



ARIZONA CORPORATION COMMISS
UTILITY COMPLAINT FORM

Investigator: Brad Morton

Phone:

Fax:

Priority: Respond Within Five Days

Opinion No. 2011 - 100406

Date: 10/31/2011

Complaint Description: 08A Rate Case Items - Opposed
N/A Not Applicable

Complaint By: First: Alma Last: Saline

Account Name: Alma Saline

Home:

Street: n/a

Work:

City: Taylor

CBR:

State: AZ Zip: 00000

is:

Utility Company: Arizona Public Service Company

Division: Electric

Contact Name:

Arizona Corporation Commission

Contact Phone:

DOCKETED

Nature of Complaint:

OCT 31 2011

Arizona Corporation Commission
Consumer Services Section
1200 West Washington
Phoenix, AZ 85007

DOCKETED BY [Signature]

RECEIVED
2011 OCT 31 P 4: 27
AZ CORP COMMISSION
DOCKET CONTROL

Dear Commissioners,

This document is in reference to docket Number E-01345a-11-0224, APS application for a rate increase of 6.6%. After receiving the Notice of Hearings, I had three feelings; first, this is not the economic climate for this type of an increase. Second, it sounds like an attempt to relieve an over-spent, almost uncontrolled build-up, in anticipation of larger revenues that were not realized due to the down turn in the economy. Finally, as the situation in the business side tightens, this rate increase is only a penalty for conservation on the part of consumers.

Allow me to elaborate on each:

1.) With the economic strain we are facing this is not the time for an increase. Many have been displaced from their jobs, lost homes and have had to relocate just to provide for themselves. These hardships are also felt in the work-place where cut backs, downsizing and restricted hours have left the small and large businesses, wondering how they will keep the doors open. This type of a rate increase only deepens the chasm of the recession while it rewards the legalized monopoly of the utilities for not managing their duties and the responsibilities of their business.

2.) As the utility mentioned in their notice the increase was divided into three parts with the total being about \$239 million dollars. The wording expressed here was "non fuel increase" and "certain assets now being recovered" a long with "which the Company expects to recover through the Renewable Energy Surcharge". With this rate increase are we paying for hard assets that have been acquired already and/or are these expenses shown on the books as over expenditures needing to be paid to keep the 'profit margin healthy' for the Mother

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Company? We have seen the reduction in APS's workforce to reduce cost and it appears that rate increase is needed to keep the bottom line in the green. In the Notice, the definition for the rate increase is so ambiguous; it appears like smoke and mirrors. What are they really saying with "a negative charge" and the above mentioned wording? Is this some scheme to pad a bank account only to return it as a credit back to qualifying customers? Maybe this is a redistribution of wealth to a special interest group or is it totally at the Utilities discretion to cover accrued expenses?

3.) As the governing board, authorized by the consumers of Arizona, you have a pivotal role in the recovery and financial outcome of the State. The incentive to conserve power will become counter-productive for the consumer if your decision is in favor of this increase. For example, as consumers cut back and conserve power usage to free up their assets for other needed items, instead of electrical power, this 6.6% increase forces the customer pays more. The utility provides less power, expanding their profit margin because the cost of goods produced did not change. The amount of power a customer uses is now inflated, because they paid more, really got less for the expense and their disposable monies remaining are diminished.

Here is a little farm history and how it will work for me. Personally, we have two wells and one booster pump, 7Shp, 2Shp and 20hp respectfully. To operate these three motors for the 5 month growing season there was an annual cost in 2003 of \$9,000 which latter increased to \$19,000 in 2009, and due to changing our farm irrigation equipment and practices, to \$15,000 in 2011. This 6.6% rate increase will be equal to about \$1000 increase in my electrical bill annually. The rate is on its way back up to where it was before we invested heavily in the equipment.

What will happen next year? I only wish the cost of farm products sold would increase as the APS rate increases. Households, small business and the job providing industries are facing the same expensive bite as the utilities raise rates.

Commissioners, this is not the time for an increase in the Arizona Public Service utility rate. Please do your part to stabilize the economic situation in Arizona concerning this issue. The ripple effect of this decision will affect everyone in the State. Represent the consumers in a vote to hold the status quo until we have a better financial foundation from which to build our futures.

My best regards,
Alma Saline
Taylor, Arizona

I am available for comments and additional information at:

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End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

Opinion docketed
End of Comments

Date Completed: 10/31/2011

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