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**ARIZONA CORPORATION
COMMISSION**

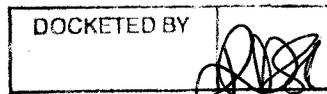
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August 31, 2011

Arizona Corporation Commission

DOCKETED

AUG 31 2011



Mr. Jeff Guldner
APS
PO Box 53999 - MS 9040
Phoenix, AZ 85072

Mr. Phil Dion
Unisource
1 South Church, Suite 100
Tucson, Arizona 85702

Re: Smart Meters

ARIZONA CORPORATION
COMMISSION
DOCKET CONTROL
2011 AUG 31 P 4: 09
RECEIVED

Dear Mr. Guldner and Mr. Dion:

Our offices have received correspondence from ratepayers who have questions and concerns about the implementation of smart meters. While we understand that Arizona utilities have collectively installed a million devices, questions have arisen around the propriety, privacy and health impacts related to smart meters.

Many ratepayers would like to know if they have a choice in whether or not a smart meter can be placed on their home. What does your company offer for ratepayers who wish to 'opt out' of the new smart meters?

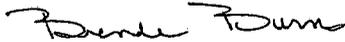
Ratepayers have raised privacy issues about whether the AMI devices will enable the utility to control their home consumption. What specific features of AMI devices are preferable to those offered by AMR devices?

There are also concerns about detailed usage information falling into the hands of third parties or the fear of falling victim to a security lapse. Does your company share these concerns about potential privacy pitfalls? If so, what is the company currently doing or planning to do to ameliorate foreseeable risks and ratepayer unease?

Many ratepayers are also worried that radio frequency signals (RF), in the home, could be unhealthy. What studies, if any, have the companies undertaken to gauge the effects of radio frequencies?

Questions of health and privacy are the two major concerns regarding smart meters, though there are others as well. As you know, there will be a workshop conducted on this topic on September 8th. Please be prepared to respond to these and other questions as we fully consider all the attributes (positive and negative) that this technology presents.

Sincerely,



Brenda Burns
Commissioner



Bob Stump
Commissioner

CC

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