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SCHOA Statement to ACC

Open Meeting
September 8, 2015

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AZ CORP COMMISSION

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Regarding EPCOR's request for an extension to file, we approve with one suggestion...

Obtaining the objective of determining whether the rates and charges under a Company-wide rate consolidation as proposed would not result in just and reasonable rates and charges.

The goal of rate consolidation is admirable, but each case considering rate consolidation must be considered independently based on the facts and circumstances of the particular case. In this case, the facts have demonstrated that the existing large disparity in rates among the Company's districts would not result in just and reasonable rates and charges for the preponderance of ratepayers affected.

All the interveners, including the Company, ACC Staff and RUCO have agreed that the rates contained in the Settlement Agreement signed in November of 2014, are just and reasonable. If you think about that – It's huge.

The Commission has ordered the Company to perform a number of "what ifs" (my words), which are proving complicated and time consuming – thus their petition for more time to prepare.

We respectively note that one scenario, full Company-wide consolidation as it stands, will result in unacceptable large cost shifts from one set of ratepayers to others – This is unchanged from previously denied Commission orders for such consolidations. Therefore, we suggest the Commission amend its order to the Company, to use the rates as agreed in the noted Settlement Agreement, as "just and reasonable", as the base rates for the consolidation computation.

It seems that since the Commission is requiring the Company to accumulate abnormal costs at the ratepayers' expense we should begin on the right foot.

Hopefully, you will give this proposal some serious thought. It makes sense.

Thank you.

Greg Eisert

Arizona Corporation Commission

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