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Trisha A. Morgan

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From: bruce plenk <bplenk@igc.org>
Sent: Thursday, July 11, 2013 11:25 AM
Subject: Stump-Web
Please include in docket in E-00000W-13-0135, Inquiry into Retail Electric Competition and add me to the service list on this matter

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Dear Chairman Stump and Commissioners:

Please consider the comments below in establishing the Commission's Inquiry into Retail Electric Competition and file these in the Docket on this matter. Thank you.

Arizona Corporation Commission

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JUL 11 2013

Responses to Commission inquiries in ACC letter of May 23:

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- 1) Other states' experience indicates that rates are likely to increase for residential classes with electric competition while perhaps decreasing for large businesses and industrials. This is not a useful outcome and reflects the likely cherry picking among customers. Residential and especially low income customers need to be protected.
- 2) All customers would be able to choose a certain sort of electricity provider, for example one who provides 100% renewable energy.
- 3) This appears to be the most difficult to deal with if total deregulation is the goal. The market is not likely to assure equal treatment or equitable results.
- 4) The current utility is likely to be the provider of last resort, with some regulatory guidelines or restrictions to assure reasonable rates and returns. This would provide a floor to assure that residential customers (and others) would always have a reasonable option.
- 5) Some amount of consumer protection regulation would be required to prevent customer abuse or market manipulation. There is no other reasonable alternative for such consumer protection, as has become painfully obvious with the lack of customer protection by other means in the solar arena.
- 6) No comments on this item
- 7) Likely yes. FERC would continue to have jurisdiction over wholesale providers
- 8) The transition costs are most likely to be borne by the incumbent utilities, who could seek appropriate rate relief from the Commission.
- 9) Likely yes. With a deregulated market it is likely that the reliability of at least some providers will decrease, compared to incumbent regulated utilities, simply based on likely "cost-saving" measures.
- 10) No comments here at this time

- 11) No comments here at this time
- 12) No comments here at this time
- 13) No comments here at this time
- 14) Not directly. It is unlikely that the REST standard would be met in a deregulated market.
- 15) Not directly. It is unlikely that the EE standard would be met in a deregulated market.
- 16) Net metering should remain as a stand alone regulation that would apply to all electricity providers.
- 17) Electric competition is likely to result in inefficient building of merchant plants, as we have already seen, and will make serious resource planning difficult for the incumbent utility.
- 18) They will suffer from cherry picking in the dense portions of their service territories and will be left with the expensive widely dispersed rural customers who are harder to serve.

Thank you
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