

E-00000W-13-0135



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ARIZONA CORPORATION COM

ORIGINAL

UTILITY COMPLAINT FORM.

RECEIVED

Investigator: Tom Davis

Phon 2013 JUL -8 A 10: 26

Fax:

Priority: Respond Within Five Days

AZ CORP COMMISSION DOCKET CONTROL

Opinion No. 2013 - 111531

Date: 7/8/2013

Complaint Description: 19X Other - Electric Competition N/A Not Applicable

Complaint By: Terry First: Terry Last: Finefrock

Account Name: Terry Finefrock Home: (000) 000-0000

Street: unknown Work: (000) 000-0000

City: Tucson CBR:

State: AZ Zip: 85701 is:

Utility Company: Miscellaneous Electric

Division: Electric

Contact Name: Unknown

Contact Phone: (000) 000-0000

Nature of Complaint:

July 2, 2013 Arizona Corporation Commission 1200 W. Washington, 2nd Floor Phoenix, AZ 85007 Attention: Jodi Jerich, Executive Director & Docket Control

Arizona Corporation Commission DOCKETED JUL 08 2013

DOCKETED BY [Signature]

In re: ACC Docket E-00000W-13-0135 Inquiry Into Retail Electric Competition

I am writing to communicate the comments you requested in your May 23, 2013 letter. I believe that the Commissions efforts to maintain and improve service levels, reduce costs and improve value to Ratepayers are appropriate and necessary. However, I believe that before deregulation is approved that other less risk actions, perhaps those that are defined by my attached letter to the Commissioners should be considered.

The many potential questions your letter identified reflect the significant difficulty in defining all variables and mitigating the risk involved in deregulation. As your letter recognizes deregulation has failed to provide expected improvements in other markets, regardless of how well planned.

I also believe that the fundamental arguments for a regulated market, with assigned sole providers of services to their assigned territories, remains valid and can provide value to all involved; essentially to optimally and efficiently manage services, capacity and to control and recover those significant fixed costs over greater sales, resulting in the lowest unit(kWh) prices to their customers. Deregulation often results in excess capacity and costs to market customers and a componentized supply chain (generation, transmission, distribution, etc.) would make it difficult to determine who's responsible for and how to correct service faults.

Our local utilities are valued long term members of our communities. That value will be difficult to sustain, replace, with many competitive suppliers.

I believe that our present "Cost Plus Profit" rate and surcharge structure is a (the?) major disincentive and

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obstacle for our "for-profit" utilities to reduce costs and improve value, the essential expected products of deregulation and competition.

I believe that modification of the current rate and surcharge structure, the "reward" system, to one that provides the profit or fee("reward") based on the provision of value to the customer, the sharing of cost reductions between shareholder and ratepayers, would achieve most if not all benefits of deregulation with much less risk, and would avoid the excess capacity and cost condition.

I suggest that you consider some version of the concepts and actions defined by my attached letter.

Sincerely  
Mr. Terry Finefrock, CPI  
AZ Ratepayer; Long term Tucson area resident;  
Former Corporate Supply Chain Director; Solar electric-storage advocate

Attached: Letter to ACC Commissioners Dated 5/25/13 (copies to J. Jerich; S. Olea)  
\*End of Complaint\*

**Utilities' Response:**

**Investigator's Comments and Disposition:**

7/8/13: Entered for the record and docketed. CLOSED  
\*End of Comments\*

**Date Completed: 7/8/2013**

**Opinion No. 2013 - 111531**

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