



UNS Energy Corp.

P.O. Box 711, HQE901  
Tucson, Arizona 85702



0000146885

Paul Bonavia  
Chairman, Chief Executive Officer

Arizona Corporation Commission  
DOCKETED

July 15, 2013

JUL 15 2013

Arizona Corporation Commission  
Attn: Docket Control  
1200 W. Washington  
Phoenix, AZ 85007-2927

DOCKETED BY  
nr

Re: Generic Docket No. E-00000W-13-0135 / In the Matter of the Commission's Inquiry into Retail Electric Competition.

Commissioners:

Your consideration of retail electric competition has grave implications for the long-term affordability and reliability of electric service in Arizona.

Our state's utility customers currently enjoy low electric rates and strong reliability from regulated providers that receive high marks on annual customer satisfaction surveys. The Commission is rightly credited for this success by financial market analysts who have praised our stable regulatory climate. But this docket jeopardizes that strong track record by suggesting that the Commission might cast aside the proven benefits and customer protections of our current system for the uncertain prospects of a restructured energy market.

That troubling prospect has added new challenges to our resource planning efforts. As you know, the Environmental Protection Agency's aggressive enforcement of new and existing emissions controls is threatening the economic viability of the coal-fired power plants that continue to provide reliable, affordable base-load power for Arizona utility customers. The unknown compliance costs associated with those efforts have now been compounded by the uncertainties raised by this docket. As a result, APS has postponed its plans for the Four Corners Generating Station, while we face difficult questions about the future of our own resources. Every day this docket remains open increases the difficulties we will face in securing reliable, affordable resources to serve Arizona's future energy needs.

I appreciate your diligence in carefully reviewing the issues raised in this docket. Nonetheless, the serious concerns raised by the prospect of a restructured electric market merit a strong and decisive response. I urge you to act promptly in this docket to declare that retail electric competition would not serve the best interests of our state. In so doing, you would restore Arizona's hard-earned regulatory certainty while fending off a serious threat to our long-term economic vitality and quality of life.

Sincerely,

Paul Bonavia  
Chairman and Chief Executive Officer  
UNS Energy Corporation

RECEIVED  
2013 JUL 15 P 4: 17  
AZ CORP COMMISSION  
DOCKET CONTROL