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Philip J. Dion
Senior Vice President
Public Policy and Customer Solutions

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December 20, 2013

Commissioner Robert L. Burns
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007-2927

Re: Docket No. E-00000J-13-0375
(Pertaining to closed Docket No. E-00000W-13-0135, Inquiry into Retail Electric Competition)
Response to December 6, 2013 Letter

Dear Commissioner Burns:

Tucson Electric Power ("TEP") and UNS Electric ("UNSE") (collectively "Companies") participated in the Commission's inquiry into Retail Electric Competition (Docket No. E-00000W-13-0135) as initially requested by the Arizona Corporation Commission ("Commission") in its letter dated May 23, 2013 from Executive Director Jodi Jerich. Through its participation, the Companies sought to not only be responsive to the Commission's inquiry, but to represent the interests of the Companies and their customers. The Companies also sought to inform elected leaders, community groups and other members of the public about the issues at stake in this docket and engage them in a civic discussion regarding the prospect of retail electric competition.

To directly address the questions posed in your December 6, 2013 letter, I offer the following responses:

- 1) The Companies contributed \$35,520 to support the operations of the Arizona Power Consumers Coalition ("APCC"), a non-profit group that carried out a public relations campaign opposing the prospect of retail electric competition in Arizona. The Companies did not spend any additional money for public relations in support of our position on retail electric competition, excluding legal expenses and other costs associated with the Companies' direct participation in the docket itself as requested by the Commission.
- 2) The Companies' salaried staff spent approximately 75 hours of combined time in public relations activities regarding the Companies' position in this docket. This time includes discussions with elected officials, community groups and other stakeholders as well as APCC meetings. It excludes time devoted to direct participation in this docket, including research, planning, responding to Commission requests and related preparations.
- 3) Although this was a Commission-initiated docket, the Companies will not request recovery in a future rate case for the funds contributed to APCC.

I hope these responses are helpful in your considerations. Please feel free to contact me with any further questions you may have.

Sincerely,

Philip J. Dion

Arizona Corporation Commission

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cc: Docket Control (Original and 13 copies)
Parties of Record in Docket No. E-00000J-13-0375

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