

ORIGINAL



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E-0000W-13-0135

**COMMISSIONERS**  
BOB STUMP - Chairman  
GARY PIERCE  
BRENDA BURNS  
BOB BURNS  
SUSAN BITTER SMITH



**ARIZONA CORPORATION COMMISSION**

**SUSAN BITTER SMITH**  
Commissioner

Direct Line: (602) 542-3625  
Fax: (602) 542-3669  
E-mail: [Bittersmith-web@azcc.gov](mailto:Bittersmith-web@azcc.gov)

August 21, 2013

Hank Kryzysik  
Pima County Interfaith Council  
3200 N. Los Altos Ave.  
Tucson, AZ 85705

Dear Hank,

I received the letter that you sent to me and would like to thank you for sharing your concerns about deregulation with me. The Commission currently has a generic docket open for this issue. This is indeed an important and serious issue for the Commission. Please know that I will weigh all of the evidence carefully.

Your letter will be made a part of the public record. You can track the case's activity by visiting the Commission's eDocket website, <http://edocket.azcc.gov/edocket/> and entering the docket number E-00000W-13-0135.

Thank you for being part of this important process.

Sincerely,

Susan Bitter Smith  
Commissioner

Arizona Corporation Commission  
**DOCKETED**  
AUG 22 2013

EX-100-100000  
NR

AZ CORP COMMISSION  
DOCKET CONTROL

2013 AUG 22 P 3:55

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**COMMISSIONERS**  
BOB STUMP – Chairman  
GARY PIERCE  
BRENDA BURNS  
BOB BURNS  
SUSAN BITTER SMITH



**ARIZONA CORPORATION COMMISSION**

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August 21, 2013

Alice Weekley  
Pima County Interfaith Council  
3200 N. Los Altos Ave.  
Tucson, AZ 85705

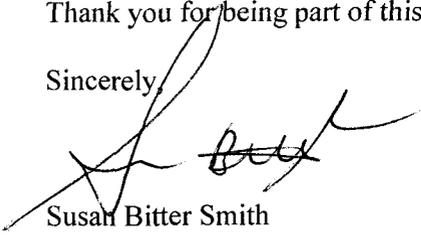
Dear Alice,

I received the letter that you sent to me and would like to thank you for sharing your concerns about deregulation with me. The Commission currently has a generic docket open for this issue. This is indeed an important and serious issue for the Commission. Please know that I will weigh all of the evidence carefully.

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Thank you for being part of this important process.

Sincerely,

  
Susan Bitter Smith  
Commissioner

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August 21, 2013

Peter Woods  
Pima County Interfaith Council  
3200 N. Los Altos Ave.  
Tucson, AZ 85705

Dear Peter,

I received the letter that you sent to me and would like to thank you for sharing your concerns about deregulation with me. The Commission currently has a generic docket open for this issue. This is indeed an important and serious issue for the Commission. Please know that I will weigh all of the evidence carefully.

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Thank you for being part of this important process.

Sincerely,

A handwritten signature in black ink, appearing to read "Susan Bitter Smith", is written over the word "Sincerely,".

Susan Bitter Smith  
Commissioner

BITTER SMITH



PIMA COUNTY INTERFAITH COUNCIL

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2013 AUG 16 A 11:40

ARIZONA CORPORATION COMMISSION  
DOCKET CONTROL

Docket No. E-00000W-13-0135

August 16, 2013

Dear Arizona Corporation Commission members:

The Pima County Interfaith Council, which represents more than 30 institutions and 40,000 local residents, would like to express our concern regarding the issues of retail electrical competition and the potential extreme consequences for Arizona consumers.

Our preliminary review of the retail competition system provides very disturbing data that suggests rate payers, and in particular, low income rate payers will be harmed substantially by increased costs associated with retail competition. In our review of how other states have fared, all indications point to a volatile market that would be harmful for our overall community.

Further, we are concerned that retail competition will particularly harm the poor. This proposed change could lead to the elimination of programs such as bill payment assistance and meaningful utility discounts since there will be little incentive for any utility to put itself at a competitive disadvantage. We are also concerned other companies will fail to engage at the grass-roots level in issues such as energy efficient financing programs that matter to the community. There are many more important issues in our community than just a promise of a lower electric bill. There needs to be a sense of community and caring for those less fortunate or on a fixed income. We feel there is a moral responsibility for the stewardship of the gift of Creation.

We hope that you will consider the bigger picture: the impact that retail competition will have across all classes of customers, not just the few larger commercial users. We hope that you will weigh not just potential positives but also disconcerting negatives that will inevitably come with any significant change in retail electrical competition.

Sincerely,

Peter Woods,  
PCIC Strategy Team  
St. Cyril's Catholic

Alice Weekley,  
PCIC Green Team Chair  
St. Francis UMC

Hank Kryzysik,  
PCIC Green Team  
Our Mother of Sorrows

**COMMISSIONERS**  
BOB STUMP – Chairman  
GARY PIERCE  
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SUSAN BITTER SMITH



**ARIZONA CORPORATION COMMISSION**

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August 21, 2013

Dana Wolfe Naimark  
President and CEO  
Children's Action Alliance  
4001 North Third Street, Suite 160  
Phoenix, AZ 85012

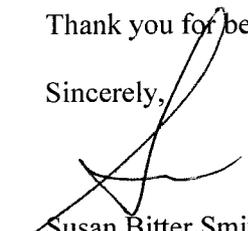
Dear Dana,

I received the letter that you sent to me and would like to thank you for sharing your concerns about deregulation with me. The Commission currently has a generic docket open for this issue. This is indeed an important and serious issue for the Commission. Please know that I will weigh all of the evidence carefully.

Your letter will be made a part of the public record. You can track the case's activity by visiting the Commission's eDocket website, <http://edocket.azcc.gov/edocket/> and entering the docket number E-00000W-13-0135.

Thank you for being part of this important process.

Sincerely,



Susan Bitter Smith  
Commissioner



# Children's Action Alliance

*A Voice for Arizona's Children since 1988*

57X

BITTER SMITH

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A Member of  
**Voices**  
For America's  
Children

August 13, 2013

Bob Stump, Chairman  
Gary Pierce, Commissioner  
Brenda Burns, Commissioner  
Bob Burns, Commissioner  
Susan Bitter Smith, Commissioner  
Arizona Corporation Commission  
1200 West Washington  
Phoenix, AZ 85007-2996

Docket No. E-00000W-13-0135

Dear Commissioners:

Thank you for the opportunity to provide comments regarding retail electric competition in Arizona.

Children's Action Alliance is a statewide non-partisan nonprofit organization promoting policies to strengthen children's health, education, and security for a stronger future for all Arizonans. The evidence shows that deregulation policies in electric utilities go in the opposite direction, threatening reliable electric service and raising costs for those who can least afford it.

Reliable, affordable electric service is essential for all Arizonans regardless of income levels. For low-income families who spend a higher percentage of their income on energy, it is crucial.

The reports of what has happened in other states where deregulation has taken place are extremely concerning. Rates have increased substantially as have customer service complaints. High-pressure door-to-door marketing, including false and misleading statements, are a major concern, as are brownouts and blackouts.

While deregulation may be attractive for those users who have the expertise, time and resources to accurately analyze their usage and continuously choose and re-choose the most advantageous pricing, families who struggle to make ends meet while raising their children do not have that same expertise, time or resources. The experience in other states shows that those who can least afford to pay more for their power will be the ones who see their rates increase.

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2013 AUG 14 A 10:12

ARIZONA CORPORATION COMMISSION  
DOCKET CONTROL

**COMMISSIONERS**  
BOB STUMP – Chairman  
GARY PIERCE  
BRENDA BURNS  
BOB BURNS  
SUSAN BITTER SMITH



**ARIZONA CORPORATION COMMISSION**

**SUSAN BITTER SMITH**  
Commissioner  
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August 21, 2013

The Honorable Gail Griffin  
Arizona State Senator  
District 14  
Capitol Complex, Senate Building  
1700 West Washington  
Phoenix, AZ 85007-2890

Dear Senator Griffin,

Thank you for your thoughtful letter regarding retail competition. I, too, believe this is a serious issue for our state and not to be taken lightly.

The Commission has opened a docket on the retail competition issue which again will allow for open dialogue on this complicated issue. Your letter will also be docketed in the retail competition docket so that it becomes part of the formal record on this issue.

Thank you again for alerting me to your thoughts on this important issue in front of the Commission that has an impact upon our mutual constituents.

Sincerely,

A handwritten signature in black ink, appearing to be "Susan Bitter Smith", written over the word "Sincerely,".

Susan Bitter Smith  
Commissioner

**GAIL GRIFFIN  
STATE SENATOR, DISTRICT 14**

CAPITOL COMPLEX, SENATE BUILDING  
1700 WEST WASHINGTON  
PHOENIX, ARIZONA 85007-2890  
(602) 926-5895  
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E-MAIL: [ggriffin@azleg.gov](mailto:ggriffin@azleg.gov)

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SOVEREIGNTY  
NATURAL RESOURCES & TRANSPORTATION  
VETERANS & MILITARY AFFAIRS

August 14, 2013

Dear Commissioners:

As a current State Senator and energy user, I am very concerned about the Arizona Corporation Commission's (ACC) decision in May to reexamine the issue of a deregulated electric market. The thought of Arizona moving toward a reregulated market is disconcerting because those types of markets are marred by increased prices for electricity and reliability issues. If the ACC decides to reregulate our current utility environment, Arizona could lose one of the greatest benefits from its current system - affordable and reliable power.

Arizona's residential rates are below the national average and lower than almost all of the deregulated states across the nation. After reviewing states with "deregulated" markets, I fear power prices will increase for residential customers because retail marketers are primarily interested in large industrial and commercial loads and they will be lured to leave the current system. If those large loads vacate the system to take advantage of special pricing options designed only for them, residents will be left behind picking up all the costs of the existing system.

Reregulation has also affected the reliability of the electric system in states that have adopted it. The decrease of reliability in Texas, Maryland and New Jersey are just a few examples. These states are trying to address these reliability issues but are realizing that they cannot because their decision to deregulate is irreversible.

As a Senator who represents rural areas in the state, I am especially concerned about the impact of increased costs to my constituents as a result of the aforementioned "cherry-picking". Rural area energy use is predominantly comprised of residential and small business consumers. With only a small percentage of commercial and industrial activity, rural consumers are especially susceptible to cost shifts as a result of a restructured electric market. The affect this would have on the electric co-op's is a big concern to me.

In addition to commercial and industrial customers switching and raising costs for residential customers, all customers will have to pay for the increased costs involved with creating and operating an entity to manage the electric transmission grid. The operational expenses of those entities like the electric Reliability Council of Texas and PJM Regional Transmission Organization are approximately \$280 million dollars per year, which are paid by ratepayers. On top of the exorbitant operating costs, there is

Corporation Commission  
August 14, 2013  
Page 2

the expense of creating the organization which could easily cost more than \$100 million dollars.

To ensure our low and stable rates and reliable service, the ACC needs to quickly and permanently end this relook into the issue of a reregulated retail electric market. The current regulatory model, which includes the ACC's oversight, has kept Arizona's rates low and stable and reliable. Why would you put at risk a system that affords us some of the lowest power prices in the United States?

Thank you.

Respectfully,

A handwritten signature in cursive script, appearing to read "Gail Griffin".

Gail Griffin  
State Senator  
District 14