary to the stated goals of the ACC Staff. Reducing the rates by 3-5% for those unable to choose their utility is a nice gesture, but unless this is close to the rate reduction made available to the 1 MW and above user/customers, it is clearly inequitable on face value. It looks like the large electrical users, who could afford to send representatives to the ACC hearings regarding these issues, have seen to it that their clients alone will reap the rewards of the promised lower rates that open electrical competition will allegedly bring.

Further, the *Draft Statement of Position of the ACC Staff* offers nothing about the Arizona Solar Portfolio Standard, which requires small investments by utilities in renewables like solar energy. The net effect of this omission will be more pollution, and a shift back towards coal-powered electrical generation and other fossil-fueled power. A shift towards coal-powered electrical energy generation means more air pollution from coal-burning plants, more adverse environmental impacts created by the strip-mining of the coal, more native Americans being forced off their ancestral lands to make way for the expansion of the coal mine, and more global climate change generated by more carbon dioxide from the burning of carbon-based fossil fuels. This could be remedied by requiring utilities outside of the state to have an equivalent renewables program in order to be licensed in this state.

Affected Utilities should be required to disclose details of the Affected Utilities' Demand Side Management and renewables program and investments to all prospective customers, no matter the customer's electrical usage. This will be helpful to residential customers, businesses, industry, and to Affected Utilities and their stockholders. The ACC must ensure that consumers are able to make an *informed* decision so that the *true costs*, monetary and environmental, of a consumer's choice of electric utilities can be evaluated. A consumer, even responsible businesses, might want to weigh the consequences of personally choosing, or shopping at, a business or industry that chooses cheap, "dirty," coal-powered electricity.

Arizona Corporation Commission
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