

SUNRUN



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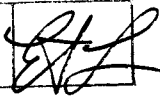
Arizona Corporation Commission

DOCKETED

APR 16 2014

April 15, 2014

Chairman Bob Stump  
Arizona Corporation Commission  
1200 West Washington St.  
Phoenix, AZ 85007

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AZ CORP COMMISSION  
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2014 APR 15 P 1:42

RECEIVED

Re: Response to your letter of April 10th (Docket No. E-00000J-14-0023)

ORIGINAL

Dear Chairman Stump:

We appreciate the opportunity to discuss these important matters with you.

The statements by Ms. Sanders you reference concern APS's lobbying to raise property taxes on the solar industry and are completely accurate. Should APS's solar property tax pass, tens of thousands of Arizonans, along with hundreds of churches, schools, and Arizonans on fixed incomes and retirees across the state, will receive unexpected tax increases that will exacerbate the ongoing deterioration of the Arizona solar market. Eliminating ratepayers' ability to generate a portion of their own electricity is the worst possible outcome for Arizona ratepayers. Complete monopoly control over energy leads to higher prices for all Arizonans.

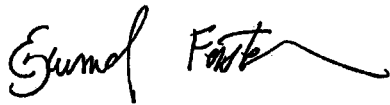
APS made it necessary to discuss this property tax lobbying publicly, by hiding behind yet another Dark Money organization called the Arizona Prosperity Alliance. Throughout the difficult Arizona solar debates, APS has repeatedly targeted solar companies directly. One of the many examples of this includes statements by Barbara Lockwood of APS published in the Arizona Republic on November 11, 2013 in which she stated Arizona solar customers are "gambling" by going solar.

In one of numerous ads that APS initially denied funding, and then later admitted to funding, APS compared Sunrun and SolarCity to an unrelated, bankrupt solar company. (<https://www.youtube.com/watch?v=gZOi-sPF6s>). In another of these ads, APS compared Arizona solar customers to a middle-aged man stealing ice cream sprinkles from small children. ([https://www.youtube.com/watch?v=zJ8tToIeQ\\_U](https://www.youtube.com/watch?v=zJ8tToIeQ_U)).

As either the SEC or corporate governance experts would attest, APS's shareholders are best served by full transparency into the actions of company management. This is particularly true when management deliberately misrepresents how it is spending shareholder resources - whether that be on lobbying for property tax increases, or producing ads about middle-aged sprinkle thieves. Only APS management making smart long-term decisions in concert with its shareholders will maximize the long-term value of its stock and minimize its long-term capital costs.

We welcome a more civil dialogue between APS and the solar industry and will follow your leadership in seeking just that. Thank you for your strong management during this difficult time.

Sincerely,

A handwritten signature in black ink, appearing to read "Edward Fenster", with a long, sweeping horizontal flourish extending to the right.

Edward Fenster

Chairman