ORIGINAL

Trisha A. Morgan

E-01345A-12-0290
E-01345A-10-0394
E-01933A-12-0296
E-04204A-12-0297

From: Tom Kennedy [redacted]
Sent: Friday, May 31, 2013 1:38 PM
To: BitterSmith-Web; Stump-Web; RBurns-Web; Burns-Web; Pierce-Web
Subject: utility complaint
Attachments: solar_APS_ACC.doc

0000145312

Dear Commissioners,

A few months ago I wrote an e-mail expressing my concern about utilities penalizing solar users like myself by imposing new tariffs on grid use. Now I realize it is due to lobbying by APS in Phoenix as described in the attached editorial from the Sierra Vista Herald. My personal experience with Phoenix utilities is that SRP is a "stand up" company whose rates were always lower than APS, whereas APS always had higher rates and whined and complained about everything since the 60's when I began to realize what was going on. I think it would be an absolute crime to let one company ruin the blossoming solar industry for everyone else. Solar is the most promising green industry in the world and to let APS ruin it for Arizonans is just plain wrong. Please reject their application for this new tariff.

Tom Kennedy
Sierra Vista
[redacted]

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Arizona Corporation Commission
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SIERRA VISTA HERALD MAY 26, 2013

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OUR VIEW

Deciding the future of solar

The issues are complex, but the future of Arizona's solar power industry may hinge on what happens when the state's largest utility, Arizona Public Service, petitions to change its pricing structure.

An article published Friday on the *Arizona Capitol Times* website lays out a developing battle that will ultimately be decided by the state corporation commission.

Understanding the size of APS — which serves as the sole energy source for much of the state and has operated since 1884 — is fundamental to recognizing the ramifications of what the utility is asking the ACC to consider.

As residential solar use continues to develop and expand, APS argues the cost of "net-metering," together with less revenue from electricity customers means the state utility may reach a point that it can no longer guarantee its investors a 10 percent return.

Lower natural gas costs are contributing to the picture, APS argues, as the generation of power at its own plants is less than buying the excess electricity generated by its customers.

Based on this picture, APS is expected to approach the Arizona Corporation Commission in the near future to ask for changes to its solar pricing structure.

Doing so, opponents of the company's request argue, will have a significant negative impact on the state's blooming solar industry.

Former U.S. Rep. Barry Goldwater Jr., and a trade group for the solar industry have been outspoken in opposing the APS argument, stating that reducing the incentive for homeowners to install these systems could kill a multi-million dollar industry in the state.

Goldwater says changing prices is the only solution APS can think of to preserve the profit margins necessary to keep its investors happy.

Stay tuned for how this debate turns out.