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CHAMBER OF CC**



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Arizona Corporation Commission
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Arizona Corporation Commission
1200 West Washington
Phoenix, AZ 85007

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Dear Commissioners:

Subject: Letter issued by Arizona Corporation Commission Regarding Generic Docket No. E-00000W-13-0135, In the Matter of the Commission's Inquiry Into Retail Electric Competition

The Ahwatukee Foothills Chamber of Commerce (the "Chamber") is very concerned about the Arizona Corporation Commission's (ACC) decision on May 9, 2013 to reexamine the issue of direct access and a deregulated retail electric market within the state of Arizona. The Chamber is opposed to restructuring the current electric service model because of the negative impacts on Ahwatukee's business community and the state's economic development abilities.

The Chamber was founded in 1994 and has grown into a well-respected resource for the Ahwatukee business community. With more than 500 members, the Chamber focuses on helping members prosper with proper education, networking and exposure so their business is positioned to be the first choice for a customer's needs.

The Ahwatukee business community, which is primarily composed of small and medium-sized businesses, would be affected particularly with the adoption of retail electric competition. We seriously question the proposed benefits touted by the proponents of deregulation. Our review of deregulated markets has revealed increased prices, increases in consumer complaints and concerns about reliability.

We are particularly concerned about power suppliers cherry picking large electric customers from the system. In a deregulated market, large industrial and commercial customers would leave the current electric network to contract with individual power suppliers and the costs of the system will shift to the remaining small and medium-sized businesses as well as residents. These shifting and rising costs will negatively affect the livelihood of businesses and residents in Ahwatukee. Arizona's economy is currently rebounding, with small and medium-sized businesses being a big part of the story, and we do not need rising energy costs to slow down our rebounding economy.

In addition to the Chamber being a resource for Ahwatukee's business community, the Chamber plays a significant part in the economic development network of the state. While entities like the Arizona Commerce Authority and Greater Phoenix Economic Council focus on attracting businesses to invest in Arizona, the Chamber and other chambers across the state focus on serving the businesses that are already here with business retention and expansion efforts. We understand first hand from our members that regulatory uncertainty and rising energy costs associated with deregulation will negatively impact the economic development network, especially as businesses make decisions whether to stay and expand in Arizona.

The Chamber urges the Commission to not pursue the issue of direct access and a deregulated retail electric market within Arizona. We believe the current and reliable electric structure enables Ahwatukee and the state to continue to be a top choice for businesses to locate, operate and reinvest in our communities.

Thank you for your consideration of the Chamber's position on this issue, and please do not hesitate to contact me if you have questions.

Sincerely,

Anne Gill
President and CEO